



Registration of a Charge

Company name: **Bestway Panacea Holdings Limited**

Company number: **09225479**



X6FZV17U

Received for Electronic Filing: **29/09/2017**

Details of Charge

Date of creation: **25/09/2017**

Charge code: **0922 5479 0002**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC, 250 BISHOPSGATE, LONDON, EC2M 4AA AS SECURITY AGENT (AS TRUSTEE FOR EACH OF THE SECURED PARTIES)**

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:

CLIFFORD CHANCE



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9225479

Charge code: 0922 5479 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th September 2017 and created by Bestway Panacea Holdings Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th September 2017 .

Given at Companies House, Cardiff on 3rd October 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**

DATED 25 SEPTEMBER 2017

THE PERSONS LISTED IN SCHEDULE 1
AS CHARGORS

IN FAVOUR OF

THE ROYAL BANK OF SCOTLAND PLC
AS SECURITY AGENT

DEBENTURE

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THIS DEBENTURE is made by way of deed on 25 September 2017
BY:

- (1) **THE PERSONS** listed in Schedule 1 (*The Original Chargors*) (each an "**Original Chargor**") in favour of
- (2) **THE ROYAL BANK OF SCOTLAND PLC** as trustee for each of the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:

"**Account**" means each of the accounts opened or maintained by any Chargor with the Security Agent, any bank, building society, financial institution or other person (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby being, as at the date of this Debenture, the accounts listed in Schedule 4 (*Accounts*).

"**Additional Chargor**" means a member of the Group which becomes a Chargor by executing a Security Accession Deed.

"**Administration Event**" means:

- (a) the presentation of an application to the court for the making of an administration order in relation to any Chargor; or
- (b) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of any Chargor or the filing of such a notice with the court.

"**Charged Assets**" means all of the assets and undertaking of each Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Debenture.

"**Chargor**" means an Original Chargor or an Additional Chargor.

"**Collateral Rights**" means all rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture or by law.

"**Declared Default**" means an Event of Default which is continuing and in respect of which a notice has been served by the Facility Agent in accordance with clause 24.14 (*Acceleration*) of the Facilities Agreement.

"**Edgware Property**" means the Real Property comprising Unit A, Geron Way, Edgware Road, London with title number NGL 376 222 and Geron Way, Edgware Road, London with title number AGL229357.

"Excluded Companies" means each of Bestway Limited, Bestway Direct Limited, Batleys Limited, Benson (Grocers) Limited, Batleys Glasgow Limited, Bellevue Cash and Carry Limited, P. Williams Chemists (Chester) Limited, Crown Imperial Associates Limited, Pills Limited, RLJ Consultancy Limited, G Lightfoot & Sons Limited, Thomas Hetherington Ltd and Euroimpex (U.K.) Limited, to the extent that each such company does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) which in aggregate have a value of £250,000 or more (or the equivalent in other currencies).

"Excluded Real Property" means:

- (a) any Real Property comprising Rack Rent Leases;
- (b) any lease or license with a remaining term of less than 25 years;
- (c) any lease or license with a capital value of less than £250,000;
- (d) the Wells Properties; and
- (e) the Edgware Property.

"Facilities Agreement" means the term loan and revolving facilities agreement dated on or about the date of this Debenture and made between, amongst others, Bestway Securities Limited as parent, Bestway UK Holdco Limited and Bestway Wholesale Limited as original borrowers, The Royal Bank of Scotland plc as agent and security agent and the banks and financial institutions named therein as arrangers and original lenders.

"Fixed Security" means any mortgage, fixed charge or assignment expressed to be created by or pursuant to Clause 4 (*Fixed Security*) of this Debenture.

"Insurance Policy" means any policy of insurance in which any Chargor may from time to time have an interest but excluding any third party liability insurance, directors' and officers' insurance, public liability insurance and any other insurance the proceeds of which are payable to the employees of any Chargor or any other third party in respect of the liability in relation to which such insurance policies are taken out.

"Intellectual Property" means any patents, trade marks, service marks, designs, business and trade names, copyrights, database rights, design rights, moral rights, inventions, confidential information, KnowHow and other intellectual property rights and interests which are material to any Chargor's business and cannot be readily sourced in any other way, whether registered or unregistered, and the benefit of all applications and rights to use such assets in which any Chargor may from time to time have an interest.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this Debenture and made between, amongst others, Bestway Securities Limited as parent, Bestway (Holdings) Limited as subordinated creditor, the entities listed therein as debtors and intra-group lenders and The Royal Bank of Scotland plc as security agent.

"Investments" means any:

- (a) stocks, shares, debentures, securities and certificates of deposit and other instruments creating or acknowledging indebtedness, including alternative finance investment bonds (but not including the Shares);
- (b) interests in collective investment schemes, in whatever form or jurisdiction any such scheme is established, including partnership interests;
- (c) warrants and other instruments entitling the holder to subscribe for or acquire any investments described in paragraphs (a) or (b) above;
- (d) certificates and other instruments conferring contractual or property rights (other than options) in respect of the investments in paragraphs (a), (b) or (c) above; and
- (e) options to acquire any investments described in paragraphs (a), (b), (c) or (d) above,

in each case whether held directly by or to the order of any Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system including, without limitation, any contractual rights or any right to delivery of all or any part of such investments from time to time).

"Material Insurance Policy" means any Insurance Policy in respect of assets which are necessary to the carrying out of the Group's business.

"Material Real Property" means the Mortgaged Property, any additional Real Property charged pursuant to a legal mortgage which is supplemental to this Debenture, or any Real Property listed in the schedule of any Security Accession Deed by which a Chargor becomes a party to this Debenture and any other Real Property owned by a Chargor from time to time where, in each case:

- (a) if acquired prior to the date of this Debenture or any Security Accession Deed in respect of that Chargor, the valuation for such Real Property, as set out in the Property Valuation Report, is £4,000,000 or more (or its equivalent in any other currency); and
- (b) if acquired after the date of this Debenture or any Security Accession Deed in respect of that Chargor, the total consideration for the acquisition of such Real Property exceeds £4,000,000 (or its equivalent in any other currency)

"Monetary Claims" means any book and other debts and monetary claims owing to any Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any court order or judgment, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor).

"Mortgaged Property" means the Real Property specified in Schedule 2 (*Mortgaged Property*) or in any Security Accession Deed.

"Netting Arrangement" means a cash pooling arrangement entered into by one or more Chargors with any Secured Party in accordance with the terms of the Facilities Agreement and pursuant to which that Secured Party has the right to set-off debt and credit balances owing as between the relevant Chargors.

"Notice of Assignment" means a notice of assignment in substantially the form set out in Schedule 6 (*Form of Notice of Assignment of Insurance Policy*) or in such form as may be agreed between the Security Agent and a Chargor.

"Notice of Charge" means a notice of charge in substantially the form set out in Schedule 5 (*Form of Notice of Security to Account Bank*) or in such form as may be agreed between the Security Agent and a Chargor.

"Real Property" means (including as provided in Clause 1.5 (*Real Property*)) any present or future freehold or leasehold or immovable property located in England and Wales and any other interest in land or buildings and any rights relating thereto in which any Chargor has an interest.

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

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Obligations" means all present and future obligations and liabilities at any time due, owing or incurred by each Chargor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any other Secured Party under or pursuant to each of the Finance Documents, whether actual or contingent, whether originally incurred by that Chargor or by any other person and whether incurred solely or jointly and as principal or surety or in any other capacity, including any liability in respect of any further advances made under the Finance Documents, except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful, prohibited or invalid by or under any applicable law.

"Security Accession Deed" means a security accession deed in substantially the form set out in Schedule 7 (*Form of Security Accession Deed*) or in such form as may be agreed between the Security Agent and the Parent.

"Security Period" means the period beginning on the date of this Debenture and ending on the Final Discharge Date.

"Shares" means any stocks, shares, debentures and other securities listed in Schedule 3 (*Shares and Investments*), any stocks, shares, debentures and other securities listed as such in any Security Accession Deed and all of each Chargor's other present and

future shares in the capital of any member of the Group from time to time held by, to the order, or on behalf, of each Chargor but excluding the shares held by any Chargor in an Excluded Company.

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress).

"Wells Companies" means Bestway Panacea Holdings Limited and its Subsidiaries from time to time.

"Wells Properties" means any Real Property owned by the Wells Companies.

1.2 Terms defined in other Finance Documents

Unless defined in this Debenture, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Debenture, or any notice given under or in connection with this Debenture.

1.3 Construction

In this Debenture:

- (a) the rules of interpretation contained in clauses 1.2 (*Construction*) and 1.3 (*Currency Symbols and definitions*) of the Facilities Agreement shall apply to the construction of this Debenture, or in any notice given under or in connection with this Debenture;
- (b) any reference to the **"Security Agent"**, the **"Secured Parties"**, the **"Finance Parties"**, a **"Chargor"**, an **"Original Chargor"**, an **"Additional Chargor"** or any **"Obligor"** shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Intercreditor Agreement;
- (c) any reference to **"including"** and **"include"** shall mean including and include "without limitation" and any words following such terms shall be construed as illustrative and shall not limit the meaning or scope of the phrase or words preceding such terms; and
- (d) references in this Debenture to any Clause or Schedule shall be to a Clause or Schedule contained in this Debenture.

1.4 Present and future assets

- (a) A reference in this Debenture to any Mortgaged Property, Charged Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Charged Assets and other assets.

- (b) The absence of or incomplete details of any Charged Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture.

1.5 Real Property

- (a) A reference in this Debenture to any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.
- (b) The terms of the Facilities Agreement and each other Finance Document are incorporated into this Debenture and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Separate Security

Clauses 4.1 (*Mortgage of Real Property*) to 4.13 (*Assignment of Material Insurance Policies*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Debenture and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Debenture or any act or omission by any party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on any other asset whether within that same class of assets or not.

1.7 Security Agent assumes no obligation

The Security Agent shall not be under any obligation in relation to the Charged Assets as a consequence of this Debenture and each Chargor shall at all times remain liable to perform all obligations in respect of the Charged Assets.

1.8 Security Accession Deeds

This Debenture and each Security Accession Deed (if any) shall be read together and construed as one instrument so that all references in this Debenture to "this Debenture" shall be deemed to include, where the context so permits, each Security Accession Deed which has from time to time been entered into by Additional Chargors and all references in this Debenture to any "Security created by this Debenture" or "Security created pursuant to this Debenture" shall be deemed to include any Security created by or pursuant to each such Security Accession Deed, and all the powers and rights conferred on the Security Agent and any Receiver in relation to the Security created by this Debenture shall extend and apply to the Security created by each such Security Accession Deed.

2. COVENANT TO PAY

2.1 Covenant to pay

Each Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations at the times and in the manner provided in the relevant Finance Documents.

2.2 Default interest

If any Chargor fails to pay any amount payable by it under this Debenture on its due date, interest shall accrue on the overdue amount in accordance with and on the terms set out in, clause 10.3 (*Default interest*) of the Facilities Agreement.

3. COMMON PROVISIONS**3.1 Common provisions as to all Security**

All the Security created by or pursuant to this Debenture is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Debenture and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

Each Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY**4.1 Mortgage of Real Property**

Each Chargor charges, by way of first legal mortgage, its Mortgaged Property.

4.2 Fixed charge over Material Real Property

Each Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Material Real Property (other than any Excluded Property) and all Related Rights (other than any Related Rights relating to any Excluded Property).

4.3 Fixed charge over Tangible Moveable Property

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property and all Related Rights.

4.4 Fixed charge over Accounts

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights.

4.5 Fixed charge over contracts

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which that Chargor is a party and all Related Rights.

4.6 Fixed charge over Monetary Claims

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture) and all Related Rights (to the extent not already charged under this Clause 4.6).

4.7 Fixed charge over Investments

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Shares

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Shares and all dividends, interest and other monies payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.9 Fixed charge over Intellectual Property

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Intellectual Property and all Related Rights.

4.10 Fixed charge over goodwill

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of that Chargor.

4.11 Fixed charge over other assets

Each Chargor charges (to the extent not validly and effectively assigned pursuant to Clause 4.13 (*Assignment of Material Insurance Policies*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each Material Insurance Policy of that Chargor and all Related Rights in relation to each of those assets.

4.12 Assignment of Material Insurance Policies

Each Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each Material Insurance Policy of that Chargor.

4.13 Set off

Any charge granted under this Debenture is, and is intended to be at all times, subject to the right of any Secured Party to exercise rights of set off under a Netting Arrangement or by operation of law.

5. FLOATING CHARGE**5.1 Floating charge**

- (a) Each Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets and undertaking of that Chargor.
- (b) The floating charge created pursuant to paragraph (a) of Clause 5.1 above shall be deferred in point of priority to all Fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) of Clause 5.1 above.

5.2 Crystallisation: by notice

The Security Agent may at any time by notice in writing to any Chargor convert the floating charge created by it pursuant to Clause 5.1 (*Floating Charge*) or pursuant to a Security Accession Deed with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) a Declared Default has occurred;
- (b) the Security Agent considers (acting in good faith) that any of the Charged Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process (except as expressly permitted by the Finance Documents);
- (c) the Security Agent considers (acting in good faith) that it is necessary in order to protect the priority of the Security;
- (d) any Chargor requests the Security Agent to exercise any of its powers under this Debenture; or
- (e) a petition is presented for the compulsory winding-up of the Chargor, except where such winding-up petition is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

5.3 Crystallisation: automatic

Notwithstanding Clause 5.2 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, a floating charge created by a Chargor pursuant to Clause 5.1 (*Floating Charge*) or pursuant to a Security Accession Deed will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if, in relation to that Chargor:

- (a) the Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Charged Assets;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets;
- (c) an Administration Event occurs;
- (d) a Receiver is appointed over all or any of the Charged Assets;
- (e) a meeting is convened for the passing of a resolution for the voluntary winding-up of the Chargor;
- (f) a provisional liquidator is appointed to the Chargor; or
- (g) a resolution is passed or an order is made for the dissolution or reorganisation of the Chargor,

or any analogous procedure or step is taken in any jurisdiction.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

Except as permitted under the Facilities Agreement no Chargor shall at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

6.2 Implied covenants for title

- (a) 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 Clauses 4 (*Fixed Security*) or 5 (*Floating charge*).
- (b) It shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

6.3 Notice of Security: Accounts

- (a) Each Chargor shall, if requested by the Security Agent from time to time following the occurrence of a Declared Default, promptly deliver to the

Security Agent (or procure the delivery of) a Notice of Charge in relation to the Accounts duly executed by, or on behalf of, that Chargor and each such Chargor shall use all reasonable endeavours to procure from each account bank, building society, financial institution or other person with which any Account is opened or maintained, an acknowledgement in the form set out in such Notice of Charge within 20 Business Days of service of the Notice of Charge in relation to the relevant Account. If such acknowledgment is not received within 20 Business Days of service of the Notice of Charge, no further action shall be required by such Chargor to obtain an acknowledgment of that Notice of Charge.

- (b) The execution of this Debenture by each Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created over any Account opened or maintained with the Security Agent.

6.4 Notice of Security: Material Insurance Policies

Each Chargor shall, if requested by the Security Agent from time to time after the occurrence of a Declared Default, promptly deliver to the Security Agent (or procure the delivery of) a Notice of Assignment in relation to the Insurance Policies duly executed by, or on behalf of, that Chargor and each such Chargor shall use all reasonable endeavours to procure from each insurance provider with whom any Insurance Policy is maintained, an acknowledgement in the form set out in such Notice of Assignment within 20 Business Days of service of the Notice of Assignment in relation to the relevant Insurance Policy. If such acknowledgment is not received within 20 Business Days of service of the Notice of Assignment, no further action shall be required by such Chargor to obtain an acknowledgment of that Notice of Assignment.

6.5 Deposit of documents of title: Investments

After the occurrence of a Declared Default, each Chargor shall promptly on the request of the Security Agent, deposit with the Security Agent (or procure the deposit of) all of the Investments and any certificates and other documents of title representing the Investments to which that Chargor (or its nominee(s)) is or becomes entitled, together with any other document which the Security Agent may reasonably request (in such form and executed in such manner as the Security Agent may reasonably require (including stock transfer forms or other instruments of transfer executed in blank by it or on its behalf), with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

6.6 Deposit of share certificates

Each Chargor shall:

- (a) if it is an Original Chargor:
 - (i) in accordance with clause 23.20 (*Conditions subsequent*) of the Facilities Agreement deposit with the Security Agent (or procure the deposit of) pdf copies of all certificates and other documents of title to

its Shares, and stock transfer forms (executed in blank by it or on its behalf) in relation to its Shares as at the date of this Debenture (the "Relevant Share Documents"); and

- (ii) deposit with the Security Agent (or procure the deposit of) original copies of the Relevant Share Documents within 3 Business Days of the Closing Date;
- (b) if it is an Additional Chargor, on the date of the relevant Security Accession Deed deposit with the Security Agent (or procure the deposit of) original copies of all certificates and other documents of title to its Shares, and stock transfer forms (executed in blank by it or on its behalf) in relation to its Shares as at the date of that Security Accession Deed; and
- (c) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares (or upon acquiring any interest therein), notify the Security Agent of that occurrence and deposit with the Security Agent (or procure the deposit of) (i) all certificates or other documents of title representing such assets and (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.

6.7 Deposit of title deeds

Each Chargor shall:

- (a) if it is an Original Chargor:
 - (i) in accordance with clause 23.20 (*Conditions subsequent*) of the Facilities Agreement deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title in relation to its Material Real Property as at the date of this Debenture (the "Relevant Title Documents");
 - (ii) deposit with the Security Agent (or procure the deposit of):
 - (A) original copies of the Relevant Title Documents within 3 Business Days of the Closing Date; and
 - (B) at any time thereafter, any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items;
- (b) if it is an Additional Chargor, deposit with the Security Agent (or procure the deposit of):
 - (i) on the date of the relevant Security Accession Deed, original copies of all deeds, certificates and other documents constituting or evidencing title in relation to its Material Real Property as at the date of that Security Accession Deed;

- (ii) at any time thereafter, any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items; and
- (c) promptly upon the acquisition by it of any interest in any Material Real Property at any time, deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title in relation to such Material Real Property.

6.8 Application to HM Land Registry

Each Chargor hereby consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyancer]."

6.9 Registration of Intellectual Property

Each Chargor shall, if requested by the Security Agent following the occurrence of a Declared Default, execute all such documents and do all such acts as the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Intellectual Property.

6.10 Further advances

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor who is a Borrower and that obligation will be deemed to be incorporated in this Debenture as if set out in this Debenture.
- (b) Each Chargor who is a Borrower consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of its Charged Assets.

7. FURTHER ASSURANCE

7.1 Extension of implied covenant

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 Clause 7.2 (*Consents*) below.

7.2 Consents

- (a) Each Chargor shall, as soon as reasonably practicable, use reasonable endeavours to obtain any consents necessary or to remove any restriction on

the creation of Security to enable the assets of that Chargor to be the subject of the relevant Fixed Security pursuant to this Debenture.

- (b) Promptly upon obtaining any such consent or removing any such restriction, the asset concerned will become subject to that Fixed Security and each relevant Chargor shall promptly deliver a copy of such consent or evidence of such removal to the Security Agent.

8. SHARES AND INVESTMENTS

8.1 Dividends prior to a Declared Default

Prior to the occurrence of a Declared Default, each Chargor shall be entitled to receive all dividends, interest and other monies or distributions of an income nature arising from the Shares.

8.2 Dividends after a Declared Default

Upon the occurrence of a Declared Default, the Security Agent may, at its discretion, in the name of each relevant Chargor or otherwise and without any further consent or authority from the relevant Chargor, apply all dividends, interest and other monies arising from the Shares as though they were the proceeds of sale in accordance with Clause 16 (*Application of Proceeds*).

8.3 Voting rights prior to Security Agent Notice

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*), each Chargor shall be entitled to exercise all voting rights in relation to the Shares.

8.4 Voting rights after Security Agent Notice

Subject to Clause 8.5 (*Waiver of voting rights by Security Agent*), upon the occurrence of a Declared Default, the Security Agent may (but without having any obligation to do so) give notice to any relevant Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Agent may, at its discretion, in the name of each relevant Chargor or otherwise and without any further consent or authority from that Chargor:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (b) transfer the Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares including the right, in relation to any company whose shares or other securities are included in the Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange,

conversion or reissue of any shares or securities as a consequence thereof);

- (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Shares.

8.5 Waiver of voting rights by Security Agent

- (a) The Security Agent may, in its absolute discretion and without any consent or authority from the other Secured Parties or any relevant Chargor, at any time, by notice to any relevant Chargor (which notice shall be irrevocable), with a copy to the Agent, elect to give up the right to exercise (or refrain from exercising) all voting rights and powers in respect of the Shares conferred or to be conferred on the Security Agent pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*) and the other Secured Parties unconditionally waive any rights they may otherwise have to require the Security Agent not to make such election or to require the Security Agent to indemnify, compensate or otherwise make good for any losses, costs or liabilities incurred by any of them in relation to or as a consequence of the Security Agent making such election.
- (b) Once a notice has been issued by the Security Agent under paragraph (a) of this Clause 8.5, on and from the date of such notice the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights and powers in respect of the Shares conferred or to be conferred on it pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*) or any other provision of this Debenture and all such rights will be exercisable by the relevant Chargor. Each relevant Chargor shall be entitled, on and from the date of such notice, to exercise all voting rights and powers in relation to the Shares.

8.6 Shares: Voting rights

Except as permitted by the Facilities Agreement, no Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Shares in any manner, or otherwise permit or agree to or concur or participate in any:

- (a) variation of the rights attaching to or conferred by all or any part of the Shares;
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Debenture;
- (c) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or

- (d) reconstruction, amalgamation, sale or other disposal of any company or any of the assets or undertaking of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged pursuant to this Debenture,

which, in the opinion of the Security Agent (acting reasonably), would adversely affect the validity or enforceability of the Security created pursuant to this Debenture or materially prejudice the value of such Security **provided that** the proceeds of any such action shall form part of the Shares.

8.7 Investments and Shares: Payment of calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and Shares.

8.8 Investments: Exercise of rights

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which, in the opinion of the Security Agent (acting reasonably), would adversely affect the validity or enforceability of the Security created pursuant to this Debenture or materially prejudice the value of such Security.

9. ACCOUNTS

9.1 Accounts: Notification and variation

Each Chargor shall promptly deliver to the Security Agent on the date of this Debenture or, if applicable, on the date of the relevant Security Accession Deed (and, if any change occurs thereafter, within 5 Business Days of the date of such change), details of each Account opened or maintained by it with any bank, building society, financial institution or other person.

9.2 Accounts: Operation before Declared Default

Each Chargor shall, prior to the occurrence of a Declared Default, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.

9.3 Accounts: Operation after Declared Default

After the occurrence of a Declared Default no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Security Agent.

9.4 Accounts: Application of monies

The Security Agent shall, upon the occurrence of a Declared Default, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 16 (*Application of Proceeds*).

10. MONETARY CLAIMS

10.1 Release of Monetary Claims: Before Declared Default

Prior to the occurrence of a Declared Default, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Debenture or in the Facilities Agreement), upon such proceeds being credited to an Account, be released from the fixed charge created pursuant to Clause 4 (*Fixed Security*) or pursuant to any Security Accession Deed and the relevant Chargor shall be entitled to withdraw such proceeds from such Account **provided that** such proceeds shall continue to be subject to the floating charge created pursuant to Clause 5 (*Floating Charge*) or pursuant to any Security Accession Deed and the terms of this Debenture.

10.2 Release of Monetary Claims: After Declared Default

After the occurrence of a Declared Default no Chargor shall, except with the prior written consent of the Security Agent, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

11. INSURANCES

11.1 Application of Insurance proceeds

All monies received under any Material Insurance Policies relating to the Charged Assets shall (subject to the rights and claims of any person having prior rights to such monies):

- (a) prior to the occurrence of a Declared Default, be applied in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed in such manner as the Parent or the relevant Chargor sees fit; and
- (b) after the occurrence of a Declared Default, be held upon trust for the Security Agent pending payment to the Security Agent for application in accordance with Clause 16 (*Application of Proceeds*) and each Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Assets.

12. ENFORCEMENT OF SECURITY

12.1 Enforcement

Any time after the occurrence of:

- (a) a Declared Default;
- (b) an Administration Event;
- (c) any event which causes the Security Agent (acting reasonably) to believe that all or any part of the Charged Assets is in danger of seizure, distress or other

legal process or that all or any part of the Security created by or pursuant to this Debenture is otherwise for any reason whatsoever in jeopardy; or

- (d) a request from any Chargor to the Security Agent that it exercise any of its powers under this Debenture,

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

- (i) secure and perfect its title to all or any part of the Charged Assets;
- (ii) enforce all or any part of that 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 Assets (and any assets of the relevant Chargor which, when got in, would be part of the Charged Assets) 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.

The Security Agent shall as soon as reasonably practicable notify the Parent of any action it takes pursuant to this Clause 12.1.

12.2 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 12.1 (*Enforcement*) or Clause 5.2 (*Crystallisation: by notice*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining, or taking steps to obtain, a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

13. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

13.1 Extension of power of sale

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Debenture or, in respect of Charged Assets secured pursuant to a Security Accession Deed, on the date of the Security Accession Deed.

13.2 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 any Chargor on or at any time after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*).

13.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither section 99(18) nor section 100(12) of the Law of Property Act 1925 will apply.
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to section 99 of the Law of Property Act 1925, to make any lease in respect of any Real Property without the prior written consent of the Security Agent or as permitted pursuant to the terms of the Facilities Agreement.

13.4 Right of appropriation

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*) to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, (the "**Regulations**") apply to a Charged Asset, the Security Agent shall have the right to appropriate all or any part of that Charged Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the relevant Chargor. For this purpose, the parties agree that the value of that Charged Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time of appropriation; and
- (b) in the case of any Investments and/or Shares, the market value of such Investments and/or Shares determined by the Security Agent by reference to a public index or independent valuation, or by such other process as the Security Agent may select.

In each case, the parties further agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13.5 Statutory powers

The powers conferred by this Debenture on the Security Agent are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise

by law (as extended by this Debenture) and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets. In the case of any conflict between the statutory powers contained in any such Acts and those conferred by this Debenture, the terms of this Debenture shall prevail.

14. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

14.1 Appointment and removal

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent);

- (a) without prior notice to any Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets;
 - (ii) appoint two or more Receivers of separate parts of the Charged Assets;
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed;
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); and
 - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

14.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 14.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

14.3 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 Debenture) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets.

15. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Charged Assets (and any assets of any Chargor which, when got in, would be Charged Assets) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Charged Assets.

16. APPLICATION OF PROCEEDS

All monies received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Intercreditor Agreement.

17. PROTECTION OF PURCHASERS

17.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

17.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned to inquire whether that power has been properly or regularly exercised by the Security Agent or such Receiver in such dealings.

18. POWER OF ATTORNEY

18.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

- (a) following the occurrence of a Declared Default; or
- (b) following a failure by the Chargor to comply with any further assurance or perfection obligation under this Debenture within 15 Business Days of being notified in writing by the Security Agent of such failure and being requested to comply with such further assurance or perfection obligation under this Debenture,

execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (i) ensuring the perfection or maintenance of, or the validity, enforceability and admissibility in evidence of, the Security created or intended to be created in respect of the Charged Assets; and
- (ii) enabling the Security Agent and any Receiver to exercise (subject to Clause 8.6 (*Waiver of voting rights by Security Agent*)), or delegate the exercise of, any of the Collateral Rights (including, after the occurrence of a Declared Default, the exercise of any right of a legal or beneficial owner of the Charged Assets).

18.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

19. EFFECTIVENESS OF SECURITY**19.1 Continuing security**

- (a) The Security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Agent in writing.
- (b) No part of the Security from time to time intended to be created by this Debenture will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

19.2 Cumulative rights

The Security created by or pursuant to this Debenture, and the Collateral Rights, shall be cumulative, in addition to and independent of every other Security which the Security Agent or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Assets shall merge into the Security created by this Debenture.

19.3 No prejudice

The Security created by or pursuant to this Debenture, and the Collateral Rights, 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, or 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 or any Collateral Right.

19.4 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Debenture or any neglect or default in connection with the Charged Assets or taking possession of or realising all or any part of the Charged Assets,

except in the case of gross negligence or wilful default upon its part.

19.5 Waiver of defences

The obligations assumed, and the Security created, by each Chargor under this Debenture, and the Collateral Rights, will not be affected by any act, omission, matter or thing which, but for this Clause 19.5, would reduce, release or prejudice any of its

obligations under, or the Security created by, this Debenture (whether or not known to that Chargor or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, 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 Obligor 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 Obligor 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 Finance Document or any other document or Security or of the Secured Obligations including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

19.6 **Chargor intent**

Without prejudice to the generality of Clause 19.5 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Debenture, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.7 **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.

19.8 Deferral of rights

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture:

- (a) to be indemnified by an Obligor or in respect of any other person;
- (b) to claim any contribution from any guarantor or any other person in respect of any Obligor's obligations under the Finance Documents;
- (c) 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 Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor or other person to make any payment, or perform any obligation, in respect of which any Obligor or other person has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor or other person; and/or
- (f) to claim or prove as a creditor of any Obligor 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 Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 16 (*Application of Proceeds*).

19.9 Additional Security

The Security created by each Chargor under this Debenture and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by any Secured Party.

20. PRIOR SECURITY INTERESTS

20.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Security Agent or any Receiver of any power of sale or right of appropriation or application under this Debenture, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.

20.2 Accounts

The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.

20.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Agent on demand together with accrued interest thereon calculated in accordance with Clause 2.2 (*Default interest*).

21. SUBSEQUENT SECURITY INTERESTS

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all or any part of the Charged Assets which is prohibited by the terms of any Finance Document, all payments thereafter made by or on behalf of the relevant Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

22. RELEASE OF SECURITY**22.1 Release of Security**

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of each Chargor, release and cancel the Security created by this Debenture and procure the reassignment to the relevant Chargor of the property and assets assigned to the Security Agent pursuant to this Debenture, in each case subject to Clause 22.2 (*Clawback*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

22.2 Clawback

If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Debenture and the Security created by that document will continue and such amount will not be considered to have been irrevocably paid or credited.

23. SET-OFF

Subject to each Secured Party having exercised any rights of set-off available to it under a Netting Arrangement or by operation of law, each Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Agent to any Chargor and apply any credit balance to which that Chargor is entitled on any

account with the Security Agent in accordance with Clause 16 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

24. CHANGES TO THE PARTIES

24.1 No assignments or transfers by Chargor

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Debenture.

24.2 Assignments by the Security Agent

The Security Agent may assign all or any of its rights under this Debenture in accordance with clause 16 (*The Security Agent*) of the Intercreditor Agreement. The Security Agent shall be entitled to disclose such information concerning any Chargor and this Debenture as the Security Agent considers appropriate to any actual or proposed direct or indirect assignee or to any person to whom information may be required to be disclosed by any applicable law, in each case in accordance with clause 38 (*Confidential Information*) of the Facilities Agreement.

24.3 Additional Chorgors

Each party to this Debenture acknowledges and agrees that a member of the Group may become an Additional Chargor and party to this Debenture by executing and delivering a Security Accession Deed.

Each Chargor other than the Parent irrevocably appoints the Parent as its attorney for the purpose of executing a Security Accession Deed on its behalf.

24.4 Successors

This Debenture shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent. References to the Security Agent shall include (i) any transferee, assignee or successor in title of the Security Agent, (ii) any entity into which the Security Agent is merged or converted or with which it may be consolidated, (iii) any legal entity resulting from any merger, conversion or consolidation to which such Security Agent is a party and (iv) any other person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Debenture or to which, under such laws, those rights and obligations have been transferred (such person described in (i) to (iv) being a successor to the Security Agent for all purposes under the Finance Documents).

25. NOTICES

Each communication to be made under or in connection with this Debenture shall be made in accordance with clause 33 (*Notices*) of the Facilities Agreement.

26. GOVERNING LAW

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

27. JURISDICTION

27.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of, or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Debenture).

27.2 Convenient forum

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that no Chargor will argue to the contrary.

27.3 Exclusive jurisdiction

Notwithstanding Clause 27.1 (*English Courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed by the Security Agent and executed as a deed by each Original Chargor and is delivered by them as a deed on the date stated at the beginning of this Debenture.

SCHEDULE 1
THE ORIGINAL CHARGORS

Name and Company Number of Chargor	Jurisdiction	Address, fax number and name of relevant department or officer to receive notice
Bestway UK Holdco Limited, registration number 09106288	England and Wales	2 Abbey Road, Park Royal, London, NW10 7BW FAO: Company Secretary
Bestway Securities Limited, registration number 09106250	England and Wales	
Bestway Northern Limited, registration number 02675585	England and Wales	
Bestway Wholesale Limited, registration number 01207120	England and Wales	
Palmbest Limited, registration number 02548785	England and Wales	
MAP Trading Limited, registration number 01826942	England and Wales	
Batleys Properties Limited, registration number 00170410	England and Wales	
Bestway Panacea Holdings Limited, registration number 09225479	England and Wales	Merchants Warehouse, Castle Street, Castlefield, Manchester, M3 4LZ FAO: Company Secretary
Bestway Pharmacy NDC Limited, registration number 01050265	England and Wales	
Bestway Panacea Healthcare Limited, registration number 09225514	England and Wales	
Bestway National Chemists Limited, registration number 09225457	England and Wales	
Donald Wardle and Son Limited, registration number 02914910	England and Wales	

SCHEDULE 2
MORTGAGED PROPERTY

Chargor name and number	Property Description	Title Number	Freehold or Leasehold
Bestway Northern Limited 02675585	Redfern Road, Tyseley, Birmingham	WM599697	Freehold
	Unit-1, Chancerygate, Buisness park, Heysham Road, Aintree, Liverpool, L70 1JL, Aintree	MS575366	Freehold
	2 Roway Lane, Oldbury, Oldbury	WM743129	Freehold
	Walsingham Drive, Bermuda Park, Nuneaton	WK389056	Freehold
	Follingsby Close, Wardley, Gateshead	TY401716	Leasehold
	Kingsway Park, St Anne Street, Liverpool	MS202573	Freehold
		MS375360	Freehold
	Yew Street, Manchester, Stockport	GM850168	Freehold
		GM347807	Freehold
	Lymedale Park, Holditch, Newcastle Under Lyme	SF434342	Freehold
	262 Princessway central, Team Valley Trading Estate, Gateshead, NE11 0UT, Depot, Team Valley	TY97026	Leasehold
	691 Princes Avenue, Southend on sea, SS0 0JA, Investment, Southend on sea	EX64316	Freehold
	West Service Road, Raynesway, Derby	DY366416	Freehold
	Stone Hill Road, Farnworth, Bolton	GM821631	Freehold

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	Oldham Road, Newton Heath, Manchester	GM622576	Freehold
	Lower Eccleshill Road, Darwen, Darwen	LA922536	Freehold
Palmbest Limited 02548785	115 – 123 Powis Street, Woolwich	SGL31171	Freehold
	32 – 48 Woodall Road, Redburn Industrial Estate, Enfield	EGL318257	N/A
	Units 1-9, Lea Bridge Industrial Estate, Heybridge Way, London	EGL294445	Freehold
	Unit 1, Hood Street, Coventry	WK194086	Freehold
	320 – 324 Kilburn High Road, Kilburn, London	NGL239996	Freehold
		NGL239997	Freehold
		NGL239998	Freehold
		NGL240000	Freehold
		LN47054	Freehold
	206 Earls Court Road & Flats 1-4 Trebovir Road, Earls Court, London	LN107335	Freehold
	87 High Street, Brentwood	EX448989	Freehold
	61, Chappel Market, Islington, London	LN89626	Freehold
	612-612a Finchley Road, Golders Green	NGL171816	Freehold
	5-11 Westbourne Grove, Westbourne Grove	NGL15516	Freehold

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	235-237 Finchley Rd, Finchley, London	NGL395971	Freehold
	Units 1-5, 95 Victoria Road, Acton	MX441711	N/A
	Chingford House, 17 Silverthorne Gardens, Chingford	EGL115949	N/A
	Units 1-4, Ardra Road, Meridian Way, Edmonton	AGL149260	N/A
	The residential apartments and retail units at 266-272 Cambridge Heath Road and 2, 4, 6 and 8 Wadeson Street, Hackney, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Palmbest Limited dated on or about the date of this deed	LN8829	N/A
		(294531 – this title number relates to the substation on site)	N/A
	The land at 241 Loughborough Road, Leicester, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Palmbest Limited dated on or about the date of this deed	LT465241	N/A
	207-211 Commercial Road, Portsmouth	HP34030	Freehold
	Euroway Trading Estate, Roysdale Way, Bradford	WYK622152	Freehold
	Talbot Road, Off Stephenson Road, Segenworth South, Fareham, Depot, Southampton	HP565459	Freehold
Batleys Properties Limited 00170410	Plot 5200 Gielgud Way, Cross Point Retail Park, Anstey, Depot, Coventry	WK346469	Freehold
	Drum Industrial Estate, Birtley, Chester-Le-Street, Newcastle	DU86737	Freehold

EXECUTION VERSION

Frankland Road, Blagrove Ind Est, Swindon	WT189661	Freehold
Venture Park Industrial Estate, Windy Arbour Road, Whiston, Liverpool	MS259956	Leasehold
Concorde Way, Preston Farm Ind Est, Stockton-on-Tees, Cleveland	CE102957	Freehold
Park House Lane, Bawtry Road, Tinsley, Sheffield	SYK372074	Freehold
Firth Way, Blenheim Ind Est, Camberley Rd, Bulwell, Depot, Nottingham	NT332019	Leasehold
Courteney Road, Gillingham Depot, Gillingham	K808416	Freehold
Ohio Avenue, Salford Enterprise Zone, Depot, Salford	GM374370	Leasehold
Kenrick Way, Sandwell, West Bromwich, Depot, Birmingham	WM405390	Freehold
Skelton Grange Road, Stourton, Depot, Leeds	WYK716106	Freehold
Longwood Drive, Forest Farm, Depot, Cardiff	WA857057	Freehold
Walton Summit Road, Unit 70, Walton Summit Estate, Depot, Preston	LA803107	Freehold
Chappel Drive, Docking Hill	SYK365978	Leasehold
	SYK40605	Leasehold
	SYK173976	Leasehold
	SYK365977	Leasehold
11 Chandos Road, Acton	NGL187626	N/A
Gascoigne Wharf, Barking	EGL385670	N/A
	EGL8881	N/A

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	Hollingbury Trading Estate, Brighton	ESX233154	N/A
	7-12 Dixon Road, Bristol	AV138192	N/A
		BL131642	N/A
	Brindley Road, Cardiff	WA897505	N/A
		WA441053	N/A
		WA899565	N/A
	1 & 2 Broad Lane Trading Estate, Coventry	WM501464	N/A
		SGL500521	N/A
	Beddington Farm Road, Croydon	AGL329119	N/A
	The depot at Ardra Road, Meridian Way, Edmonton, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Bestway Wholesale Limited dated on or about the date of this deed	DN432859	N/A
		LN143727	N/A
	Matford Park, Exeter	389749	N/A
		EGL213469	N/A
		272420	N/A
		LN8829	N/A
	The depot at 241 Loughborough Road, Leicester	LT12353	N/A
		TGL57858	N/A
	St Mildred's Road, Lewisham		

EXECUTION VERSION

	2 Abbey Road, Park Royal, London	NGL491913	N/A
	356/366 Dallow Road, Luton	BD17468	N/A
	Hill Close, Northampton	NN13405	N/A
	Shrewsbury Avenue, Peterborough	CB69838	N/A
	Burrington Way, Plymouth	DN442758	N/A
	Spilsby Road, Romford	EGL177033	N/A
		EGL142945	N/A
	Brent Road, Southall	NGL398983	N/A
	10 Camffrwd Way, Swansea	WA974022	N/A

SCHEDULE 3 SHARES

Shareholder	Company	Issued Capital Share	Description and number of shares held
Bestway Securities Limited	Bestway UK HoldCo Limited	15,402,379	15,402,379 Ordinary shares
Bestway UK HoldCo Limited	Bestway Wholesale Limited	200000	100000 5% Non-Cumulative Preference Shares
			100000 Ordinary shares
	Palmbest Limited	10000	10000 Ordinary shares
	MAP Trading Limited	1000	1000 Ordinary shares
	Batleys Properties Limited	51605000	51603000 Ordinary shares
			2000 8% Cumulative Preference shares
	Bestway Panacea Holdings Limited	100	100 Ordinary shares
Bestway Panacea Holdings Limited	Care4U Pharmacy Limited	605500	500 A Ordinary shares
			500 B Ordinary shares
			500 C Ordinary shares
			604000 Redeemable Preference shares
Bestway Panacea Holdings Limited	Bestway Pharmacy NDC Limited	2777276	2777276 Ordinary shares
Bestway Pharmacy NDC Limited	Donald Wardle and Son Limited	50000	50000 Ordinary shares
Bestway Pharmacy NDC Limited	Opus Pharmaceuticals Limited	2000	1000 A Ordinary shares
			1000 B Ordinary shares
Bestway Panacea Holdings Limited	Bestway Panacea Healthcare Limited	100	100 Ordinary shares
Bestway Panacea Holdings Limited	Bestway National Chemists Limited	2103284	1688537 Ordinary shares
Bestway Panacea			414744 Ordinary shares

EXECUTION VERSION

Healthcare Limited			
Bestway National Chemists Limited	Ideal Healthcare Limited	990	990 Ordinary shares
Bestway National Chemists Limited	Portslade Medical Supplies Limited	100	64 A Ordinary shares
			36 B Ordinary shares
Bestway National Chemists Limited	FA Parkinson (Chemists) Limited	10000	9975 A Ordinary shares
			25 B Ordinary shares
Bestway Panama Healthcare Limited	Bestway Belfast Chemists Limited	21	1 Ordinary share
Bestway National Chemists Limited			20 Ordinary shares
Bestway National Chemists Limited	Ebbw Vale Consortium Limited	100	100 Ordinary shares

CC LLP

SCHEDULE 4 ACCOUNTS

Account Name	Account Bank	Sort Code	Currency	Account Number
Bestway National Chemists T/A WELL	Barclays	20-00-00	GBP	██████
Bestway Pharmacy NDC Ltd	Barclays	20-00-00	GBP	██████
Donald Wardle & Son Ltd	Barclays	20-00-00	GBP	██████
Bestway Pharmacy NDC Ltd	Barclays	20-00-00	EUR	██████
Bestway National Chemists T/A WELL MA	Barclays	20-00-00	GBP	██████
Bestway National Chemists T/A WELL MA 1	Barclays	20-00-00	GBP	██████
Bestway National Chemists T/A WELL MA 2	Barclays	20-00-00	GBP	██████
Bestway National Chemists T/A WELL MA 3	Barclays	20-00-00	GBP	██████
Bestway National Chemists Ltd	United Bank UK	60-91-70	GBP	██████
Batleys Properties Limited	Barclays	20-00-00	GBP	██████
Batleys Properties Limited	HSBC	40-25-10	GBP	██████
Batleys Properties Limited	HSBC	40-25-10	GBP	██████
Batleys Properties Limited	HSBC	40-25-10	GBP	██████
Batleys Properties Limited	HSBC	40-25-10	GBP	██████
Batleys Properties Limited	RBS	60-00-01	GBP	██████
Batleys Properties Limited	RBS	60-00-01	GBP	██████
Batleys Properties Limited	RBS	60-00-01	GBP	██████
Batleys Properties Limited	RBS	60-00-01	GBP	██████
Bestway Wholesale Limited	Barclays	20-00-00	GBP	██████
Bestway Wholesale Limited	HSBC	40-22-26	GBP	██████
Bestway Wholesale Limited	HSBC	40-22-26	GBP	██████



EXECUTION VERSION

Bestway Wholesale Limited	HSBC	40-22-26	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	HSBC	40-05-15	USD	[REDACTED]
Bestway Wholesale Limited	HSBC	40-05-15	Euro	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	USD	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	Euro	[REDACTED]
Bestway Wholesale Limited	Santander UK plc	09-02-22		[REDACTED]
Bestway Northern Limited	Barclays	20-00-00	GBP	[REDACTED]
Bestway Northern Limited	Habib Bank	20-41-00	GBP	[REDACTED]
Bestway Northern Limited	Habib Bank	20-41-00	GBP	[REDACTED]
Bestway Northern Limited	HSBC	40-22-26	GBP	[REDACTED]
Bestway Northern Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Northern Limited	HSBC	40-05-15	USD	[REDACTED]
Bestway Northern Limited	RBS	60-00-01	USD	[REDACTED]
MAP Trading Limited	Barclays	20-00-00	GBP	[REDACTED]
MAP Trading Limited	HSBC	40-22-26	GBP	[REDACTED]
MAP Trading Limited	RBS	60-00-01	GBP	[REDACTED]
MAP Trading Limited	RBS	60-00-01	USD	[REDACTED]
Palmbest Limited	Barclays	20-00-00	GBP	[REDACTED]

EXECUTION VERSION

Palmbest Limited	HSBC	40-22-26	GBP	[REDACTED]
Palmbest Limited	HSBC	40-22-26	GBP	[REDACTED]
Palmbest Limited	HSBC	40-22-26	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway UK Holdco Limited	Barclays	20-00-00	GBP	[REDACTED]
Bestway Securities Limited	Barclays	20-00-00	GBP	[REDACTED]



SCHEDULE 5
FORM OF NOTICE OF SECURITY TO ACCOUNT BANK

To: *[Account Bank/other financial institution]*

Date: *[•]*

Dear Sirs

We give you notice that, by a Debenture dated *[•]* 2017 (the "**Debenture**"), we have charged by way of fixed charge to *[•]* (the "**Security Agent**") as trustee for the Secured Parties all of our right, title and interest in and to and all monies (including interest) from time to time standing to the credit of, the account[s] listed below maintained with your *[bank/building society/financial institution]* (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby:

Account Name[s]: *[•]*

Sort Code[s]: *[•]*

Account No[s]: *[•]*

[repeat list as necessary]

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to *[the]/[any]* account[s] maintained with you from time to time as the Security Agent may request you to disclose to it.

We notify you that a Declared Default has occurred and further instruct and authorise you to act only in accordance with the Security Agent's instructions.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at *[•]* marked for the attention of *[•]*.

Yours faithfully,

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

**Form of Acknowledgement of Notice of
Security by Account Bank**

To: [•] (the "Security Agent")

Date:

Dear Sirs

We confirm receipt from [Enter Chargor Name] (the "Chargor") of a notice dated [•] of a fixed charge upon the terms of a Debenture dated [•] 2017 (the "Debenture") of all the Chargor's right, title and interest in and to, and all monies (including interest) from time to time standing to the credit of the following account[s] which [is/are] maintained with us and the debt or debts represented thereby:

[List relevant accounts here]

(the "Account[s]").

We confirm that the balance standing to the Account[s] at today's date is [], no fees or periodic charges are payable in respect of the Account[s] and there are no restrictions on (a) the payment of the credit balance on the Account[s] [(except, in the case of a time deposit, the expiry of the relevant period)] or (b) the creation of Security over the Account[s] in favour of the Security Agent or any third party.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts and security in respect of any Account[s] and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

We confirm that we have not received notice of the interest of any third party in [any of] the Account[s] and will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Account[s].

We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account[s] to the Security Agent.

[We confirm that we have not designated [the]/[any of the] Account[s] a dormant account within the meaning of the Dormant Bank and Building Society Accounts Act 2008. We agree that we will not so designate [the]/[any of the] Account[s] nor take any steps to transfer the balance standing to the credit of [the]/[any of the] Account[s] to the reclaim fund without the Security Agent's prior written consent.].]

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with English law.

Yours faithfully,

.....
for and on behalf of
[Account Bank/other financial institution]

cc. [Enter Chargor Name]

SCHEDULE 6
FORM OF NOTICE OF ASSIGNMENT OF MATERIAL INSURANCE POLICY

To: *[Insert name of Insurer]*

Date:

Dear Sirs

We give you notice that, by a Debenture dated [*•*] 2017 (the "**Debenture**"), we have assigned to [*•*] (the "**Security Agent**") as trustee for the Secured Parties all our rights, title and interest in and to the proceeds of [*insert details of relevant insurance policy*] (the "**Policy of Insurance**").

We notify you that a Declared Default has occurred and therefore with effect from your receipt of this notice we instruct and authorise you to:

- (a) make all payments and claims under or arising from the Policy of Insurance to the Security Agent [*insert relevant account number and sort code*] or to its order as it may specify in writing from time to time;
- (b) note the interest of the Security Agent on the Policy of Insurance; and
- (c) disclose to the Security Agent, without further approval from us, such information regarding the Policy of Insurance as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Policy of Insurance.

We will remain liable to perform all our obligations under the Policy of Insurance and the Security Agent is under no obligation of any kind whatsoever under the Policy of Insurance nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy of Insurance.

This letter and all non-contractual obligations arising out of or in conjunction with it are governed by and will be construed in accordance with the laws of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [*•*] marked for the attention of [*•*].

Yours faithfully,

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

**Form of Acknowledgement of
Assignment from Insurer**

To: [•] as trustee for the Secured Parties (the "Security Agent")

Date:

Dear Sirs

We acknowledge receipt of a notice dated [•] of security created by [*Chargor Name*] (the "**Chargor**") in favour of the Security Agent over the Chargor's rights, title and interest in and to the proceeds of the Policy of Insurance (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the proceeds.

We further confirm that:

- 1. we have made all necessary arrangements for all future payments payable under such Policy of Insurance, to be made into the account specified in the notice; and
- 2. the Chargor will remain liable to perform all its obligations under the Policy of Insurance and the Security Agent is under no obligation of any kind whatsoever under the Policy of Insurance nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Policy of Insurance.

We confirm that we have made all necessary arrangements for the interest of the Security Agent to be noted on the Policy of Insurance.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar rights now or in the future relating to the proceeds of the Policy of Insurance and we will send you copies of all notices given by us under the Policy of Insurance upon request.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully,

.....
for and on behalf of
[*Insert name of Insurer*]

cc. [*Enter Chargor Name*]

**SCHEDULE 7
FORM OF SECURITY ACCESSION DEED**

THIS SECURITY ACCESSION DEED is made on [•]

BETWEEN:

- (1) [•], (registered in [•] with company registration number [•]) (the "**Additional Chargor**");
- (2) [•], (registered in [•] with company registration number [•]) (the "**Parent**"); and
- (3) **The Royal Bank of Scotland plc** as trustee for each of the Secured Parties (the "**Security Agent**").

RECITALS:

- A. The Additional Chargor has agreed to enter into this Security Accession Deed and to become a Chargor under a debenture dated [•] between [•] and [•] as Original Chargors and the Security Agent as amended and supplemented by earlier Security Accession Deeds (if any) (the "**Debenture**").
- B. This Security Accession Deed is supplemental to the Debenture.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless defined in this Security Accession Deed, or the context otherwise requires, a term defined in or incorporated by reference into the Debenture has the same meaning in this Security Accession Deed, or in any notice given under or in connection with this Security Accession Deed.

1.2 Interpretation and construction

- (a) Clause 1.2 (*Terms defined in other Finance Documents*), Clause 1.3 (*Construction*) and Clauses 1.5 (*Present and future assets*) to 1.8 (*Security Agent assumes no obligation*) (inclusive) of the Debenture are deemed to form part of this Security Accession Deed as if expressly incorporated into it and as if all references in those clauses to the Debenture were references to this Security Accession Deed.
- (b) All the provisions contained in the Debenture in relation to the Security created by it and all the powers and rights conferred on the Security Agent and any Receiver in relation to the Security created by the Debenture shall extend and apply to the Security created by this Security Accession Deed.

- (c) The Debenture and this Security Accession Deed shall be read together and construed as one instrument.
- (d) This Security Accession Deed is a Finance Document.

2. ACCESSION OF ADDITIONAL CHARGOR

2.1 Accession

With effect from the date of this Security Accession Deed, the Additional Chargor:

- (a) agrees to be a party to the Debenture as a Chargor; and
- (b) agrees to be bound by all the terms of the Debenture which are expressed to be binding on a Chargor as if it had originally been a party to it as a Chargor (but so that the Security created by virtue of this deed shall be created on the date of this Security Accession Deed).

2.2 Consent of existing Chargors

The Parent agrees and consents, for itself and on behalf of each of the other existing Chargors, to the terms of this Security Accession Deed and further agrees that its execution shall not, in any way, prejudice or affect the Security granted by each of the existing Chargors pursuant to (and the covenants given by each of them in) the Debenture or any other Security Accession Deed.

2.3 Covenant to pay

The Additional Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations at the times and in the manner provided for in the relevant Finance Documents.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security created by or pursuant to this Security Accession Deed is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Security Accession Deed and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

The Additional Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY

4.1 Mortgage of Real Property

The Additional Chargor charges, by way of first legal mortgage, the Mortgaged Property listed in Schedule 1 (*Mortgaged Property*) of this Security Accession Deed.

4.2 Fixed charge over Material Real Property

The Additional Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Material Real Property (other than any Excluded Property) and all Related Rights (other than any Related Rights relating to any Excluded Property).

4.3 Fixed charge over Tangible Moveable Property

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property and all Related Rights.

4.4 Fixed charge over Accounts

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights. The execution of this Deed by the Additional Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created over any Account opened or maintained with the Security Agent.

4.5 Fixed charge over contracts

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which the Additional Chargor is a party and all Related Rights.

4.6 Fixed charge over Monetary Claims

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Security Accession Deed) and all Related Rights (to the extent not already charged under this Clause 4.6).

4.7 Fixed charge over Investments

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Shares

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Shares including, without limitation, those listed in Schedule 2 (*Shares*) of this Security Accession Deed and all dividends, interest and other

monies payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.9 Fixed charge over Intellectual Property

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Intellectual Property and all Related Rights.

4.10 Fixed charge over goodwill

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of the Additional Chargor.

4.11 Fixed charge over other assets

The Additional Chargor charges (to the extent not validly and effectively assigned pursuant to 4.12 (*Assignment of Material Insurance Policies*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each of its Material Insurance Policies and all Related Rights in relation to each of those assets.

4.12 Assignment of Material Insurance Policies

The Additional Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each of its Material Insurance Policies.

5. FLOATING CHARGE

5.1 Floating charge

- (a) The Additional Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets and undertaking of the Additional Chargor.
- (b) The floating charge created pursuant to paragraph (a) above shall be deferred in point of priority to all Fixed Security validly and effectively created by the Additional Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) of Clause 5.1 above.

6. POWERS OF ATTORNEY

6.1 Security power of attorney

The Additional Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney in accordance with the terms set out in Clause 18.1 (*Appointment and powers*) and Clause 18.2 (*Ratification*) of the Debenture.

6.2 Additional Chargers

The Additional Chargor irrevocably appoints the Parent as its attorney for the purpose of executing a Security Accession Deed relating to any other member of the Group on its behalf.

7. NEGATIVE PLEDGE AND RESTRICTION ON DEALINGS

Except as permitted under the Facilities Agreement the Additional Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of its Charged Assets or dispose of or otherwise deal with any part of its Charged Assets.

8. IMPLIED COVENANTS FOR TITLE

8.1 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 4 (*Fixed Security*) or Clause 5 (*Floating charge*).

8.2 It shall be implied in respect of Clause 4 (*Fixed Security*) and Clause 5 (*Floating charge*) that the Additional Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

9. APPLICATION TO HM LAND REGISTRY

The Additional Chargor consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyance]."

10. FURTHER ADVANCES

Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to the Additional Chargor and that obligation will be deemed to be incorporated in this Security Accession Deed as if set out in this Security Accession Deed. The Additional Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of its Charged Assets.

11. EXTENSION OF POWER OF SALE

The power of sale or other disposal conferred on the Security Agent and on any Receiver by the Debenture and this Security Accession Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Security Accession Deed.

12. RESTRICTIONS

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Accession Deed or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Security Accession Deed with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Additional Chargor on or at any time after the Security created by or pursuant to this Security Accession Deed has become enforceable in accordance with Clause 14 (*Enforcement of Security*) of the Debenture.

13. NOTICES

The Additional Chargor confirms that its address details for notices are as follows:

Address: [•]

Fax number: [•]

Attention: [•]

14. GOVERNING LAW

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

THIS SECURITY ACCESSION DEED has been signed by the Security Agent and executed as a deed by the Additional Chargor and the Parent and is delivered by them as a deed on the date stated at the beginning of this Security Accession Deed.

SCHEDULE 1
Mortgaged Property

SCHEDULE 2
Shares

EXECUTION PAGES TO DEBENTURE

The Chargors

EXECUTED AS A DEED

By: **BESTWAY UK HOLDCO LIMITED**



Signature of Director

ZAMEER CHOUDREY

Name of Director

in the presence of



Signature of witness

Rabiah Sheikh

Name of witness

2 Abbey Road,

Address of witness

Park Royal

London NW10 7BW

Legal Counsel

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY SECURITIES LIMITED**



Signature of Director

ZAMEER CHOUDREY

Name of Director

in the presence of



Signature of witness

Rabiah Sheikh

Name of witness

2 Abbey Road,

Address of witness

Park Royal

London NW10 7BW

Legal Counsel

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY NORTHERN LIMITED**



Signature of Director

ZAMEER CHOUDREY

Name of Director

in the presence of



Signature of witness

Rabiah Sheikh

Name of witness

2 Abbey Road,

Address of witness

Park Royal

London NW10 7BW

Legal Counsel

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY WHOLESALE LIMITED**



Signature of Director

ZAMEER CHOUDREY

Name of Director

in the presence of



Signature of witness

Rabiah Sheikh

Name of witness

2 Abbey Road,

Address of witness

Park Royal

London NW10 7BW

Legal Counsel

Occupation of witness

EXECUTED AS A DEED

By: **PALMBEST LIMITED**



Signature of Director

ZAMEER CHOUDREY

Name of Director

in the presence of



Signature of witness

Rabiah Sheikh

Name of witness

2 Abbey Road,

Address of witness

Park Royal

London NW10 7BW

Legal Counsel

Occupation of witness

EXECUTED AS A DEED

By: **MAP TRADING LIMITED**



Signature of Director

ZAMEER CHOUDREY

Name of Director

in the presence of



Signature of witness

Rabiah Sheikh

Name of witness

2 Abbey Road,

Address of witness

Park Royal


London NW10 7BW

Legal Counsel

Occupation of witness


EXECUTED AS A DEED

By: **BATLEYS PROPERTIES LIMITED**

 Signature of Director

ZANEEN CHOUDREY Name of Director

in the presence of

 Signature of witness

Rabiah Sheikh Name of witness

2 Abbey Road, Address of witness

Park Royal

London NW10 7BW

Legal Counsel Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PANACEA HOLDINGS LIMITED**

____ Signature of Director

____ Name of Director

in the presence of

____ Signature of witness

Caroline Hilton Name of witness

Merchants Warehouse, Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PHARMACY NDC LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PANACEA HEALTHCARE LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY NATIONAL CHEMISTS LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

EXECUTED AS A DEED

By: **DONALD WARDLE AND SON LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

The Security Agent

For and on behalf of

THE ROYAL BANK OF SCOTLAND PLC

By:

Name:

Title:

DATED 25 SEPTEMBER 2017

THE PERSONS LISTED IN SCHEDULE 1
AS CHARGORS

IN FAVOUR OF

THE ROYAL BANK OF SCOTLAND PLC
AS SECURITY AGENT

DEBENTURE

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THIS DEBENTURE is made by way of deed on 25 September 2017
BY:

- (1) **THE PERSONS** listed in Schedule 1 (*The Original Chargors*) (each an "**Original Chargor**") in favour of
- (2) **THE ROYAL BANK OF SCOTLAND PLC** as trustee for each of the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:

"**Account**" means each of the accounts opened or maintained by any Chargor with the Security Agent, any bank, building society, financial institution or other person (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby being, as at the date of this Debenture, the accounts listed in Schedule 4 (*Accounts*).

"**Additional Chargor**" means a member of the Group which becomes a Chargor by executing a Security Accession Deed.

"**Administration Event**" means:

- (a) the presentation of an application to the court for the making of an administration order in relation to any Chargor; or
- (b) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of any Chargor or the filing of such a notice with the court.

"**Charged Assets**" means all of the assets and undertaking of each Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Debenture.

"**Chargor**" means an Original Chargor or an Additional Chargor.

"**Collateral Rights**" means all rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture or by law.

"**Declared Default**" means an Event of Default which is continuing and in respect of which a notice has been served by the Facility Agent in accordance with clause 24.14 (*Acceleration*) of the Facilities Agreement.

"**Edgware Property**" means the Real Property comprising Unit A, Geron Way, Edgware Road, London with title number NGL 376 222 and Geron Way, Edgware Road, London with title number AGL229357.

"Excluded Companies" means each of Bestway Limited, Bestway Direct Limited, Batleys Limited, Benson (Grocers) Limited, Batleys Glasgow Limited, Bellevue Cash and Carry Limited, P. Williams Chemists (Chester) Limited, Crown Imperial Associates Limited, Pills Limited, RLJ Consultancy Limited, G Lightfoot & Sons Limited, Thomas Hetherington Ltd and Euroimpex (U.K.) Limited, to the extent that each such company does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) which in aggregate have a value of £250,000 or more (or the equivalent in other currencies).

"Excluded Real Property" means:

- (a) any Real Property comprising Rack Rent Leases;
- (b) any lease or license with a remaining term of less than 25 years;
- (c) any lease or license with a capital value of less than £250,000;
- (d) the Wells Properties; and
- (e) the Edgware Property.

"Facilities Agreement" means the term loan and revolving facilities agreement dated on or about the date of this Debenture and made between, amongst others, Bestway Securities Limited as parent, Bestway UK Holdco Limited and Bestway Wholesale Limited as original borrowers, The Royal Bank of Scotland plc as agent and security agent and the banks and financial institutions named therein as arrangers and original lenders.

"Fixed Security" means any mortgage, fixed charge or assignment expressed to be created by or pursuant to Clause 4 (*Fixed Security*) of this Debenture.

"Insurance Policy" means any policy of insurance in which any Chargor may from time to time have an interest but excluding any third party liability insurance, directors' and officers' insurance, public liability insurance and any other insurance the proceeds of which are payable to the employees of any Chargor or any other third party in respect of the liability in relation to which such insurance policies are taken out.

"Intellectual Property" means any patents, trade marks, service marks, designs, business and trade names, copyrights, database rights, design rights, moral rights, inventions, confidential information, KnowHow and other intellectual property rights and interests which are material to any Chargor's business and cannot be readily sourced in any other way, whether registered or unregistered, and the benefit of all applications and rights to use such assets in which any Chargor may from time to time have an interest.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this Debenture and made between, amongst others, Bestway Securities Limited as parent, Bestway (Holdings) Limited as subordinated creditor, the entities listed therein as debtors and intra-group lenders and The Royal Bank of Scotland plc as security agent.

"Investments" means any:

- (a) stocks, shares, debentures, securities and certificates of deposit and other instruments creating or acknowledging indebtedness, including alternative finance investment bonds (but not including the Shares);
- (b) interests in collective investment schemes, in whatever form or jurisdiction any such scheme is established, including partnership interests;
- (c) warrants and other instruments entitling the holder to subscribe for or acquire any investments described in paragraphs (a) or (b) above;
- (d) certificates and other instruments conferring contractual or property rights (other than options) in respect of the investments in paragraphs (a), (b) or (c) above; and
- (e) options to acquire any investments described in paragraphs (a), (b), (c) or (d) above,

in each case whether held directly by or to the order of any Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system including, without limitation, any contractual rights or any right to delivery of all or any part of such investments from time to time).

"Material Insurance Policy" means any Insurance Policy in respect of assets which are necessary to the carrying out of the Group's business.

"Material Real Property" means the Mortgaged Property, any additional Real Property charged pursuant to a legal mortgage which is supplemental to this Debenture, or any Real Property listed in the schedule of any Security Accession Deed by which a Chargor becomes a party to this Debenture and any other Real Property owned by a Chargor from time to time where, in each case:

- (a) if acquired prior to the date of this Debenture or any Security Accession Deed in respect of that Chargor, the valuation for such Real Property, as set out in the Property Valuation Report, is £4,000,000 or more (or its equivalent in any other currency); and
- (b) if acquired after the date of this Debenture or any Security Accession Deed in respect of that Chargor, the total consideration for the acquisition of such Real Property exceeds £4,000,000 (or its equivalent in any other currency)

"Monetary Claims" means any book and other debts and monetary claims owing to any Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any court order or judgment, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor).

"Mortgaged Property" means the Real Property specified in Schedule 2 (*Mortgaged Property*) or in any Security Accession Deed.

"Netting Arrangement" means a cash pooling arrangement entered into by one or more Chargors with any Secured Party in accordance with the terms of the Facilities Agreement and pursuant to which that Secured Party has the right to set-off debt and credit balances owing as between the relevant Chargors.

"Notice of Assignment" means a notice of assignment in substantially the form set out in Schedule 6 (*Form of Notice of Assignment of Insurance Policy*) or in such form as may be agreed between the Security Agent and a Chargor.

"Notice of Charge" means a notice of charge in substantially the form set out in Schedule 5 (*Form of Notice of Security to Account Bank*) or in such form as may be agreed between the Security Agent and a Chargor.

"Real Property" means (including as provided in Clause 1.5 (*Real Property*)) any present or future freehold or leasehold or immovable property located in England and Wales and any other interest in land or buildings and any rights relating thereto in which any Chargor has an interest.

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

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Obligations" means all present and future obligations and liabilities at any time due, owing or incurred by each Chargor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any other Secured Party under or pursuant to each of the Finance Documents, whether actual or contingent, whether originally incurred by that Chargor or by any other person and whether incurred solely or jointly and as principal or surety or in any other capacity, including any liability in respect of any further advances made under the Finance Documents, except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful, prohibited or invalid by or under any applicable law.

"Security Accession Deed" means a security accession deed in substantially the form set out in Schedule 7 (*Form of Security Accession Deed*) or in such form as may be agreed between the Security Agent and the Parent.

"Security Period" means the period beginning on the date of this Debenture and ending on the Final Discharge Date.

"Shares" means any stocks, shares, debentures and other securities listed in Schedule 3 (*Shares and Investments*), any stocks, shares, debentures and other securities listed as such in any Security Accession Deed and all of each Chargor's other present and

future shares in the capital of any member of the Group from time to time held by, to the order, or on behalf, of each Chargor but excluding the shares held by any Chargor in an Excluded Company.

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress).

"Wells Companies" means Bestway Panacea Holdings Limited and its Subsidiaries from time to time.

"Wells Properties" means any Real Property owned by the Wells Companies.

1.2 Terms defined in other Finance Documents

Unless defined in this Debenture, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Debenture, or any notice given under or in connection with this Debenture.

1.3 Construction

In this Debenture:

- (a) the rules of interpretation contained in clauses 1.2 (*Construction*) and 1.3 (*Currency Symbols and definitions*) of the Facilities Agreement shall apply to the construction of this Debenture, or in any notice given under or in connection with this Debenture;
- (b) any reference to the **"Security Agent"**, the **"Secured Parties"**, the **"Finance Parties"**, a **"Chargor"**, an **"Original Chargor"**, an **"Additional Chargor"** or any **"Obligor"** shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Intercreditor Agreement;
- (c) any reference to **"including"** and **"include"** shall mean including and include "without limitation" and any words following such terms shall be construed as illustrative and shall not limit the meaning or scope of the phrase or words preceding such terms; and
- (d) references in this Debenture to any Clause or Schedule shall be to a Clause or Schedule contained in this Debenture.

1.4 Present and future assets

- (a) A reference in this Debenture to any Mortgaged Property, Charged Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Charged Assets and other assets.

- (b) The absence of or incomplete details of any Charged Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture.

1.5 Real Property

- (a) A reference in this Debenture to any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.
- (b) The terms of the Facilities Agreement and each other Finance Document are incorporated into this Debenture and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Separate Security

Clauses 4.1 (*Mortgage of Real Property*) to 4.13 (*Assignment of Material Insurance Policies*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Debenture and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Debenture or any act or omission by any party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on any other asset whether within that same class of assets or not.

1.7 Security Agent assumes no obligation

The Security Agent shall not be under any obligation in relation to the Charged Assets as a consequence of this Debenture and each Chargor shall at all times remain liable to perform all obligations in respect of the Charged Assets.

1.8 Security Accession Deeds

This Debenture and each Security Accession Deed (if any) shall be read together and construed as one instrument so that all references in this Debenture to "this Debenture" shall be deemed to include, where the context so permits, each Security Accession Deed which has from time to time been entered into by Additional Chargors and all references in this Debenture to any "Security created by this Debenture" or "Security created pursuant to this Debenture" shall be deemed to include any Security created by or pursuant to each such Security Accession Deed, and all the powers and rights conferred on the Security Agent and any Receiver in relation to the Security created by this Debenture shall extend and apply to the Security created by each such Security Accession Deed.

2. COVENANT TO PAY

2.1 Covenant to pay

Each Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations at the times and in the manner provided in the relevant Finance Documents.

2.2 Default interest

If any Chargor fails to pay any amount payable by it under this Debenture on its due date, interest shall accrue on the overdue amount in accordance with and on the terms set out in, clause 10.3 (*Default interest*) of the Facilities Agreement.

3. COMMON PROVISIONS**3.1 Common provisions as to all Security**

All the Security created by or pursuant to this Debenture is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Debenture and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

Each Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY**4.1 Mortgage of Real Property**

Each Chargor charges, by way of first legal mortgage, its Mortgaged Property.

4.2 Fixed charge over Material Real Property

Each Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Material Real Property (other than any Excluded Property) and all Related Rights (other than any Related Rights relating to any Excluded Property).

4.3 Fixed charge over Tangible Moveable Property

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property and all Related Rights.

4.4 Fixed charge over Accounts

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights.

4.5 Fixed charge over contracts

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which that Chargor is a party and all Related Rights.

4.6 Fixed charge over Monetary Claims

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture) and all Related Rights (to the extent not already charged under this Clause 4.6).

4.7 Fixed charge over Investments

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Shares

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Shares and all dividends, interest and other monies payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.9 Fixed charge over Intellectual Property

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Intellectual Property and all Related Rights.

4.10 Fixed charge over goodwill

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of that Chargor.

4.11 Fixed charge over other assets

Each Chargor charges (to the extent not validly and effectively assigned pursuant to Clause 4.13 (*Assignment of Material Insurance Policies*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each Material Insurance Policy of that Chargor and all Related Rights in relation to each of those assets.

4.12 Assignment of Material Insurance Policies

Each Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each Material Insurance Policy of that Chargor.

4.13 Set off

Any charge granted under this Debenture is, and is intended to be at all times, subject to the right of any Secured Party to exercise rights of set off under a Netting Arrangement or by operation of law.

5. FLOATING CHARGE**5.1 Floating charge**

- (a) Each Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets and undertaking of that Chargor.
- (b) The floating charge created pursuant to paragraph (a) of Clause 5.1 above shall be deferred in point of priority to all Fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) of Clause 5.1 above.

5.2 Crystallisation: by notice

The Security Agent may at any time by notice in writing to any Chargor convert the floating charge created by it pursuant to Clause 5.1 (*Floating Charge*) or pursuant to a Security Accession Deed with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) a Declared Default has occurred;
- (b) the Security Agent considers (acting in good faith) that any of the Charged Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process (except as expressly permitted by the Finance Documents);
- (c) the Security Agent considers (acting in good faith) that it is necessary in order to protect the priority of the Security;
- (d) any Chargor requests the Security Agent to exercise any of its powers under this Debenture; or
- (e) a petition is presented for the compulsory winding-up of the Chargor, except where such winding-up petition is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

5.3 Crystallisation: automatic

Notwithstanding Clause 5.2 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, a floating charge created by a Chargor pursuant to Clause 5.1 (*Floating Charge*) or pursuant to a Security Accession Deed will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if, in relation to that Chargor:

- (a) the Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Charged Assets;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets;
- (c) an Administration Event occurs;
- (d) a Receiver is appointed over all or any of the Charged Assets;
- (e) a meeting is convened for the passing of a resolution for the voluntary winding-up of the Chargor;
- (f) a provisional liquidator is appointed to the Chargor; or
- (g) a resolution is passed or an order is made for the dissolution or reorganisation of the Chargor,

or any analogous procedure or step is taken in any jurisdiction.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

Except as permitted under the Facilities Agreement no Chargor shall at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

6.2 Implied covenants for title

- (a) 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 Clauses 4 (*Fixed Security*) or 5 (*Floating charge*).
- (b) It shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

6.3 Notice of Security: Accounts

- (a) Each Chargor shall, if requested by the Security Agent from time to time following the occurrence of a Declared Default, promptly deliver to the

Security Agent (or procure the delivery of) a Notice of Charge in relation to the Accounts duly executed by, or on behalf of, that Chargor and each such Chargor shall use all reasonable endeavours to procure from each account bank, building society, financial institution or other person with which any Account is opened or maintained, an acknowledgement in the form set out in such Notice of Charge within 20 Business Days of service of the Notice of Charge in relation to the relevant Account. If such acknowledgment is not received within 20 Business Days of service of the Notice of Charge, no further action shall be required by such Chargor to obtain an acknowledgment of that Notice of Charge.

- (b) The execution of this Debenture by each Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created over any Account opened or maintained with the Security Agent.

6.4 Notice of Security: Material Insurance Policies

Each Chargor shall, if requested by the Security Agent from time to time after the occurrence of a Declared Default, promptly deliver to the Security Agent (or procure the delivery of) a Notice of Assignment in relation to the Insurance Policies duly executed by, or on behalf of, that Chargor and each such Chargor shall use all reasonable endeavours to procure from each insurance provider with whom any Insurance Policy is maintained, an acknowledgement in the form set out in such Notice of Assignment within 20 Business Days of service of the Notice of Assignment in relation to the relevant Insurance Policy. If such acknowledgment is not received within 20 Business Days of service of the Notice of Assignment, no further action shall be required by such Chargor to obtain an acknowledgment of that Notice of Assignment.

6.5 Deposit of documents of title: Investments

After the occurrence of a Declared Default, each Chargor shall promptly on the request of the Security Agent, deposit with the Security Agent (or procure the deposit of) all of the Investments and any certificates and other documents of title representing the Investments to which that Chargor (or its nominee(s)) is or becomes entitled, together with any other document which the Security Agent may reasonably request (in such form and executed in such manner as the Security Agent may reasonably require (including stock transfer forms or other instruments of transfer executed in blank by it or on its behalf), with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

6.6 Deposit of share certificates

Each Chargor shall:

- (a) if it is an Original Chargor:
 - (i) in accordance with clause 23.20 (*Conditions subsequent*) of the Facilities Agreement deposit with the Security Agent (or procure the deposit of) pdf copies of all certificates and other documents of title to

its Shares, and stock transfer forms (executed in blank by it or on its behalf) in relation to its Shares as at the date of this Debenture (the "**Relevant Share Documents**"); and

- (ii) deposit with the Security Agent (or procure the deposit of) original copies of the Relevant Share Documents within 3 Business Days of the Closing Date;
- (b) if it is an Additional Chargor, on the date of the relevant Security Accession Deed deposit with the Security Agent (or procure the deposit of) original copies of all certificates and other documents of title to its Shares, and stock transfer forms (executed in blank by it or on its behalf) in relation to its Shares as at the date of that Security Accession Deed; and
- (c) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares (or upon acquiring any interest therein), notify the Security Agent of that occurrence and deposit with the Security Agent (or procure the deposit of) (i) all certificates or other documents of title representing such assets and (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.

6.7 Deposit of title deeds

Each Chargor shall:

- (a) if it is an Original Chargor:
 - (i) in accordance with clause 23.20 (*Conditions subsequent*) of the Facilities Agreement deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title in relation to its Material Real Property as at the date of this Debenture (the "**Relevant Title Documents**");
 - (ii) deposit with the Security Agent (or procure the deposit of):
 - (A) original copies of the Relevant Title Documents within 3 Business Days of the Closing Date; and
 - (B) at any time thereafter, any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items;
- (b) if it is an Additional Chargor, deposit with the Security Agent (or procure the deposit of):
 - (i) on the date of the relevant Security Accession Deed, original copies of all deeds, certificates and other documents constituting or evidencing title in relation to its Material Real Property as at the date of that Security Accession Deed;

- (ii) at any time thereafter, any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items; and
- (c) promptly upon the acquisition by it of any interest in any Material Real Property at any time, deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title in relation to such Material Real Property.

6.8 Application to HM Land Registry

Each Chargor hereby consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyancer]."

6.9 Registration of Intellectual Property

Each Chargor shall, if requested by the Security Agent following the occurrence of a Declared Default, execute all such documents and do all such acts as the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Intellectual Property.

6.10 Further advances

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor who is a Borrower and that obligation will be deemed to be incorporated in this Debenture as if set out in this Debenture.
- (b) Each Chargor who is a Borrower consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of its Charged Assets.

7. FURTHER ASSURANCE

7.1 Extension of implied covenant

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 Clause 7.2 (*Consents*) below.

7.2 Consents

- (a) Each Chargor shall, as soon as reasonably practicable, use reasonable endeavours to obtain any consents necessary or to remove any restriction on

the creation of Security to enable the assets of that Chargor to be the subject of the relevant Fixed Security pursuant to this Debenture.

- (b) Promptly upon obtaining any such consent or removing any such restriction, the asset concerned will become subject to that Fixed Security and each relevant Chargor shall promptly deliver a copy of such consent or evidence of such removal to the Security Agent.

8. SHARES AND INVESTMENTS

8.1 Dividends prior to a Declared Default

Prior to the occurrence of a Declared Default, each Chargor shall be entitled to receive all dividends, interest and other monies or distributions of an income nature arising from the Shares.

8.2 Dividends after a Declared Default

Upon the occurrence of a Declared Default, the Security Agent may, at its discretion, in the name of each relevant Chargor or otherwise and without any further consent or authority from the relevant Chargor, apply all dividends, interest and other monies arising from the Shares as though they were the proceeds of sale in accordance with Clause 16 (*Application of Proceeds*).

8.3 Voting rights prior to Security Agent Notice

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*), each Chargor shall be entitled to exercise all voting rights in relation to the Shares.

8.4 Voting rights after Security Agent Notice

Subject to Clause 8.5 (*Waiver of voting rights by Security Agent*), upon the occurrence of a Declared Default, the Security Agent may (but without having any obligation to do so) give notice to any relevant Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Agent may, at its discretion, in the name of each relevant Chargor or otherwise and without any further consent or authority from that Chargor:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (b) transfer the Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares including the right, in relation to any company whose shares or other securities are included in the Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange,

conversion or reissue of any shares or securities as a consequence thereof);

- (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Shares.

8.5 Waiver of voting rights by Security Agent

- (a) The Security Agent may, in its absolute discretion and without any consent or authority from the other Secured Parties or any relevant Chargor, at any time, by notice to any relevant Chargor (which notice shall be irrevocable), with a copy to the Agent, elect to give up the right to exercise (or refrain from exercising) all voting rights and powers in respect of the Shares conferred or to be conferred on the Security Agent pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*) and the other Secured Parties unconditionally waive any rights they may otherwise have to require the Security Agent not to make such election or to require the Security Agent to indemnify, compensate or otherwise make good for any losses, costs or liabilities incurred by any of them in relation to or as a consequence of the Security Agent making such election.
- (b) Once a notice has been issued by the Security Agent under paragraph (a) of this Clause 8.5, on and from the date of such notice the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights and powers in respect of the Shares conferred or to be conferred on it pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*) or any other provision of this Debenture and all such rights will be exercisable by the relevant Chargor. Each relevant Chargor shall be entitled, on and from the date of such notice, to exercise all voting rights and powers in relation to the Shares.

8.6 Shares: Voting rights

Except as permitted by the Facilities Agreement, no Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Shares in any manner, or otherwise permit or agree to or concur or participate in any:

- (a) variation of the rights attaching to or conferred by all or any part of the Shares;
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Debenture;
- (c) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or

- (d) reconstruction, amalgamation, sale or other disposal of any company or any of the assets or undertaking of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged pursuant to this Debenture,

which, in the opinion of the Security Agent (acting reasonably), would adversely affect the validity or enforceability of the Security created pursuant to this Debenture or materially prejudice the value of such Security **provided that** the proceeds of any such action shall form part of the Shares.

8.7 Investments and Shares: Payment of calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and Shares.

8.8 Investments: Exercise of rights

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which, in the opinion of the Security Agent (acting reasonably), would adversely affect the validity or enforceability of the Security created pursuant to this Debenture or materially prejudice the value of such Security.

9. ACCOUNTS

9.1 Accounts: Notification and variation

Each Chargor shall promptly deliver to the Security Agent on the date of this Debenture or, if applicable, on the date of the relevant Security Accession Deed (and, if any change occurs thereafter, within 5 Business Days of the date of such change), details of each Account opened or maintained by it with any bank, building society, financial institution or other person.

9.2 Accounts: Operation before Declared Default

Each Chargor shall, prior to the occurrence of a Declared Default, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.

9.3 Accounts: Operation after Declared Default

After the occurrence of a Declared Default no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Security Agent.

9.4 Accounts: Application of monies

The Security Agent shall, upon the occurrence of a Declared Default, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 16 (*Application of Proceeds*).

10. MONETARY CLAIMS

10.1 Release of Monetary Claims: Before Declared Default

Prior to the occurrence of a Declared Default, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Debenture or in the Facilities Agreement), upon such proceeds being credited to an Account, be released from the fixed charge created pursuant to Clause 4 (*Fixed Security*) or pursuant to any Security Accession Deed and the relevant Chargor shall be entitled to withdraw such proceeds from such Account **provided that** such proceeds shall continue to be subject to the floating charge created pursuant to Clause 5 (*Floating Charge*) or pursuant to any Security Accession Deed and the terms of this Debenture.

10.2 Release of Monetary Claims: After Declared Default

After the occurrence of a Declared Default no Chargor shall, except with the prior written consent of the Security Agent, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

11. INSURANCES

11.1 Application of Insurance proceeds

All monies received under any Material Insurance Policies relating to the Charged Assets shall (subject to the rights and claims of any person having prior rights to such monies):

- (a) prior to the occurrence of a Declared Default, be applied in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed in such manner as the Parent or the relevant Chargor sees fit; and
- (b) after the occurrence of a Declared Default, be held upon trust for the Security Agent pending payment to the Security Agent for application in accordance with Clause 16 (*Application of Proceeds*) and each Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Assets.

12. ENFORCEMENT OF SECURITY

12.1 Enforcement

Any time after the occurrence of:

- (a) a Declared Default;
- (b) an Administration Event;
- (c) any event which causes the Security Agent (acting reasonably) to believe that all or any part of the Charged Assets is in danger of seizure, distress or other

legal process or that all or any part of the Security created by or pursuant to this Debenture is otherwise for any reason whatsoever in jeopardy; or

- (d) a request from any Chargor to the Security Agent that it exercise any of its powers under this Debenture,

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

- (i) secure and perfect its title to all or any part of the Charged Assets;
- (ii) enforce all or any part of that 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 Assets (and any assets of the relevant Chargor which, when got in, would be part of the Charged Assets) 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.

The Security Agent shall as soon as reasonably practicable notify the Parent of any action it takes pursuant to this Clause 12.1.

12.2 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 12.1 (*Enforcement*) or Clause 5.2 (*Crystallisation: by notice*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining, or taking steps to obtain, a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

13. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

13.1 Extension of power of sale

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Debenture or, in respect of Charged Assets secured pursuant to a Security Accession Deed, on the date of the Security Accession Deed.

13.2 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 any Chargor on or at any time after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*).

13.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither section 99(18) nor section 100(12) of the Law of Property Act 1925 will apply.
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to section 99 of the Law of Property Act 1925, to make any lease in respect of any Real Property without the prior written consent of the Security Agent or as permitted pursuant to the terms of the Facilities Agreement.

13.4 Right of appropriation

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*) to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, (the "**Regulations**") apply to a Charged Asset, the Security Agent shall have the right to appropriate all or any part of that Charged Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the relevant Chargor. For this purpose, the parties agree that the value of that Charged Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time of appropriation; and
- (b) in the case of any Investments and/or Shares, the market value of such Investments and/or Shares determined by the Security Agent by reference to a public index or independent valuation, or by such other process as the Security Agent may select.

In each case, the parties further agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13.5 Statutory powers

The powers conferred by this Debenture on the Security Agent are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise

by law (as extended by this Debenture) and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets. In the case of any conflict between the statutory powers contained in any such Acts and those conferred by this Debenture, the terms of this Debenture shall prevail.

14. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

14.1 Appointment and removal

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent);

- (a) without prior notice to any Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets;
 - (ii) appoint two or more Receivers of separate parts of the Charged Assets;
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed;
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); and
 - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

14.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 14.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

14.3 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 Debenture) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets.

15. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Charged Assets (and any assets of any Chargor which, when got in, would be Charged Assets) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Charged Assets.

16. APPLICATION OF PROCEEDS

All monies received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Intercreditor Agreement.

17. PROTECTION OF PURCHASERS**17.1 Consideration**

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

17.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned to inquire whether that power has been properly or regularly exercised by the Security Agent or such Receiver in such dealings.

18. POWER OF ATTORNEY**18.1 Appointment and powers**

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

- (a) following the occurrence of a Declared Default; or
- (b) following a failure by the Chargor to comply with any further assurance or perfection obligation under this Debenture within 15 Business Days of being notified in writing by the Security Agent of such failure and being requested to comply with such further assurance or perfection obligation under this Debenture,

execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (i) ensuring the perfection or maintenance of, or the validity, enforceability and admissibility in evidence of, the Security created or intended to be created in respect of the Charged Assets; and
- (ii) enabling the Security Agent and any Receiver to exercise (subject to Clause 8.6 (*Waiver of voting rights by Security Agent*)), or delegate the exercise of, any of the Collateral Rights (including, after the occurrence of a Declared Default, the exercise of any right of a legal or beneficial owner of the Charged Assets).

18.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

19. EFFECTIVENESS OF SECURITY**19.1 Continuing security**

- (a) The Security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Agent in writing.
- (b) No part of the Security from time to time intended to be created by this Debenture will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

19.2 Cumulative rights

The Security created by or pursuant to this Debenture, and the Collateral Rights, shall be cumulative, in addition to and independent of every other Security which the Security Agent or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Assets shall merge into the Security created by this Debenture.

19.3 No prejudice

The Security created by or pursuant to this Debenture, and the Collateral Rights, 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, or 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 or any Collateral Right.

19.4 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Debenture or any neglect or default in connection with the Charged Assets or taking possession of or realising all or any part of the Charged Assets,

except in the case of gross negligence or wilful default upon its part.

19.5 Waiver of defences

The obligations assumed, and the Security created, by each Chargor under this Debenture, and the Collateral Rights, will not be affected by any act, omission, matter or thing which, but for this Clause 19.5, would reduce, release or prejudice any of its

obligations under, or the Security created by, this Debenture (whether or not known to that Chargor or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, 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 Obligor 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 Obligor 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 Finance Document or any other document or Security or of the Secured Obligations including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

19.6 Chargor intent

Without prejudice to the generality of Clause 19.5 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Debenture, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.7 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.

19.8 Deferral of rights

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture:

- (a) to be indemnified by an Obligor or in respect of any other person;
- (b) to claim any contribution from any guarantor or any other person in respect of any Obligor's obligations under the Finance Documents;
- (c) 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 Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor or other person to make any payment, or perform any obligation, in respect of which any Obligor or other person has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor or other person; and/or
- (f) to claim or prove as a creditor of any Obligor 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 Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 16 (*Application of Proceeds*).

19.9 Additional Security

The Security created by each Chargor under this Debenture and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by any Secured Party.

20. PRIOR SECURITY INTERESTS

20.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Security Agent or any Receiver of any power of sale or right of appropriation or application under this Debenture, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.

20.2 Accounts

The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.

20.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Agent on demand together with accrued interest thereon calculated in accordance with Clause 2.2 (*Default interest*).

21. SUBSEQUENT SECURITY INTERESTS

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all or any part of the Charged Assets which is prohibited by the terms of any Finance Document, all payments thereafter made by or on behalf of the relevant Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

22. RELEASE OF SECURITY**22.1 Release of Security**

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of each Chargor, release and cancel the Security created by this Debenture and procure the reassignment to the relevant Chargor of the property and assets assigned to the Security Agent pursuant to this Debenture, in each case subject to Clause 22.2 (*Clawback*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

22.2 Clawback

If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Debenture and the Security created by that document will continue and such amount will not be considered to have been irrevocably paid or credited.

23. SET-OFF

Subject to each Secured Party having exercised any rights of set-off available to it under a Netting Arrangement or by operation of law, each Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Agent to any Chargor and apply any credit balance to which that Chargor is entitled on any

account with the Security Agent in accordance with Clause 16 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

24. CHANGES TO THE PARTIES

24.1 No assignments or transfers by Chargor

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Debenture.

24.2 Assignments by the Security Agent

The Security Agent may assign all or any of its rights under this Debenture in accordance with clause 16 (*The Security Agent*) of the Intercreditor Agreement. The Security Agent shall be entitled to disclose such information concerning any Chargor and this Debenture as the Security Agent considers appropriate to any actual or proposed direct or indirect assignee or to any person to whom information may be required to be disclosed by any applicable law, in each case in accordance with clause 38 (*Confidential Information*) of the Facilities Agreement.

24.3 Additional Chargors

Each party to this Debenture acknowledges and agrees that a member of the Group may become an Additional Chargor and party to this Debenture by executing and delivering a Security Accession Deed.

Each Chargor other than the Parent irrevocably appoints the Parent as its attorney for the purpose of executing a Security Accession Deed on its behalf.

24.4 Successors

This Debenture shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent. References to the Security Agent shall include (i) any transferee, assignee or successor in title of the Security Agent, (ii) any entity into which the Security Agent is merged or converted or with which it may be consolidated, (iii) any legal entity resulting from any merger, conversion or consolidation to which such Security Agent is a party and (iv) any other person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Debenture or to which, under such laws, those rights and obligations have been transferred (such person described in (i) to (iv) being a successor to the Security Agent for all purposes under the Finance Documents).

25. NOTICES

Each communication to be made under or in connection with this Debenture shall be made in accordance with clause 33 (*Notices*) of the Facilities Agreement.

26. GOVERNING LAW

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

27. JURISDICTION

27.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of, or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Debenture).

27.2 Convenient forum

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that no Chargor will argue to the contrary.

27.3 Exclusive jurisdiction

Notwithstanding Clause 27.1 (*English Courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed by the Security Agent and executed as a deed by each Original Chargor and is delivered by them as a deed on the date stated at the beginning of this Debenture.

SCHEDULE 1
THE ORIGINAL CHARGORS

Name and Company Number of Chargor	Jurisdiction	Address, fax number and name of relevant department or officer to receive notice
Bestway UK Holdco Limited, registration number 09106288	England and Wales	2 Abbey Road, Park Royal, London, NW10 7BW FAO: Company Secretary
Bestway Securities Limited, registration number 09106250	England and Wales	
Bestway Northern Limited, registration number 02675585	England and Wales	
Bestway Wholesale Limited, registration number 01207120	England and Wales	
Palmbest Limited, registration number 02548785	England and Wales	
MAP Trading Limited, registration number 01826942	England and Wales	
Batleys Properties Limited, registration number 00170410	England and Wales	
Bestway Panacea Holdings Limited, registration number 09225479	England and Wales	Merchants Warehouse, Castle Street, Castlefield, Manchester, M3 4LZ FAO: Company Secretary
Bestway Pharmacy NDC Limited, registration number 01050265	England and Wales	
Bestway Panacea Healthcare Limited, registration number 09225514	England and Wales	
Bestway National Chemists Limited, registration number 09225457	England and Wales	
Donald Wardle and Son Limited, registration number 02914910	England and Wales	

SCHEDULE 2
MORTGAGED PROPERTY

Chargor name and number	Property Description	Title Number	Freehold or Leasehold
Bestway Northern Limited 02675585	Redfern Road, Tyseley, Birmingham	WM599697	Freehold
	Unit-1, Chancerygate, Buisness park, Heysham Road, Aintree, Liverpool, L70 1JL, Aintree	MS575366	Freehold
	2 Roway Lane, Oldbury, Oldbury	WM743129	Freehold
	Walsingham Drive, Bermuda Park, Nuneaton	WK389056	Freehold
	Follingsby Close, Wardley, Gateshead	TY401716	Leasehold
	Kingsway Park, St Anne Street, Liverpool	MS202573	Freehold
		MS375360	Freehold
	Yew Street, Manchester, Stockport	GM850168	Freehold
		GM347807	Freehold
	Lymedale Park, Holditch, Newcastle Under Lyme	SF434342	Freehold
	262 Princessway central, Team Valley Trading Estate, Gateshead, NE11 0UT, Depot, Team Valley	TY97026	Leasehold
	691 Princes Avenue, Southend on sea, SS0 0JA, Investment, Southend on sea	EX64316	Freehold
	West Service Road, Raynesway, Derby	DY366416	Freehold
	Stone Hill Road, Farnworth, Bolton	GM821631	Freehold

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Palmbest Limited 02548785	Oldham Road, Newton Heath, Manchester	GM622576	Freehold
	Lower Eccleshill Road, Darwen, Darwen	LA922536	Freehold
	115 – 123 Powis Street, Woolwich	SGL31171	Freehold
	32 – 48 Woodall Road, Redburn Industrial Estate, Enfield	EGL318257	N/A
	Units 1-9, Lea Bridge Industrial Estate, Heybridge Way, London	EGL294445	Freehold
	Unit 1, Hood Street, Coventry	WK194086	Freehold
	320 – 324 Kilburn High Road, Kilburn, London	NGL239996	Freehold
		NGL239997	Freehold
		NGL239998	Freehold
		NGL240000	Freehold
		LN47054	Freehold
	206 Earls Court Road & Flats 1-4 Trebovir Road, Earls Court, London	LN107335	Freehold
	87 High Street, Brentwood	EX448989	Freehold
	61, Chappel Market, Islington, London	LN89626	Freehold
	612-612a Finchley Road, Golders Green	NGL171816	Freehold
	5-11 Westbourne Grove, Westbourne Grove	NGL15516	Freehold

EXECUTION VERSION

Baileys Properties Limited 00170410	235-237 Finchley Rd, Finchley, London	NGL395971	Freehold
	Units 1-5, 95 Victoria Road, Acton	MX441711	N/A
	Chingford House, 17 Silverthorne Gardens, Chingford	EGL115949	N/A
	Units 1-4, Ardra Road, Meridian Way, Edmonton	AGL149260	N/A
	The residential apartments and retail units at 266-272 Cambridge Heath Road and 2, 4, 6 and 8 Wadeson Street, Hackney, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Palmbest Limited dated on or about the date of this deed	LN8829	N/A
		(294531 – this title number relates to the substation on site)	N/A
	The land at 241 Loughborough Road, Leicester, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Palmbest Limited dated on or about the date of this deed	LT465241	N/A
	207-211 Commercial Road, Portsmouth	HP54030	Freehold
	Euroway Trading Estate, Roysdale Way, Bradford	WYK622152	Freehold
	Talbot Road, Off Stephenson Road, Segenworth South, Fareham, Depot, Southampton	HP565459	Freehold
	Plot 5200 Gielgud Way, Cross Point Retail Park, Anstey, Depot, Coventry	WK346469	Freehold
	Drum Industrial Estate, Birtley, Chester-Le-Street, Newcastle	DU86737	Freehold

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Frankland Road, Blagrove Ind Est, Swindon	WT189661	Freehold
Venture Park Industrial Estate, Windy Arbour Road, Whiston, Liverpool	MS259956	Leasehold
Concorde Way, Preston Farm Ind Est, Stockton-on-Tees, Cleveland	CE102957	Freehold
Park House Lane, Bawtry Road, Tinsley, Sheffield	SYK372074	Freehold
Firth Way, Blenheim Ind Est, Camberley Rd, Bulwell, Depot, Nottingham	NT332019	Leasehold
Courteney Road, Gillingham Depot, Gillingham	K808416	Freehold
Ohio Avenue, Salford Enterprise Zone, Depot, Salford	GM374370	Leasehold
Kerrick Way, Sandwell, West Bromwich, Depot, Birmingham	WM405390	Freehold
Skelton Grange Road, Stourton, Depot, Leeds	WYK716106	Freehold
Longwood Drive, Forest Farm, Depot, Cardiff	WA857057	Freehold
Walton Summit Road, Unit 70, Walton Summit Estate, Depot, Preston	LA803107	Freehold
Chappel Drive, Docking Hill	SYK365978	Leasehold
	SYK40605	Leasehold
	SYK173976	Leasehold
	SYK365977	Leasehold
11 Chandos Road, Acton	NGL187626	N/A
Gascoigne Wharf, Barking	EGL385670	N/A
	EGL8881	N/A

EXECUTION VERSION

Hollingbury Trading Estate, Brighton	ESX233154	N/A
7-12 Dixon Road, Bristol	AV138192	N/A
	BL131642	N/A
Brindley Road, Cardiff	WA897505	N/A
	WA441053	N/A
	WA899565	N/A
1 & 2 Broad Lane Trading Estate, Coventry	WM501464	N/A
Beddington Farm Road, Croydon	SGL500521	N/A
The depot at Ardra Road, Meridian Way, Edmonton, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Bestway Wholesale Limited dated on or about the date of this deed	AGL329119	N/A
Matford Park, Exeter	DN432859	N/A
The depot at 260, Cambridge Heath Road, Hackney	LN143727	N/A
	389749	N/A
	EGL213469	N/A
	272420	N/A
	LN8829	N/A
The depot at 241 Loughborough Road, Leicester	LT12353	N/A
St Mildred's Road, Lewisham	TGL57858	N/A

EXECUTION VERSION

	2 Abbey Road, Park Royal, London	NGL491913	N/A
	356/366 Dallow Road, Luton	BD17468	N/A
	Hill Close, Northampton	NN13405	N/A
	Shrewsbury Avenue, Peterborough	CB69838	N/A
	Burrington Way, Plymouth	DN442758	N/A
	Spilsby Road, Romford	EGL177033	N/A
		EGL142945	N/A
	Brent Road, Southall	NGL398983	N/A
	10 Camffrwd Way, Swansea	WA974022	N/A

SCHEDULE 3
SHARES

Shareholder	Company	Issued Capital Share	Description and number of shares held
Bestway Securities Limited	Bestway UK HoldCo Limited	15,402,379	15,402,379 Ordinary shares
Bestway UK HoldCo Limited	Bestway Wholesale Limited	200000	100000 5% Non-Cumulative Preference Shares
			100000 Ordinary shares
	Palmbest Limited	10000	10000 Ordinary shares
	MAP Trading Limited	1000	1000 Ordinary shares
	Batleys Properties Limited	51605000	51603000 Ordinary shares
			2000 8% Cumulative Preference shares
	Bestway Panacea Holdings Limited	100	100 Ordinary shares
Bestway Panacea Holdings Limited	Care4U Pharmacy Limited	605500	500 A Ordinary shares
			500 B Ordinary shares
			500 C Ordinary shares
			604000 Redeemable Preference shares
Bestway Panacea Holdings Limited	Bestway Pharmacy NDC Limited	2777276	2777276 Ordinary shares
Bestway Pharmacy NDC Limited	Donald Wardle and Son Limited	50000	50000 Ordinary shares
Bestway Pharmacy NDC Limited	Opus Pharmaceuticals Limited	2000	1000 A Ordinary shares
			1000 B Ordinary shares
Bestway Panacea Holdings Limited	Bestway Panacea Healthcare Limited	100	100 Ordinary shares
Bestway Panacea Holdings Limited	Bestway National Chemists Limited	2103284	1688537 Ordinary shares
Bestway Panacea			414744 Ordinary shares

Healthcare Limited			
Bestway National Chemists Limited	Ideal Healthcare Limited	990	990 Ordinary shares
Bestway National Chemists Limited	Portslade Medical Supplies Limited	100	64 A Ordinary shares
			36 B Ordinary shares
Bestway National Chemists Limited	FA Parkinson (Chemists) Limited	10000	9975 A Ordinary shares
			25 B Ordinary shares
Bestway Panacea Healthcare Limited	Bestway Belfast Chemists Limited	21	1 Ordinary share
Bestway National Chemists Limited			20 Ordinary shares
Bestway National Chemists Limited	Ebbw Vale Consortium Limited	100	100 Ordinary shares

CC LLP

**SCHEDULE 4
ACCOUNTS**

Account Name	Account Bank	Sort Code	Currency	Account Number
Bestway National Chemists T/A WELL	Barclays	20-00-00	GBP	[REDACTED]
Bestway Pharmacy NDC Ltd	Barclays	20-00-00	GBP	[REDACTED]
Donald Wardle & Son Ltd	Barclays	20-00-00	GBP	[REDACTED]
Bestway Pharmacy NDC Ltd	Barclays	20-00-00	EUR	[REDACTED]
Bestway National Chemists T/A WELL MA	Barclays	20-00-00	GBP	[REDACTED]
Bestway National Chemists T/A WELL MA 1	Barclays	20-00-00	GBP	[REDACTED]
Bestway National Chemists T/A WELL MA 2	Barclays	20-00-00	GBP	[REDACTED]
Bestway National Chemists T/A WELL MA 3	Barclays	20-00-00	GBP	[REDACTED]
Bestway National Chemists Ltd	United Bank UK	60-91-70	GBP	[REDACTED]
Batleys Properties Limited	Barclays	20-00-00	GBP	[REDACTED]
Batleys Properties Limited	HSBC	40-25-10	GBP	[REDACTED]
Batleys Properties Limited	HSBC	40-25-10	GBP	[REDACTED]
Batleys Properties Limited	HSBC	40-25-10	GBP	[REDACTED]
Batleys Properties Limited	HSBC	40-25-10	GBP	[REDACTED]
Batleys Properties Limited	RBS	60-00-01	GBP	[REDACTED]
Batleys Properties Limited	RBS	60-00-01	GBP	[REDACTED]
Batleys Properties Limited	RBS	60-00-01	GBP	[REDACTED]
Batleys Properties Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	Barclays	20-00-00	GBP	[REDACTED]
Bestway Wholesale Limited	HSBC	40-22-26	GBP	[REDACTED]
Bestway Wholesale Limited	HSBC	40-22-26	GBP	[REDACTED]

EXECUTION VERSION

Bestway Wholesale Limited	HSBC	40-22-26	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Wholesale Limited	HSBC	40-05-15	USD	[REDACTED]
Bestway Wholesale Limited	HSBC	40-05-15	Euro	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	USD	[REDACTED]
Bestway Wholesale Limited	RBS	60-00-01	Euro	[REDACTED]
Bestway Wholesale Limited	Santander UK plc	09-02-22		[REDACTED]
Bestway Northern Limited	Barclays	20-00-00	GBP	[REDACTED]
Bestway Northern Limited	Habib Bank	20-41-00	GBP	[REDACTED]
Bestway Northern Limited	Habib Bank	20-41-00	GBP	[REDACTED]
Bestway Northern Limited	HSBC	40-22-26	GBP	[REDACTED]
Bestway Northern Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway Northern Limited	HSBC	40-05-15	USD	[REDACTED]
Bestway Northern Limited	RBS	60-00-01	USD	[REDACTED]
MAP Trading Limited	Barclays	20-00-00	GBP	[REDACTED]
MAP Trading Limited	HSBC	40-22-26	GBP	[REDACTED]
MAP Trading Limited	RBS	60-00-01	GBP	[REDACTED]
MAP Trading Limited	RBS	60-00-01	USD	[REDACTED]
Palmbest Limited	Barclays	20-00-00	GBP	[REDACTED]

EXECUTION VERSION

Palmbest Limited	HSBC	40-22-26	GBP	[REDACTED]
Palmbest Limited	HSBC	40-22-26	GBP	[REDACTED]
Palmbest Limited	HSBC	40-22-26	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Palmbest Limited	RBS	60-00-01	GBP	[REDACTED]
Bestway UK Holdco Limited	Barclays	20-00-00	GBP	[REDACTED]
Bestway Securities Limited	Barclays	20-00-00	GBP	[REDACTED]

SCHEDULE 5
FORM OF NOTICE OF SECURITY TO ACCOUNT BANK

To: *[Account Bank/other financial institution]*

Date: *[•]*

Dear Sirs

We give you notice that, by a Debenture dated *[•]* 2017 (the "**Debenture**"), we have charged by way of fixed charge to *[•]* (the "**Security Agent**") as trustee for the Secured Parties all of our right, title and interest in and to and all monies (including interest) from time to time standing to the credit of, the account[s] listed below maintained with your [bank/building society/financial institution] (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby:

Account Name[s]: *[•]*

Sort Code[s]: *[•]*

Account No[s]: *[•]*

[repeat list as necessary]

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to [the]/[any] account[s] maintained with you from time to time as the Security Agent may request you to disclose to it.

We notify you that a Declared Default has occurred and further instruct and authorise you to act only in accordance with the Security Agent's instructions.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at *[•]* marked for the attention of *[•]*.

Yours faithfully,

.....
for and on behalf of

[Enter Chargor Name]

**Form of Acknowledgement of Notice of
Security by Account Bank**

To: [•] (the "Security Agent")

Date:

Dear Sirs

We confirm receipt from [Enter Chargor Name] (the "Chargor") of a notice dated [•] of a fixed charge upon the terms of a Debenture dated [•] 2017 (the "Debenture") of all the Chargor's right, title and interest in and to, and all monies (including interest) from time to time standing to the credit of the following account[s] which [is/are] maintained with us and the debt or debts represented thereby:

[List relevant accounts here]

(the "Account[s]").

We confirm that the balance standing to the Account[s] at today's date is [], no fees or periodic charges are payable in respect of the Account[s] and there are no restrictions on (a) the payment of the credit balance on the Account[s] [(except, in the case of a time deposit, the expiry of the relevant period)] or (b) the creation of Security over the Account[s] in favour of the Security Agent or any third party.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts and security in respect of any Account[s] and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

We confirm that we have not received notice of the interest of any third party in [any of] the Account[s] and will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Account[s].

We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account[s] to the Security Agent.

[We confirm that we have not designated [the]/[any of the] Account[s] a dormant account within the meaning of the Dormant Bank and Building Society Accounts Act 2008. We agree that we will not so designate [the]/[any of the] Account[s] nor take any steps to transfer the balance standing to the credit of [the]/[any of the] Account[s] to the reclaim fund without the Security Agent's prior written consent..]

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with English law.

Yours faithfully,

.....
for and on behalf of
[Account Bank/other financial institution]

cc. [Enter Chargor Name]

SCHEDULE 6
FORM OF NOTICE OF ASSIGNMENT OF MATERIAL INSURANCE POLICY

To: *[Insert name of Insurer]*

Date:

Dear Sirs

We give you notice that, by a Debenture dated *[•]* 2017 (the "**Debenture**"), we have assigned to *[•]* (the "**Security Agent**") as trustee for the Secured Parties all our rights, title and interest in and to the proceeds of *[insert details of relevant insurance policy]* (the "**Policy of Insurance**").

We notify you that a Declared Default has occurred and therefore with effect from your receipt of this notice we instruct and authorise you to:

- (a) make all payments and claims under or arising from the Policy of Insurance to the Security Agent *[insert relevant account number and sort code]* or to its order as it may specify in writing from time to time;
- (b) note the interest of the Security Agent on the Policy of Insurance; and
- (c) disclose to the Security Agent, without further approval from us, such information regarding the Policy of Insurance as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Policy of Insurance.

We will remain liable to perform all our obligations under the Policy of Insurance and the Security Agent is under no obligation of any kind whatsoever under the Policy of Insurance nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy of Insurance.

This letter and all non-contractual obligations arising out of or in conjunction with it are governed by and will be construed in accordance with the laws of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at *[•]* marked for the attention of *[•]*.

Yours faithfully,

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

**Form of Acknowledgement of
Assignment from Insurer**

To: [•] as trustee for the Secured Parties (the "Security Agent")

Date:

Dear Sirs

We acknowledge receipt of a notice dated [•] of security created by [*Chargor Name*] (the "**Chargor**") in favour of the Security Agent over the Chargor's rights, title and interest in and to the proceeds of the Policy of Insurance (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the proceeds.

We further confirm that:

- 1. we have made all necessary arrangements for all future payments payable under such Policy of Insurance, to be made into the account specified in the notice; and
- 2. the Chargor will remain liable to perform all its obligations under the Policy of Insurance and the Security Agent is under no obligation of any kind whatsoever under the Policy of Insurance nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Policy of Insurance.

We confirm that we have made all necessary arrangements for the interest of the Security Agent to be noted on the Policy of Insurance.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar rights now or in the future relating to the proceeds of the Policy of Insurance and we will send you copies of all notices given by us under the Policy of Insurance upon request.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully,

.....
for and on behalf of

[*Insert name of Insurer*]

cc. [*Enter Chargor Name*]

**SCHEDULE 7
FORM OF SECURITY ACCESSION DEED**

THIS SECURITY ACCESSION DEED is made on [•]

BETWEEN:

- (1) [•], (registered in [•] with company registration number [•]) (the "**Additional Chargor**");
- (2) [•], (registered in [•] with company registration number [•]) (the "**Parent**"); and
- (3) **The Royal Bank of Scotland plc** as trustee for each of the Secured Parties (the "**Security Agent**").

RECITALS:

- A. The Additional Chargor has agreed to enter into this Security Accession Deed and to become a Chargor under a debenture dated [•] between [•] and [•] as Original Chargors and the Security Agent as amended and supplemented by earlier Security Accession Deeds (if any) (the "**Debenture**").
- B. This Security Accession Deed is supplemental to the Debenture.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless defined in this Security Accession Deed, or the context otherwise requires, a term defined in or incorporated by reference into the Debenture has the same meaning in this Security Accession Deed, or in any notice given under or in connection with this Security Accession Deed.

1.2 Interpretation and construction

- (a) Clause 1.2 (*Terms defined in other Finance Documents*), Clause 1.3 (*Construction*) and Clauses 1.5 (*Present and future assets*) to 1.8 (*Security Agent assumes no obligation*) (inclusive) of the Debenture are deemed to form part of this Security Accession Deed as if expressly incorporated into it and as if all references in those clauses to the Debenture were references to this Security Accession Deed.
- (b) All the provisions contained in the Debenture in relation to the Security created by it and all the powers and rights conferred on the Security Agent and any Receiver in relation to the Security created by the Debenture shall extend and apply to the Security created by this Security Accession Deed.

(c) The Debenture and this Security Accession Deed shall be read together and construed as one instrument.

(d) This Security Accession Deed is a Finance Document.

2. ACCESSION OF ADDITIONAL CHARGOR

2.1 Accession

With effect from the date of this Security Accession Deed, the Additional Chargor:

- (a) agrees to be a party to the Debenture as a Chargor; and
- (b) agrees to be bound by all the terms of the Debenture which are expressed to be binding on a Chargor as if it had originally been a party to it as a Chargor (but so that the Security created by virtue of this deed shall be created on the date of this Security Accession Deed).

2.2 Consent of existing Chargors

The Parent agrees and consents, for itself and on behalf of each of the other existing Chargors, to the terms of this Security Accession Deed and further agrees that its execution shall not, in any way, prejudice or affect the Security granted by each of the existing Chargors pursuant to (and the covenants given by each of them in) the Debenture or any other Security Accession Deed.

2.3 Covenant to pay

The Additional Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations at the times and in the manner provided for in the relevant Finance Documents.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security created by or pursuant to this Security Accession Deed is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Security Accession Deed and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

The Additional Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY

4.1 Mortgage of Real Property

The Additional Chargor charges, by way of first legal mortgage, the Mortgaged Property listed in Schedule 1 (*Mortgaged Property*) of this Security Accession Deed.

4.2 Fixed charge over Material Real Property

The Additional Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Material Real Property (other than any Excluded Property) and all Related Rights (other than any Related Rights relating to any Excluded Property).

4.3 Fixed charge over Tangible Moveable Property

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property and all Related Rights.

4.4 Fixed charge over Accounts

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights. The execution of this Deed by the Additional Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created over any Account opened or maintained with the Security Agent.

4.5 Fixed charge over contracts

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which the Additional Chargor is a party and all Related Rights.

4.6 Fixed charge over Monetary Claims

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Security Accession Deed) and all Related Rights (to the extent not already charged under this Clause 4.6).

4.7 Fixed charge over Investments

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Shares

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Shares including, without limitation, those listed in Schedule 2 (*Shares*) of this Security Accession Deed and all dividends, interest and other

monies payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.9 Fixed charge over Intellectual Property

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Intellectual Property and all Related Rights.

4.10 Fixed charge over goodwill

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of the Additional Chargor.

4.11 Fixed charge over other assets

The Additional Chargor charges (to the extent not validly and effectively assigned pursuant to 4.12 (*Assignment of Material Insurance Policies*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each of its Material Insurance Policies and all Related Rights in relation to each of those assets.

4.12 Assignment of Material Insurance Policies

The Additional Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each of its Material Insurance Policies.

5. FLOATING CHARGE

5.1 Floating charge

- (a) The Additional Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets and undertaking of the Additional Chargor.
- (b) The floating charge created pursuant to paragraph (a) above shall be deferred in point of priority to all Fixed Security validly and effectively created by the Additional Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) of Clause 5.1 above.

6. POWERS OF ATTORNEY

6.1 Security power of attorney

The Additional Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney in accordance with the terms set out in Clause 18.1 (*Appointment and powers*) and Clause 18.2 (*Ratification*) of the Debenture.

6.2 Additional Chargors

The Additional Chargor irrevocably appoints the Parent as its attorney for the purpose of executing a Security Accession Deed relating to any other member of the Group on its behalf.

7. NEGATIVE PLEDGE AND RESTRICTION ON DEALINGS

Except as permitted under the Facilities Agreement the Additional Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of its Charged Assets or dispose of or otherwise deal with any part of its Charged Assets.

8. IMPLIED COVENANTS FOR TITLE

8.1 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 4 (*Fixed Security*) or Clause 5 (*Floating charge*).

8.2 It shall be implied in respect of Clause 4 (*Fixed Security*) and Clause 5 (*Floating charge*) that the Additional Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

9. APPLICATION TO HM LAND REGISTRY

The Additional Chargor consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyance]."

10. FURTHER ADVANCES

Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to the Additional Chargor and that obligation will be deemed to be incorporated in this Security Accession Deed as if set out in this Security Accession Deed. The Additional Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of its Charged Assets.

11. EXTENSION OF POWER OF SALE

The power of sale or other disposal conferred on the Security Agent and on any Receiver by the Debenture and this Security Accession Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Security Accession Deed.

12. RESTRICTIONS

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Accession Deed or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Security Accession Deed with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Additional Chargor on or at any time after the Security created by or pursuant to this Security Accession Deed has become enforceable in accordance with Clause 14 (*Enforcement of Security*) of the Debenture.

13. NOTICES

The Additional Chargor confirms that its address details for notices are as follows:

Address: [•]

Fax number: [•]

Attention: [•]

14. GOVERNING LAW

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

THIS SECURITY ACCESSION DEED has been signed by the Security Agent and executed as a deed by the Additional Chargor and the Parent and is delivered by them as a deed on the date stated at the beginning of this Security Accession Deed.

SCHEDULE 1
Mortgaged Property

SCHEDULE 2
Shares

EXECUTION PAGES TO DEBENTURE

The Chargors

EXECUTED AS A DEED

By: **BESTWAY UK HOLDCO LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY SECURITIES LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTION VERSION

EXECUTED AS A DEED

By: **BESTWAY NORTHERN LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY WHOLESALE LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTION VERSION

EXECUTED AS A DEED

By: **PALMBEST LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTED AS A DEED

By: **MAP TRADING LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTED AS A DEED

By: **BATLEYS PROPERTIES LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Rabiah Sheikh
Name of witness

2 Abbey Road,
Address of witness

Park Royal

London NW10 7BW

Legal Counsel
Occupation of witness

EXECUTED AS A DEED

By: **RESTWAY PANACEA HOLDINGS LIMITED**

Signature of Director

JOHN NUTTALL
Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PHARMACY NDC LIMITED**

Signature of Director

JOHN NUTTALL
Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PANACEA HEALTHCARE LIMITED**

Signature of Director

JOHN NUTTALL
Name of Director

in the presence of

Signature of witness

Caroline Hilton
Name of witness

Merchants Warehouse,
Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary
Occupation of witness

EXECUTED AS A DEED

By: ~~BESTWAY~~/NATIONAL CHEMISTS LIMITED

[REDACTED] Signature of Director

JOHN NUTTALL Name of Director

in the presence of

[REDACTED] Signature of witness

Caroline Hilton Name of witness

Merchants Warehouse, Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary Occupation of witness

EXECUTED AS A DEED

By: ~~DONALD WARDLE~~ AND SON LIMITED

[REDACTED] Signature of Director

JOHN NUTTALL Name of Director

in the presence of

[REDACTED] Signature of witness

Caroline Hilton Name of witness

Merchants Warehouse, Address of witness

Castle Street,

Manchester M3 4LZ

General Counsel & Company Secretary Occupation of witness

The Security Agent

For and on behalf of

THE ROYAL BANK OF SCOTLAND PLC

By:

Name:

Title:

DATED 25 SEPTEMBER 2017

THE PERSONS LISTED IN SCHEDULE 1
AS CHARGORS

IN FAVOUR OF

THE ROYAL BANK OF SCOTLAND PLC
AS SECURITY AGENT

DEBENTURE

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THIS DEBENTURE is made by way of deed on 25 September 2017
BY:

- (1) **THE PERSONS** listed in Schedule 1 (*The Original Chargors*) (each an "**Original Chargor**") in favour of
- (2) **THE ROYAL BANK OF SCOTLAND PLC** as trustee for each of the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Agent**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:

"**Account**" means each of the accounts opened or maintained by any Chargor with the Security Agent, any bank, building society, financial institution or other person (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby being, as at the date of this Debenture, the accounts listed in Schedule 4 (*Accounts*).

"**Additional Chargor**" means a member of the Group which becomes a Chargor by executing a Security Accession Deed.

"**Administration Event**" means:

- (a) the presentation of an application to the court for the making of an administration order in relation to any Chargor; or
- (b) the giving of written notice by any person (who is entitled to do so) of its intention to appoint an administrator of any Chargor or the filing of such a notice with the court.

"**Charged Assets**" means all of the assets and undertaking of each Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Debenture.

"**Chargor**" means an Original Chargor or an Additional Chargor.

"**Collateral Rights**" means all rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture or by law.

"**Declared Default**" means an Event of Default which is continuing and in respect of which a notice has been served by the Facility Agent in accordance with clause 24.14 (*Acceleration*) of the Facilities Agreement.

"**Edgware Property**" means the Real Property comprising Unit A, Geron Way, Edgware Road, London with title number NGL 376 222 and Geron Way, Edgware Road, London with title number AGL229357.

"Excluded Companies" means each of Bestway Limited, Bestway Direct Limited, Batleys Limited, Benson (Grocers) Limited, Batleys Glasgow Limited, Bellevue Cash and Carry Limited, P. Williams Chemists (Chester) Limited, Crown Imperial Associates Limited, Pills Limited, RLJ Consultancy Limited, G Lightfoot & Sons Limited, Thomas Hetherington Ltd and Euroimpex (U.K.) Limited, to the extent that each such company does not trade (for itself or as agent for any person) and does not own, legally or beneficially, assets (including, without limitation, indebtedness owed to it) which in aggregate have a value of £250,000 or more (or the equivalent in other currencies).

"Excluded Real Property" means:

- (a) any Real Property comprising Rack Rent Leases;
- (b) any lease or license with a remaining term of less than 25 years;
- (c) any lease or license with a capital value of less than £250,000;
- (d) the Wells Properties; and
- (e) the Edgware Property.

"Facilities Agreement" means the term loan and revolving facilities agreement dated on or about the date of this Debenture and made between, amongst others, Bestway Securities Limited as parent, Bestway UK Holdco Limited and Bestway Wholesale Limited as original borrowers, The Royal Bank of Scotland plc as agent and security agent and the banks and financial institutions named therein as arrangers and original lenders.

"Fixed Security" means any mortgage, fixed charge or assignment expressed to be created by or pursuant to Clause 4 (*Fixed Security*) of this Debenture.

"Insurance Policy" means any policy of insurance in which any Chargor may from time to time have an interest but excluding any third party liability insurance, directors' and officers' insurance, public liability insurance and any other insurance the proceeds of which are payable to the employees of any Chargor or any other third party in respect of the liability in relation to which such insurance policies are taken out.

"Intellectual Property" means any patents, trade marks, service marks, designs, business and trade names, copyrights, database rights, design rights, moral rights, inventions, confidential information, KnowHow and other intellectual property rights and interests which are material to any Chargor's business and cannot be readily sourced in any other way, whether registered or unregistered, and the benefit of all applications and rights to use such assets in which any Chargor may from time to time have an interest.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date of this Debenture and made between, amongst others, Bestway Securities Limited as parent, Bestway (Holdings) Limited as subordinated creditor, the entities listed therein as debtors and intra-group lenders and The Royal Bank of Scotland plc as security agent.

"Investments" means any:

- (a) stocks, shares, debentures, securities and certificates of deposit and other instruments creating or acknowledging indebtedness, including alternative finance investment bonds (but not including the Shares);
- (b) interests in collective investment schemes, in whatever form or jurisdiction any such scheme is established, including partnership interests;
- (c) warrants and other instruments entitling the holder to subscribe for or acquire any investments described in paragraphs (a) or (b) above;
- (d) certificates and other instruments conferring contractual or property rights (other than options) in respect of the investments in paragraphs (a), (b) or (c) above; and
- (e) options to acquire any investments described in paragraphs (a), (b), (c) or (d) above,

in each case whether held directly by or to the order of any Chargor or by any trustee, nominee, custodian, fiduciary or clearance system on its behalf (including all rights against any such trustee, nominee, custodian, fiduciary or clearance system including, without limitation, any contractual rights or any right to delivery of all or any part of such investments from time to time).

"Material Insurance Policy" means any Insurance Policy in respect of assets which are necessary to the carrying out of the Group's business.

"Material Real Property" means the Mortgaged Property, any additional Real Property charged pursuant to a legal mortgage which is supplemental to this Debenture, or any Real Property listed in the schedule of any Security Accession Deed by which a Chargor becomes a party to this Debenture and any other Real Property owned by a Chargor from time to time where, in each case:

- (a) if acquired prior to the date of this Debenture or any Security Accession Deed in respect of that Chargor, the valuation for such Real Property, as set out in the Property Valuation Report, is £4,000,000 or more (or its equivalent in any other currency); and
- (b) if acquired after the date of this Debenture or any Security Accession Deed in respect of that Chargor, the total consideration for the acquisition of such Real Property exceeds £4,000,000 (or its equivalent in any other currency)

"Monetary Claims" means any book and other debts and monetary claims owing to any Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any court order or judgment, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor).

"Mortgaged Property" means the Real Property specified in Schedule 2 (*Mortgaged Property*) or in any Security Accession Deed.

"Netting Arrangement" means a cash pooling arrangement entered into by one or more Chargors with any Secured Party in accordance with the terms of the Facilities Agreement and pursuant to which that Secured Party has the right to set-off debt and credit balances owing as between the relevant Chargors.

"Notice of Assignment" means a notice of assignment in substantially the form set out in Schedule 6 (*Form of Notice of Assignment of Insurance Policy*) or in such form as may be agreed between the Security Agent and a Chargor.

"Notice of Charge" means a notice of charge in substantially the form set out in Schedule 5 (*Form of Notice of Security to Account Bank*) or in such form as may be agreed between the Security Agent and a Chargor.

"Real Property" means (including as provided in Clause 1.5 (*Real Property*)) any present or future freehold or leasehold or immovable property located in England and Wales and any other interest in land or buildings and any rights relating thereto in which any Chargor has an interest.

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

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

"Secured Obligations" means all present and future obligations and liabilities at any time due, owing or incurred by each Chargor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any other Secured Party under or pursuant to each of the Finance Documents, whether actual or contingent, whether originally incurred by that Chargor or by any other person and whether incurred solely or jointly and as principal or surety or in any other capacity, including any liability in respect of any further advances made under the Finance Documents, except for any obligation or liability which, if it were included, would cause that obligation or liability or any of the Security in respect thereof, to be unlawful, prohibited or invalid by or under any applicable law.

"Security Accession Deed" means a security accession deed in substantially the form set out in Schedule 7 (*Form of Security Accession Deed*) or in such form as may be agreed between the Security Agent and the Parent.

"Security Period" means the period beginning on the date of this Debenture and ending on the Final Discharge Date.

"Shares" means any stocks, shares, debentures and other securities listed in Schedule 3 (*Shares and Investments*), any stocks, shares, debentures and other securities listed as such in any Security Accession Deed and all of each Chargor's other present and

future shares in the capital of any member of the Group from time to time held by, to the order, or on behalf, of each Chargor but excluding the shares held by any Chargor in an Excluded Company.

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress).

"Wells Companies" means Bestway Panacea Holdings Limited and its Subsidiaries from time to time.

"Wells Properties" means any Real Property owned by the Wells Companies.

1.2 Terms defined in other Finance Documents

Unless defined in this Debenture, or the context otherwise requires, a term defined in the Facilities Agreement or in any other Finance Document has the same meaning in this Debenture, or any notice given under or in connection with this Debenture.

1.3 Construction

In this Debenture:

- (a) the rules of interpretation contained in clauses 1.2 (*Construction*) and 1.3 (*Currency Symbols and definitions*) of the Facilities Agreement shall apply to the construction of this Debenture, or in any notice given under or in connection with this Debenture;
- (b) any reference to the "Security Agent", the "Secured Parties", the "Finance Parties", a "Chargor", an "Original Chargor", an "Additional Chargor" or any "Obligor" shall be construed so as to include its or their (and any subsequent) successors in title, permitted assigns and permitted transferees in accordance with their respective interests and, in the case of the Security Agent, any person for the time being appointed as Security Agent in accordance with the Intercreditor Agreement;
- (c) any reference to "**including**" and "**include**" shall mean including and include "without limitation" and any words following such terms shall be construed as illustrative and shall not limit the meaning or scope of the phrase or words preceding such terms; and
- (d) references in this Debenture to any Clause or Schedule shall be to a Clause or Schedule contained in this Debenture.

1.4 Present and future assets

- (a) A reference in this Debenture to any Mortgaged Property, Charged Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property, Charged Assets and other assets.

- (b) The absence of or incomplete details of any Charged Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture.

1.5 Real Property

- (a) A reference in this Debenture to any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.
- (b) The terms of the Facilities Agreement and each other Finance Document are incorporated into this Debenture and each other Finance Document to the extent required for any purported disposition of any Real Property contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Separate Security

Clauses 4.1 (*Mortgage of Real Property*) to 4.13 (*Assignment of Material Insurance Policies*) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Debenture and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Debenture or any act or omission by any party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on any other asset whether within that same class of assets or not.

1.7 Security Agent assumes no obligation

The Security Agent shall not be under any obligation in relation to the Charged Assets as a consequence of this Debenture and each Chargor shall at all times remain liable to perform all obligations in respect of the Charged Assets.

1.8 Security Accession Deeds

This Debenture and each Security Accession Deed (if any) shall be read together and construed as one instrument so that all references in this Debenture to "this Debenture" shall be deemed to include, where the context so permits, each Security Accession Deed which has from time to time been entered into by Additional Chargors and all references in this Debenture to any "Security created by this Debenture" or "Security created pursuant to this Debenture" shall be deemed to include any Security created by or pursuant to each such Security Accession Deed, and all the powers and rights conferred on the Security Agent and any Receiver in relation to the Security created by this Debenture shall extend and apply to the Security created by each such Security Accession Deed.

2. COVENANT TO PAY

2.1 Covenant to pay

Each Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations at the times and in the manner provided in the relevant Finance Documents.

2.2 Default interest

If any Chargor fails to pay any amount payable by it under this Debenture on its due date, interest shall accrue on the overdue amount in accordance with and on the terms set out in, clause 10.3 (*Default interest*) of the Facilities Agreement.

3. COMMON PROVISIONS**3.1 Common provisions as to all Security**

All the Security created by or pursuant to this Debenture is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Debenture and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

Each Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY**4.1 Mortgage of Real Property**

Each Chargor charges, by way of first legal mortgage, its Mortgaged Property.

4.2 Fixed charge over Material Real Property

Each Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Material Real Property (other than any Excluded Property) and all Related Rights (other than any Related Rights relating to any Excluded Property).

4.3 Fixed charge over Tangible Moveable Property

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property and all Related Rights.

4.4 Fixed charge over Accounts

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights.

4.5 Fixed charge over contracts

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which that Chargor is a party and all Related Rights.

4.6 Fixed charge over Monetary Claims

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture) and all Related Rights (to the extent not already charged under this Clause 4.6).

4.7 Fixed charge over Investments

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Shares

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Shares and all dividends, interest and other monies payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.9 Fixed charge over Intellectual Property

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Intellectual Property and all Related Rights.

4.10 Fixed charge over goodwill

Each Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of that Chargor.

4.11 Fixed charge over other assets

Each Chargor charges (to the extent not validly and effectively assigned pursuant to Clause 4.13 (*Assignment of Material Insurance Policies*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each Material Insurance Policy of that Chargor and all Related Rights in relation to each of those assets.

4.12 Assignment of Material Insurance Policies

Each Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each Material Insurance Policy of that Chargor.

4.13 Set off

Any charge granted under this Debenture is, and is intended to be at all times, subject to the right of any Secured Party to exercise rights of set off under a Netting Arrangement or by operation of law.

5. FLOATING CHARGE**5.1 Floating charge**

- (a) Each Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets and undertaking of that Chargor.
- (b) The floating charge created pursuant to paragraph (a) of Clause 5.1 above shall be deferred in point of priority to all Fixed Security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) of Clause 5.1 above.

5.2 Crystallisation: by notice

The Security Agent may at any time by notice in writing to any Chargor convert the floating charge created by it pursuant to Clause 5.1 (*Floating Charge*) or pursuant to a Security Accession Deed with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) a Declared Default has occurred;
- (b) the Security Agent considers (acting in good faith) that any of the Charged Assets may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process (except as expressly permitted by the Finance Documents);
- (c) the Security Agent considers (acting in good faith) that it is necessary in order to protect the priority of the Security;
- (d) any Chargor requests the Security Agent to exercise any of its powers under this Debenture; or
- (e) a petition is presented for the compulsory winding-up of the Chargor, except where such winding-up petition is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

5.3 Crystallisation: automatic

Notwithstanding Clause 5.2 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, a floating charge created by a Chargor pursuant to Clause 5.1 (*Floating Charge*) or pursuant to a Security Accession Deed will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if, in relation to that Chargor:

- (a) the Chargor creates or attempts to create any Security (other than any Security permitted under the terms of the Facilities Agreement), over any of the Charged Assets;
- (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets;
- (c) an Administration Event occurs;
- (d) a Receiver is appointed over all or any of the Charged Assets;
- (e) a meeting is convened for the passing of a resolution for the voluntary winding-up of the Chargor;
- (f) a provisional liquidator is appointed to the Chargor; or
- (g) a resolution is passed or an order is made for the dissolution or reorganisation of the Chargor,

or any analogous procedure or step is taken in any jurisdiction.

6. PROVISIONS AS TO SECURITY AND PERFECTION

6.1 Negative pledge and restriction on dealings

Except as permitted under the Facilities Agreement no Chargor shall at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

6.2 Implied covenants for title

- (a) 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 Clauses 4 (*Fixed Security*) or 5 (*Floating charge*).
- (b) It shall be implied in respect of Clauses 4 (*Fixed Security*) and 5 (*Floating charge*) that each Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

6.3 Notice of Security: Accounts

- (a) Each Chargor shall, if requested by the Security Agent from time to time following the occurrence of a Declared Default, promptly deliver to the

Security Agent (or procure the delivery of) a Notice of Charge in relation to the Accounts duly executed by, or on behalf of, that Chargor and each such Chargor shall use all reasonable endeavours to procure from each account bank, building society, financial institution or other person with which any Account is opened or maintained, an acknowledgement in the form set out in such Notice of Charge within 20 Business Days of service of the Notice of Charge in relation to the relevant Account. If such acknowledgment is not received within 20 Business Days of service of the Notice of Charge, no further action shall be required by such Chargor to obtain an acknowledgment of that Notice of Charge.

- (b) The execution of this Debenture by each Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created over any Account opened or maintained with the Security Agent.

6.4 Notice of Security: Material Insurance Policies

Each Chargor shall, if requested by the Security Agent from time to time after the occurrence of a Declared Default, promptly deliver to the Security Agent (or procure the delivery of) a Notice of Assignment in relation to the Insurance Policies duly executed by, or on behalf of, that Chargor and each such Chargor shall use all reasonable endeavours to procure from each insurance provider with whom any Insurance Policy is maintained, an acknowledgement in the form set out in such Notice of Assignment within 20 Business Days of service of the Notice of Assignment in relation to the relevant Insurance Policy. If such acknowledgment is not received within 20 Business Days of service of the Notice of Assignment, no further action shall be required by such Chargor to obtain an acknowledgment of that Notice of Assignment.

6.5 Deposit of documents of title: Investments

After the occurrence of a Declared Default, each Chargor shall promptly on the request of the Security Agent, deposit with the Security Agent (or procure the deposit of) all of the Investments and any certificates and other documents of title representing the Investments to which that Chargor (or its nominee(s)) is or becomes entitled, together with any other document which the Security Agent may reasonably request (in such form and executed in such manner as the Security Agent may reasonably require (including stock transfer forms or other instruments of transfer executed in blank by it or on its behalf), with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

6.6 Deposit of share certificates

Each Chargor shall:

- (a) if it is an Original Chargor:
 - (i) in accordance with clause 23.20 (*Conditions subsequent*) of the Facilities Agreement deposit with the Security Agent (or procure the deposit of) pdf copies of all certificates and other documents of title to

its Shares, and stock transfer forms (executed in blank by it or on its behalf) in relation to its Shares as at the date of this Debenture (the **"Relevant Share Documents"**); and

- (ii) deposit with the Security Agent (or procure the deposit of) original copies of the Relevant Share Documents within 3 Business Days of the Closing Date;
- (b) if it is an Additional Chargor, on the date of the relevant Security Accession Deed deposit with the Security Agent (or procure the deposit of) original copies of all certificates and other documents of title to its Shares, and stock transfer forms (executed in blank by it or on its behalf) in relation to its Shares as at the date of that Security Accession Deed; and
- (c) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares (or upon acquiring any interest therein), notify the Security Agent of that occurrence and deposit with the Security Agent (or procure the deposit of) (i) all certificates or other documents of title representing such assets and (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.

6.7 Deposit of title deeds

Each Chargor shall:

- (a) if it is an Original Chargor:
 - (i) in accordance with clause 23.20 (*Conditions subsequent*) of the Facilities Agreement deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title in relation to its Material Real Property as at the date of this Debenture (the **"Relevant Title Documents"**);
 - (ii) deposit with the Security Agent (or procure the deposit of):
 - (A) original copies of the Relevant Title Documents within 3 Business Days of the Closing Date; and
 - (B) at any time thereafter, any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items;
- (b) if it is an Additional Chargor, deposit with the Security Agent (or procure the deposit of):
 - (i) on the date of the relevant Security Accession Deed, original copies of all deeds, certificates and other documents constituting or evidencing title in relation to its Material Real Property as at the date of that Security Accession Deed;

- (ii) at any time thereafter, any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items; and
- (c) promptly upon the acquisition by it of any interest in any Material Real Property at any time, deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title in relation to such Material Real Property.

6.8 Application to HM Land Registry

Each Chargor hereby consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyancer]."

6.9 Registration of Intellectual Property

Each Chargor shall, if requested by the Security Agent following the occurrence of a Declared Default, execute all such documents and do all such acts as the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Intellectual Property.

6.10 Further advances

- (a) Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to each Chargor who is a Borrower and that obligation will be deemed to be incorporated in this Debenture as if set out in this Debenture.
- (b) Each Chargor who is a Borrower consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of its Charged Assets.

7. FURTHER ASSURANCE

7.1 Extension of implied covenant

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 Clause 7.2 (*Consents*) below.

7.2 Consents

- (a) Each Chargor shall, as soon as reasonably practicable, use reasonable endeavours to obtain any consents necessary or to remove any restriction on

the creation of Security to enable the assets of that Chargor to be the subject of the relevant Fixed Security pursuant to this Debenture.

- (b) Promptly upon obtaining any such consent or removing any such restriction, the asset concerned will become subject to that Fixed Security and each relevant Chargor shall promptly deliver a copy of such consent or evidence of such removal to the Security Agent.

8. SHARES AND INVESTMENTS

8.1 Dividends prior to a Declared Default

Prior to the occurrence of a Declared Default, each Chargor shall be entitled to receive all dividends, interest and other monies or distributions of an income nature arising from the Shares.

8.2 Dividends after a Declared Default

Upon the occurrence of a Declared Default, the Security Agent may, at its discretion, in the name of each relevant Chargor or otherwise and without any further consent or authority from the relevant Chargor, apply all dividends, interest and other monies arising from the Shares as though they were the proceeds of sale in accordance with Clause 16 (*Application of Proceeds*).

8.3 Voting rights prior to Security Agent Notice

Prior to the giving of notice pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*), each Chargor shall be entitled to exercise all voting rights in relation to the Shares.

8.4 Voting rights after Security Agent Notice

Subject to Clause 8.5 (*Waiver of voting rights by Security Agent*), upon the occurrence of a Declared Default, the Security Agent may (but without having any obligation to do so) give notice to any relevant Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Agent may, at its discretion, in the name of each relevant Chargor or otherwise and without any further consent or authority from that Chargor:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (b) transfer the Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares including the right, in relation to any company whose shares or other securities are included in the Shares, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange,

conversion or reissue of any shares or securities as a consequence thereof);

- (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Shares.

8.5 Waiver of voting rights by Security Agent

- (a) The Security Agent may, in its absolute discretion and without any consent or authority from the other Secured Parties or any relevant Chargor, at any time, by notice to any relevant Chargor (which notice shall be irrevocable), with a copy to the Agent, elect to give up the right to exercise (or refrain from exercising) all voting rights and powers in respect of the Shares conferred or to be conferred on the Security Agent pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*) and the other Secured Parties unconditionally waive any rights they may otherwise have to require the Security Agent not to make such election or to require the Security Agent to indemnify, compensate or otherwise make good for any losses, costs or liabilities incurred by any of them in relation to or as a consequence of the Security Agent making such election.
- (b) Once a notice has been issued by the Security Agent under paragraph (a) of this Clause 8.5, on and from the date of such notice the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights and powers in respect of the Shares conferred or to be conferred on it pursuant to Clause 8.4 (*Voting rights after Security Agent Notice*) or any other provision of this Debenture and all such rights will be exercisable by the relevant Chargor. Each relevant Chargor shall be entitled, on and from the date of such notice, to exercise all voting rights and powers in relation to the Shares.

8.6 Shares: Voting rights

Except as permitted by the Facilities Agreement, no Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Shares in any manner, or otherwise permit or agree to or concur or participate in any:

- (a) variation of the rights attaching to or conferred by all or any part of the Shares;
- (b) increase in the issued share capital of any company whose shares are charged pursuant to this Debenture;
- (c) exercise, renunciation or assignment of any right to subscribe for any shares or securities; or

- (d) reconstruction, amalgamation, sale or other disposal of any company or any of the assets or undertaking of any company (including the exchange, conversion or reissue of any shares or securities as a consequence thereof) whose shares are charged pursuant to this Debenture,

which, in the opinion of the Security Agent (acting reasonably), would adversely affect the validity or enforceability of the Security created pursuant to this Debenture or materially prejudice the value of such Security **provided that** the proceeds of any such action shall form part of the Shares.

8.7 Investments and Shares: Payment of calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and Shares.

8.8 Investments: Exercise of rights

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which, in the opinion of the Security Agent (acting reasonably), would adversely affect the validity or enforceability of the Security created pursuant to this Debenture or materially prejudice the value of such Security.

9. ACCOUNTS

9.1 Accounts: Notification and variation

Each Chargor shall promptly deliver to the Security Agent on the date of this Debenture or, if applicable, on the date of the relevant Security Accession Deed (and, if any change occurs thereafter, within 5 Business Days of the date of such change), details of each Account opened or maintained by it with any bank, building society, financial institution or other person.

9.2 Accounts: Operation before Declared Default

Each Chargor shall, prior to the occurrence of a Declared Default, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.

9.3 Accounts: Operation after Declared Default

After the occurrence of a Declared Default no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Security Agent.

9.4 Accounts: Application of monies

The Security Agent shall, upon the occurrence of a Declared Default, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 16 (*Application of Proceeds*).

10. MONETARY CLAIMS

10.1 Release of Monetary Claims: Before Declared Default

Prior to the occurrence of a Declared Default, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Debenture or in the Facilities Agreement), upon such proceeds being credited to an Account, be released from the fixed charge created pursuant to Clause 4 (*Fixed Security*) or pursuant to any Security Accession Deed and the relevant Chargor shall be entitled to withdraw such proceeds from such Account **provided that** such proceeds shall continue to be subject to the floating charge created pursuant to Clause 5 (*Floating Charge*) or pursuant to any Security Accession Deed and the terms of this Debenture.

10.2 Release of Monetary Claims: After Declared Default

After the occurrence of a Declared Default no Chargor shall, except with the prior written consent of the Security Agent, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

11. INSURANCES

11.1 Application of Insurance proceeds

All monies received under any Material Insurance Policies relating to the Charged Assets shall (subject to the rights and claims of any person having prior rights to such monies):

- (a) prior to the occurrence of a Declared Default, be applied in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed in such manner as the Parent or the relevant Chargor sees fit; and
- (b) after the occurrence of a Declared Default, be held upon trust for the Security Agent pending payment to the Security Agent for application in accordance with Clause 16 (*Application of Proceeds*) and each Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Assets.

12. ENFORCEMENT OF SECURITY

12.1 Enforcement

Any time after the occurrence of:

- (a) a Declared Default;
- (b) an Administration Event;
- (c) any event which causes the Security Agent (acting reasonably) to believe that all or any part of the Charged Assets is in danger of seizure, distress or other

legal process or that all or any part of the Security created by or pursuant to this Debenture is otherwise for any reason whatsoever in jeopardy; or

- (d) a request from any Chargor to the Security Agent that it exercise any of its powers under this Debenture,

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

- (i) secure and perfect its title to all or any part of the Charged Assets;
- (ii) enforce all or any part of that 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 Assets (and any assets of the relevant Chargor which, when got in, would be part of the Charged Assets) 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.

The Security Agent shall as soon as reasonably practicable notify the Parent of any action it takes pursuant to this Clause 12.1.

12.2 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 12.1 (*Enforcement*) or Clause 5.2 (*Crystallisation: by notice*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining, or taking steps to obtain, a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

13. EXTENSION OF POWERS AND RIGHT OF APPROPRIATION

13.1 Extension of power of sale

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the date of this Debenture or, in respect of Charged Assets secured pursuant to a Security Accession Deed, on the date of the Security Accession Deed.

13.2 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 any Chargor on or at any time after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*).

13.3 Power of leasing

- (a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Debenture has become enforceable in accordance with Clause 12 (*Enforcement of Security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with sections 99 and 100 of the Law of Property Act 1925.
- (b) For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither section 99(18) nor section 100(12) of the Law of Property Act 1925 will apply.
- (c) No Chargor shall have, at any time during the Security Period, the power pursuant to section 99 of the Law of Property Act 1925, to make any lease in respect of any Real Property without the prior written consent of the Security Agent or as permitted pursuant to the terms of the Facilities Agreement.

13.4 Right of appropriation

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*) to the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, (the "**Regulations**") apply to a Charged Asset, the Security Agent shall have the right to appropriate all or any part of that Charged Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the relevant Chargor. For this purpose, the parties agree that the value of that Charged Asset shall be:

- (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time of appropriation; and
- (b) in the case of any Investments and/or Shares, the market value of such Investments and/or Shares determined by the Security Agent by reference to a public index or independent valuation, or by such other process as the Security Agent may select.

In each case, the parties further agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

13.5 Statutory powers

The powers conferred by this Debenture on the Security Agent are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise

by law (as extended by this Debenture) and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets. In the case of any conflict between the statutory powers contained in any such Acts and those conferred by this Debenture, the terms of this Debenture shall prevail.

14. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

14.1 Appointment and removal

After the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent);

- (a) without prior notice to any Chargor:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets;
 - (ii) appoint two or more Receivers of separate parts of the Charged Assets;
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed;
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); and
 - (v) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; and
- (b) appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 12 of Schedule B1 of the Insolvency Act 1986.

14.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 14.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

14.3 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 Debenture) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets.

15. **POWERS OF RECEIVERS**

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Charged Assets (and any assets of any Chargor which, when got in, would be Charged Assets) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which any Chargor itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of any Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of the Collateral Rights (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or
 - (iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Charged Assets.

16. **APPLICATION OF PROCEEDS**

All monies received or recovered and any non-cash recoveries made or received by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment or other discharge of the costs, charges and expenses incurred and payments made by the Receiver, the payment or other discharge of his remuneration and of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Intercreditor Agreement.

17. PROTECTION OF PURCHASERS**17.1 Consideration**

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

17.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned to inquire whether that power has been properly or regularly exercised by the Security Agent or such Receiver in such dealings.

18. POWER OF ATTORNEY**18.1 Appointment and powers**

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to:

- (a) following the occurrence of a Declared Default; or
- (b) following a failure by the Chargor to comply with any further assurance or perfection obligation under this Debenture within 15 Business Days of being notified in writing by the Security Agent of such failure and being requested to comply with such further assurance or perfection obligation under this Debenture,

execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- (i) ensuring the perfection or maintenance of, or the validity, enforceability and admissibility in evidence of, the Security created or intended to be created in respect of the Charged Assets; and
- (ii) enabling the Security Agent and any Receiver to exercise (subject to Clause 8.6 (*Waiver of voting rights by Security Agent*)), or delegate the exercise of, any of the Collateral Rights (including, after the occurrence of a Declared Default, the exercise of any right of a legal or beneficial owner of the Charged Assets).

18.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

19. EFFECTIVENESS OF SECURITY**19.1 Continuing security**

- (a) The Security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Agent in writing.
- (b) No part of the Security from time to time intended to be created by this Debenture will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

19.2 Cumulative rights

The Security created by or pursuant to this Debenture, and the Collateral Rights, shall be cumulative, in addition to and independent of every other Security which the Security Agent or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent Security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Assets shall merge into the Security created by this Debenture.

19.3 No prejudice

The Security created by or pursuant to this Debenture, and the Collateral Rights, 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, or 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 or any Collateral Right.

19.4 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable:

- (a) to account as a mortgagee or mortgagee in possession; or
- (b) for any loss arising by reason of taking any action permitted by this Debenture or any neglect or default in connection with the Charged Assets or taking possession of or realising all or any part of the Charged Assets,

except in the case of gross negligence or wilful default upon its part.

19.5 Waiver of defences

The obligations assumed, and the Security created, by each Chargor under this Debenture, and the Collateral Rights, will not be affected by any act, omission, matter or thing which, but for this Clause 19.5, would reduce, release or prejudice any of its

obligations under, or the Security created by, this Debenture (whether or not known to that Chargor or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, 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 Obligor 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 Obligor 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 Finance Document or any other document or Security or of the Secured Obligations including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security or of the Secured Obligations; and
- (g) any insolvency or similar proceedings.

19.6 Chargor intent

Without prejudice to the generality of Clause 19.5 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Debenture, and the Collateral Rights, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.7 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.

19.8 Deferral of rights

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture:

- (a) to be indemnified by an Obligor or in respect of any other person;
- (b) to claim any contribution from any guarantor or any other person in respect of any Obligor's obligations under the Finance Documents;
- (c) 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 Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor or other person to make any payment, or perform any obligation, in respect of which any Obligor or other person has given a guarantee, undertaking or indemnity under any Finance Document;
- (e) to exercise any right of set-off against any Obligor or other person; and/or
- (f) to claim or prove as a creditor of any Obligor 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 Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 16 (*Application of Proceeds*).

19.9 Additional Security

The Security created by each Chargor under this Debenture and the Collateral Rights are in addition to and are not in any way prejudiced by any other guarantee or Security now or subsequently held by any Secured Party.

20. PRIOR SECURITY INTERESTS

20.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Security Agent or any Receiver of any power of sale or right of appropriation or application under this Debenture, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.

20.2 Accounts

The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.

20.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Agent on demand together with accrued interest thereon calculated in accordance with Clause 2.2 (*Default interest*).

21. SUBSEQUENT SECURITY INTERESTS

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting all or any part of the Charged Assets which is prohibited by the terms of any Finance Document, all payments thereafter made by or on behalf of the relevant Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

22. RELEASE OF SECURITY**22.1 Release of Security**

Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of each Chargor, release and cancel the Security created by this Debenture and procure the reassignment to the relevant Chargor of the property and assets assigned to the Security Agent pursuant to this Debenture, in each case subject to Clause 22.2 (*Clawback*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

22.2 Clawback

If the Security Agent considers that any amount paid or credited to any Secured Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Chargor under this Debenture and the Security created by that document will continue and such amount will not be considered to have been irrevocably paid or credited.

23. SET-OFF

Subject to each Secured Party having exercised any rights of set-off available to it under a Netting Arrangement or by operation of law, each Chargor authorises the Security Agent (but the Security Agent shall not be obliged to exercise such right), after the Security created by or pursuant to this Debenture has become enforceable in accordance with Clause 12.1 (*Enforcement*), to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Agent to any Chargor and apply any credit balance to which that Chargor is entitled on any

account with the Security Agent in accordance with Clause 16 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

24. CHANGES TO THE PARTIES

24.1 No assignments or transfers by Chargor

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Debenture.

24.2 Assignments by the Security Agent

The Security Agent may assign all or any of its rights under this Debenture in accordance with clause 16 (*The Security Agent*) of the Intercreditor Agreement. The Security Agent shall be entitled to disclose such information concerning any Chargor and this Debenture as the Security Agent considers appropriate to any actual or proposed direct or indirect assignee or to any person to whom information may be required to be disclosed by any applicable law, in each case in accordance with clause 38 (*Confidential Information*) of the Facilities Agreement.

24.3 Additional Chargors

Each party to this Debenture acknowledges and agrees that a member of the Group may become an Additional Chargor and party to this Debenture by executing and delivering a Security Accession Deed.

Each Chargor other than the Parent irrevocably appoints the Parent as its attorney for the purpose of executing a Security Accession Deed on its behalf.

24.4 Successors

This Debenture shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent. References to the Security Agent shall include (i) any transferee, assignee or successor in title of the Security Agent, (ii) any entity into which the Security Agent is merged or converted or with which it may be consolidated, (iii) any legal entity resulting from any merger, conversion or consolidation to which such Security Agent is a party and (iv) any other person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Debenture or to which, under such laws, those rights and obligations have been transferred (such person described in (i) to (iv) being a successor to the Security Agent for all purposes under the Finance Documents).

25. NOTICES

Each communication to be made under or in connection with this Debenture shall be made in accordance with clause 33 (*Notices*) of the Facilities Agreement.

26. GOVERNING LAW

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

27. JURISDICTION

27.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising out of, or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Debenture).

27.2 Convenient forum

Each Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and, accordingly, that no Chargor will argue to the contrary.

27.3 Exclusive jurisdiction

Notwithstanding Clause 27.1 (*English Courts*), the Security Agent may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed by the Security Agent and executed as a deed by each Original Chargor and is delivered by them as a deed on the date stated at the beginning of this Debenture.

SCHEDULE 1
THE ORIGINAL CHARGORS

Name and Company Number of Chargor	Jurisdiction	Address, fax number and name of relevant department or officer to receive notice
Bestway UK Holdco Limited, registration number 09106288	England and Wales	2 Abbey Road, Park Royal, London, NW10 7BW FAO: Company Secretary
Bestway Securities Limited, registration number 09106250	England and Wales	
Bestway Northern Limited, registration number 02675585	England and Wales	
Bestway Wholesale Limited, registration number 01207120	England and Wales	
Palmbest Limited, registration number 02548785	England and Wales	
MAP Trading Limited, registration number 01826942	England and Wales	
Batleys Properties Limited, registration number 00170410	England and Wales	
Bestway Panacea Holdings Limited, registration number 09225479	England and Wales	Merchants Warehouse, Castle Street, Castlefield, Manchester, M3 4LZ FAO: Company Secretary
Bestway Pharmacy NDC Limited, registration number 01050265	England and Wales	
Bestway Panacea Healthcare Limited, registration number 09225514	England and Wales	
Bestway National Chemists Limited, registration number 09225457	England and Wales	
Donald Wardle and Son Limited, registration number 02914910	England and Wales	

SCHEDULE 2
MORTGAGED PROPERTY

Charger name and number	Property Description	Title Number	Freehold or Leasehold
Bestway Northern Limited 02675585	Redfern Road, Tyseley, Birmingham	WM599697	Freehold
	Unit-1, Chancerygate, Buisness park, Heysham Road, Aintree, Liverpool, L70 1JL, Aintree	MS575366	Freehold
	2 Roway Lane, Oldbury, Oldbury	WM743129	Freehold
	Walsingham Drive, Bermuda Park, Nuneaton	WK389056	Freehold
	Follingsby Close, Wardley, Gateshead	TY401716	Leasehold
	Kingsway Park, St Anne Street, Liverpool	MS202573	Freehold
		MS375360	Freehold
	Yew Street, Manchester, Stockport	GM850168	Freehold
		GM347807	Freehold
	Lymedale Park, Holditch, Newcastle Under Lyme	SF434342	Freehold
	262 Princessway central, Team Valley Trading Estate, Gateshead, NE11 0UT, Depot, Team Valley	TY97026	Leasehold
	691 Princes Avenue, Southend on sea, SS0 0JA, Investment, Southend on sea	EX64316	Freehold
	West Service Road, Raynesway, Derby	DY366416	Freehold
	Stone Hill Road, Farnworth, Bolton	GM821631	Freehold

EXECUTION VERSION

Palmbest Limited 02548785	Oldham Road, Newton Heath, Manchester	GM622576	Freehold
	Lower Eccleshill Road, Darwen, Darwen	LA922536	Freehold
	115 – 123 Powis Street, Woolwich	SGL31171	Freehold
	32 – 48 Woodall Road, Redburn Industrial Estate, Enfield	EGL318257	N/A
	Units 1-9, Lea Bridge Industrial Estate, Heybridge Way, London	EGL294445	Freehold
	Unit 1, Hood Street, Coventry	WK194086	Freehold
	320 – 324 Kilburn High Road, Kilburn, London	NGL239996	Freehold
		NGL239997	Freehold
		NGL239998	Freehold
		NGL240000	Freehold
		LN47054	Freehold
	206 Earls Court Road & Flats 1-4 Trebovir Road, Earls Court, London	LN107335	Freehold
	87 High Street, Brentwood	EX448989	Freehold
	61, Chappel Market, Islington, London	LN89626	Freehold
	612-612a Finchley Road, Golders Green	NGL171816	Freehold
	5-11 Westbourne Grove, Westbourne Grove	NGL15516	Freehold

EXECUTION VERSION

Baileys Properties Limited 00170410	235-237 Finchley Rd, Finchley, London	NGL395971	Freehold
	Units 1-5, 95 Victoria Road, Acton	MX441711	N/A
	Chingford House, 17 Silverthorne Gardens, Chingford	EGL115949	N/A
	Units 1-4, Ardra Road, Meridian Way, Edmonton	AGL149260	N/A
	The residential apartments and retail units at 266-272 Cambridge Heath Road and 2, 4, 6 and 8 Wadeson Street, Hackney, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Palmbest Limited dated on or about the date of this deed	LN8829	N/A
		(294531 – this title number relates to the substation on site)	N/A
	The land at 241 Loughborough Road, Leicester, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Palmbest Limited dated on or about the date of this deed	LT465241	N/A
	207-211 Commercial Road, Portsmouth	HP54030	Freehold
	Euroway Trading Estate, Roysdale Way, Bradford	WYK622152	Freehold
	Talbot Road, Off Stephenson Road, Segenworth South, Fareham, Depot, Southampton	HP565459	Freehold
	Plot 5200 Gielgud Way, Cross Point Retail Park, Anstey, Depot, Coventry	WK346469	Freehold
	Drum Industrial Estate, Birtley, Chester-Le-Street, Newcastle	DU86737	Freehold

EXECUTION VERSION

	Frankland Road, Blagrove Ind Est, Swindon	WT189661	Freehold
	Venture Park Industrial Estate, Windy Arbour Road, Whiston, Liverpool	MS259956	Leasehold
	Concorde Way, Preston Farm Ind Est, Stockton-on-Tees, Cleveland	CE102957	Freehold
	Park House Lane, Bawtry Road, Tinsley, Sheffield	SYK372074	Freehold
	Firth Way, Blenheim Ind Est, Camberley Rd, Bulwell, Depot, Nottingham	NT332019	Leasehold
	Courteney Road, Gillingham Depot, Gillingham	K808416	Freehold
	Ohio Avenue, Salford Enterprise Zone, Depot, Salford	GM374370	Leasehold
	Kenrick Way, Sandwell, West Bromwich, Depot, Birmingham	WM405390	Freehold
	Skelton Grange Road, Stourton, Depot, Leeds	WYK716106	Freehold
	Longwood Drive, Forest Farm, Depot, Cardiff	WA857057	Freehold
	Walton Summit Road, Unit 70, Walton Summit Estate, Depot, Preston	LA803107	Freehold
	Chappel Drive, Docking Hill	SYK365978	Leasehold
		SYK40605	Leasehold
		SYK173976	Leasehold
		SYK365977	Leasehold
	11 Chandos Road, Acton	NGL187626	N/A
	Gascoigne Wharf, Barking	EGL385670	N/A
		EGL8881	N/A

EXECUTION VERSION

	Hollingbury Trading Estate, Brighton	ESX233154	N/A
	7-12 Dixon Road, Bristol	AV138192	N/A
		BL131642	N/A
	Brindley Road, Cardiff	WA897505	N/A
		WA441053	N/A
		WA899565	N/A
	1 & 2 Broad Lane Trading Estate, Coventry	WM501464	N/A
	Beddington Farm Road, Croydon	SGL500521	N/A
	The depot at Ardra Road, Meridian Way, Edmonton, being that part of the property edged in a broken red line in the transfer of part between Bestway (Holdings) Limited and Bestway Wholesale Limited dated on or about the date of this deed	AGL329119	N/A
	Matford Park, Exeter	DN432859	N/A
	The depot at 260, Cambridge Heath Road, Hackney	LN143727	N/A
		389749	N/A
		EGL213469	N/A
		272420	N/A
		LN8829	N/A
	The depot at 241 Loughborough Road, Leicester	LT12353	N/A
	St Mildred's Road, Lewisham	TGL57858	N/A

EXECUTION VERSION

2 Abbey Road, Park Royal, London	NGL491913	N/A
356/366 Dallow Road, Luton	BD17468	N/A
Hill Close, Northampton	NN13405	N/A
Shrewsbury Avenue, Peterborough	CB69838	N/A
Burrington Way, Plymouth	DN442758	N/A
Spilsby Road, Romford	EGL177033	N/A
	EGL142945	N/A
Brent Road, Southall	NGL398983	N/A
10 Camlfrwd Way, Swansea	WA974022	N/A

**SCHEDULE 3
SHARES**

Shareholder	Company	Issued Capital Share	Description and number of shares held
Bestway Securities Limited	Bestway UK HoldCo Limited	15,402,379	15,402,379 Ordinary shares
Bestway UK HoldCo Limited	Bestway Wholesale Limited	200000	100000 5% Non-Cumulative Preference Shares
			100000 Ordinary shares
	Palmbest Limited	10000	10000 Ordinary shares
	MAP Trading Limited	1000	1000 Ordinary shares
	Batleys Properties Limited	51605000	51603000 Ordinary shares
			2000 8% Cumulative Preference shares
	Bestway Panacea Holdings Limited	100	100 Ordinary shares
Bestway Panacea Holdings Limited	Care4U Pharmacy Limited	605500	500 A Ordinary shares
			500 B Ordinary shares
			500 C Ordinary shares
			604000 Redeemable Preference shares
Bestway Panacea Holdings Limited	Bestway Pharmacy NDC Limited	2777276	2777276 Ordinary shares
Bestway Pharmacy NDC Limited	Donald Wardle and Son Limited	50000	50000 Ordinary shares
Bestway Pharmacy NDC Limited	Opus Pharmaceuticals Limited	2000	1000 A Ordinary shares
			1000 B Ordinary shares
Bestway Panacea Holdings Limited	Bestway Panacea Healthcare Limited	100	100 Ordinary shares
Bestway Panacea Holdings Limited	Bestway National Chemists Limited	2103284	1688537 Ordinary shares
Bestway Panacea			414744 Ordinary shares

EXECUTION VERSION

Healthcare Limited			
Bestway National Chemists Limited	Ideal Healthcare Limited	990	990 Ordinary shares
Bestway National Chemists Limited	Portslade Medical Supplies Limited	100	64 A Ordinary shares
			36 B Ordinary shares
Bestway National Chemists Limited	PA Parkinson (Chemists) Limited	10000	9975 A Ordinary shares
			25 B Ordinary shares
Bestway Panacea Healthcare Limited	Bestway Belfast Chemists Limited	21	1 Ordinary share
Bestway National Chemists Limited			20 Ordinary shares
Bestway National Chemists Limited	Ebbw Vale Consortium Limited	100	100 Ordinary shares

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SCHEDULE 4 ACCOUNTS

Account Name	Account Bank	Sort Code	Currency	Account Number
Bestway National Chemists T/A WELL	Barclays	20-00-00	GBP	
Bestway Pharmacy NDC Ltd	Barclays	20-00-00	GBP	
Donald Wardle & Son Ltd	Barclays	20-00-00	GBP	
Bestway Pharmacy NDC Ltd	Barclays	20-00-00	EUR	
Bestway National Chemists T/A WELL MA	Barclays	20-00-00	GBP	
Bestway National Chemists T/A WELL MA 1	Barclays	20-00-00	GBP	
Bestway National Chemists T/A WELL MA 2	Barclays	20-00-00	GBP	
Bestway National Chemists T/A WELL MA 3	Barclays	20-00-00	GBP	
Bestway National Chemists Ltd	United Bank UK	60-91-70	GBP	
Batleys Properties Limited	Barclays	20-00-00	GBP	
Batleys Properties Limited	HSBC	40-25-10	GBP	
Batleys Properties Limited	HSBC	40-25-10	GBP	
Batleys Properties Limited	HSBC	40-25-10	GBP	
Batleys Properties Limited	HSBC	40-25-10	GBP	
Batleys Properties Limited	RBS	60-00-01	GBP	
Batleys Properties Limited	RBS	60-00-01	GBP	
Batleys Properties Limited	RBS	60-00-01	GBP	
Batleys Properties Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	Barclays	20-00-00	GBP	
Bestway Wholesale Limited	HSBC	40-22-26	GBP	
Bestway Wholesale Limited	HSBC	40-22-26	GBP	

EXECUTION VERSION

Bestway Wholesale Limited	HSBC	40-22-26	GBP	
Bestway Wholesale Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	RBS	60-00-01	GBP	
Bestway Wholesale Limited	HSBC	40-05-15	USD	
Bestway Wholesale Limited	HSBC	40-05-15	Euro	
Bestway Wholesale Limited	RBS	60-00-01	USD	
Bestway Wholesale Limited	RBS	60-00-01	Euro	
Bestway Wholesale Limited	Santander UK plc	09-02-22		
Bestway Northern Limited	Barclays	20-00-00	GBP	
Bestway Northern Limited	Habib Bank	20-41-00	GBP	
Bestway Northern Limited	Habib Bank	20-41-00	GBP	
Bestway Northern Limited	HSBC	40-22-26	GBP	
Bestway Northern Limited	RBS	60-00-01	GBP	
Bestway Northern Limited	HSBC	40-05-15	USD	
Bestway Northern Limited	RBS	60-00-01	USD	
MAP Trading Limited	Barclays	20-00-00	GBP	
MAP Trading Limited	HSBC	40-22-26	GBP	
MAP Trading Limited	RBS	60-00-01	GBP	
MAP Trading Limited	RBS	60-00-01	USD	
Palmbest Limited	Barclays	20-00-00	GBP	

EXECUTION VERSION

Palmbest Limited	HSBC	40-22-26	GBP	
Palmbest Limited	HSBC	40-22-26	GBP	
Palmbest Limited	HSBC	40-22-26	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Palmbest Limited	RBS	60-00-01	GBP	
Bestway UK Holdco Limited	Barclays	20-00-00	GBP	
Bestway Securities Limited	Barclays	20-00-00	GBP	

SCHEDULE 5
FORM OF NOTICE OF SECURITY TO ACCOUNT BANK

To: *[Account Bank/other financial institution]*

Date: *[•]*

Dear Sirs

We give you notice that, by a Debenture dated *[•]* 2017 (the "**Debenture**"), we have charged by way of fixed charge to *[•]* (the "**Security Agent**") as trustee for the Secured Parties all of our right, title and interest in and to and all monies (including interest) from time to time standing to the credit of, the account[s] listed below maintained with your *[bank/building society/financial institution]* (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby:

Account Name[s]: *[•]*

Sort Code[s]: *[•]*

Account No[s]: *[•]*

[repeat list as necessary]

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to *[the]/[any]* account[s] maintained with you from time to time as the Security Agent may request you to disclose to it.

We notify you that a Declared Default has occurred and further instruct and authorise you to act only in accordance with the Security Agent's instructions.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at *[•]* marked for the attention of *[•]*.

Yours faithfully,

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

**Form of Acknowledgement of Notice of
Security by Account Bank**

To: [•] (the "Security Agent")

Date:

Dear Sirs

We confirm receipt from [Enter Chargor Name] (the "Chargor") of a notice dated [•] of a fixed charge upon the terms of a Debenture dated [•] 2017 (the "Debenture") of all the Chargor's right, title and interest in and to, and all monies (including interest) from time to time standing to the credit of the following account[s] which [is/are] maintained with us and the debt or debts represented thereby:

[List relevant accounts here]

(the "Account[s]").

We confirm that the balance standing to the Account[s] at today's date is [], no fees or periodic charges are payable in respect of the Account[s] and there are no restrictions on (a) the payment of the credit balance on the Account[s] [(except, in the case of a time deposit, the expiry of the relevant period)] or (b) the creation of Security over the Account[s] in favour of the Security Agent or any third party.

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts and security in respect of any Account[s] and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor.

We confirm that we have not received notice of the interest of any third party in [any of] the Account[s] and will not, without the Security Agent's prior written consent, amend or vary any rights attaching to the Account[s].

We will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account[s] to the Security Agent.

[We confirm that we have not designated [the]/[any of the] Account[s] a dormant account within the meaning of the Dormant Bank and Building Society Accounts Act 2008. We agree that we will not so designate [the]/[any of the] Account[s] nor take any steps to transfer the balance standing to the credit of [the]/[any of the] Account[s] to the reclaim fund without the Security Agent's prior written consent.].]

This letter and all non-contractual obligations arising out of or in connection with it are to be governed by and will be construed in accordance with English law.

Yours faithfully,

.....
for and on behalf of
[*Account Bank/other financial institution*]

cc. **[*Enter Chargor Name*]**

SCHEDULE 6
FORM OF NOTICE OF ASSIGNMENT OF MATERIAL INSURANCE POLICY

To: [Insert name of Insurer]

Date:

Dear Sirs

We give you notice that, by a Debenture dated [•] 2017 (the "**Debenture**"), we have assigned to [•] (the "**Security Agent**") as trustee for the Secured Parties all our rights, title and interest in and to the proceeds of [insert details of relevant insurance policy] (the "**Policy of Insurance**").

We notify you that a Declared Default has occurred and therefore with effect from your receipt of this notice we instruct and authorise you to:

- (a) make all payments and claims under or arising from the Policy of Insurance to the Security Agent [insert relevant account number and sort code] or to its order as it may specify in writing from time to time;
- (b) note the interest of the Security Agent on the Policy of Insurance; and
- (c) disclose to the Security Agent, without further approval from us, such information regarding the Policy of Insurance as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Policy of Insurance.

We will remain liable to perform all our obligations under the Policy of Insurance and the Security Agent is under no obligation of any kind whatsoever under the Policy of Insurance nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy of Insurance.

This letter and all non-contractual obligations arising out of or in conjunction with it are governed by and will be construed in accordance with the laws of England and Wales.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [•] marked for the attention of [•].

Yours faithfully,

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

**Form of Acknowledgement of
Assignment from Insurer**

To: [•] as trustee for the Secured Parties (the "Security Agent")

Date:

Dear Sirs

We acknowledge receipt of a notice dated [•] of security created by [*Chargor Name*] (the "**Chargor**") in favour of the Security Agent over the Chargor's rights, title and interest in and to the proceeds of the Policy of Insurance (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of such notice; and
- (b) we have not received notice of any prior security over, or interest of any third party in, the proceeds.

We further confirm that:

- 1. we have made all necessary arrangements for all future payments payable under such Policy of Insurance, to be made into the account specified in the notice; and
- 2. the Chargor will remain liable to perform all its obligations under the Policy of Insurance and the Security Agent is under no obligation of any kind whatsoever under the Policy of Insurance nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the Policy of Insurance.

We confirm that we have made all necessary arrangements for the interest of the Security Agent to be noted on the Policy of Insurance.

We have not claimed or exercised, and waive all future rights to claim or exercise, any rights of set-off, lien, counterclaim or other similar rights now or in the future relating to the proceeds of the Policy of Insurance and we will send you copies of all notices given by us under the Policy of Insurance upon request.

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully,

.....
for and on behalf of
[*Insert name of Insurer*]

cc. [*Enter Chargor Name*]

**SCHEDULE 7
FORM OF SECURITY ACCESSION DEED**

THIS SECURITY ACCESSION DEED is made on [•]

BETWEEN:

- (1) [•], (registered in [•] with company registration number [•]) (the "**Additional Chargor**");
- (2) [•], (registered in [•] with company registration number [•]) (the "**Parent**"); and
- (3) **The Royal Bank of Scotland plc** as trustee for each of the Secured Parties (the "**Security Agent**").

RECITALS:

- A. The Additional Chargor has agreed to enter into this Security Accession Deed and to become a Chargor under a debenture dated [•] between [•] and [•] as Original Chargors and the Security Agent as amended and supplemented by earlier Security Accession Deeds (if any) (the "**Debenture**").
- B. This Security Accession Deed is supplemental to the Debenture.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless defined in this Security Accession Deed, or the context otherwise requires, a term defined in or incorporated by reference into the Debenture has the same meaning in this Security Accession Deed, or in any notice given under or in connection with this Security Accession Deed.

1.2 Interpretation and construction

- (a) Clause 1.2 (*Terms defined in other Finance Documents*), Clause 1.3 (*Construction*) and Clauses 1.5 (*Present and future assets*) to 1.8 (*Security Agent assumes no obligation*) (inclusive) of the Debenture are deemed to form part of this Security Accession Deed as if expressly incorporated into it and as if all references in those clauses to the Debenture were references to this Security Accession Deed.
- (b) All the provisions contained in the Debenture in relation to the Security created by it and all the powers and rights conferred on the Security Agent and any Receiver in relation to the Security created by the Debenture shall extend and apply to the Security created by this Security Accession Deed.

- (c) The Debenture and this Security Accession Deed shall be read together and construed as one instrument.
- (d) This Security Accession Deed is a Finance Document.

2. ACCESSION OF ADDITIONAL CHARGOR

2.1 Accession

With effect from the date of this Security Accession Deed, the Additional Chargor:

- (a) agrees to be a party to the Debenture as a Chargor; and
- (b) agrees to be bound by all the terms of the Debenture which are expressed to be binding on a Chargor as if it had originally been a party to it as a Chargor (but so that the Security created by virtue of this deed shall be created on the date of this Security Accession Deed).

2.2 Consent of existing Chargors

The Parent agrees and consents, for itself and on behalf of each of the other existing Chargors, to the terms of this Security Accession Deed and further agrees that its execution shall not, in any way, prejudice or affect the Security granted by each of the existing Chargors pursuant to (and the covenants given by each of them in) the Debenture or any other Security Accession Deed.

2.3 Covenant to pay

The Additional Chargor covenants with the Security Agent that it shall, on demand of the Security Agent pay, discharge and satisfy the Secured Obligations at the times and in the manner provided for in the relevant Finance Documents.

3. COMMON PROVISIONS

3.1 Common provisions as to all Security

All the Security created by or pursuant to this Security Accession Deed is:

- (a) created with full title guarantee;
- (b) created in favour of the Security Agent as trustee for the Secured Parties and the Security Agent shall hold the benefit of this Security Accession Deed and the Security created by or pursuant to it on trust for the Secured Parties; and
- (c) continuing security for the payment and discharge of all the Secured Obligations.

3.2 Consent for Fixed Security

The Additional Chargor creates each Fixed Security subject to obtaining any necessary consent to such Fixed Security from any relevant third party.

4. FIXED SECURITY

4.1 Mortgage of Real Property

The Additional Chargor charges, by way of first legal mortgage, the Mortgaged Property listed in Schedule 1 (*Mortgaged Property*) of this Security Accession Deed.

4.2 Fixed charge over Material Real Property

The Additional Chargor charges (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 4.1 (*Mortgage of Real Property*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to all its Material Real Property (other than any Excluded Property) and all Related Rights (other than any Related Rights relating to any Excluded Property).

4.3 Fixed charge over Tangible Moveable Property

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Tangible Moveable Property and all Related Rights.

4.4 Fixed charge over Accounts

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Accounts and all Related Rights. The execution of this Deed by the Additional Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created over any Account opened or maintained with the Security Agent.

4.5 Fixed charge over contracts

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any contract or agreement to which the Additional Chargor is a party and all Related Rights.

4.6 Fixed charge over Monetary Claims

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Monetary Claims (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Security Accession Deed) and all Related Rights (to the extent not already charged under this Clause 4.6).

4.7 Fixed charge over Investments

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Investments and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.8 Fixed charge over Shares

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Shares including, without limitation, those listed in Schedule 2 (*Shares*) of this Security Accession Deed and all dividends, interest and other

monies payable in respect of those Shares and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise).

4.9 Fixed charge over Intellectual Property

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to its Intellectual Property and all Related Rights.

4.10 Fixed charge over goodwill

The Additional Chargor charges, by way of first fixed charge, all of its rights, title and interest from time to time in and to any goodwill, rights and claims in relation to the uncalled capital of the Additional Chargor.

4.11 Fixed charge over other assets

The Additional Chargor charges (to the extent not validly and effectively assigned pursuant to 4.12 (*Assignment of Material Insurance Policies*)), by way of first fixed charge, all of its rights, title and interest from time to time in and to each of its Material Insurance Policies and all Related Rights in relation to each of those assets.

4.12 Assignment of Material Insurance Policies

The Additional Chargor assigns and agrees to assign absolutely, all of its rights, claims, title and interest from time to time in and to the proceeds of each of its Material Insurance Policies.

5. FLOATING CHARGE

5.1 Floating charge

- (a) The Additional Chargor charges by way of first floating charge in favour of the Security Agent all present and future assets and undertaking of the Additional Chargor.
- (b) The floating charge created pursuant to paragraph (a) above shall be deferred in point of priority to all Fixed Security validly and effectively created by the Additional Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to paragraph (a) of Clause 5.1 above.

6. POWERS OF ATTORNEY

6.1 Security power of attorney

The Additional Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney in accordance with the terms set out in Clause 18.1 (*Appointment and powers*) and Clause 18.2 (*Ratification*) of the Debenture.

6.2 Additional Chargors

The Additional Chargor irrevocably appoints the Parent as its attorney for the purpose of executing a Security Accession Deed relating to any other member of the Group on its behalf.

7. NEGATIVE PLEDGE AND RESTRICTION ON DEALINGS

Except as permitted under the Facilities Agreement the Additional Chargor shall not at any time during the Security Period create or permit to subsist any Security over all or any part of its Charged Assets or dispose of or otherwise deal with any part of its Charged Assets.

8. IMPLIED COVENANTS FOR TITLE

8.1 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 4 (*Fixed Security*) or Clause 5 (*Floating charge*).

8.2 It shall be implied in respect of Clause 4 (*Fixed Security*) and Clause 5 (*Floating charge*) that the Additional Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

9. APPLICATION TO HM LAND REGISTRY

The Additional Chargor consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [] referred to in the charges register [or their conveyance]."

10. FURTHER ADVANCES

Subject to the terms of the Facilities Agreement, each Lender is under an obligation to make further advances to the Additional Chargor and that obligation will be deemed to be incorporated in this Security Accession Deed as if set out in this Security Accession Deed. The Additional Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of its Charged Assets.

11. EXTENSION OF POWER OF SALE

The power of sale or other disposal conferred on the Security Agent and on any Receiver by the Debenture and this Security Accession Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Security Accession Deed.

12. RESTRICTIONS

The restrictions contained in sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Security Accession Deed or to the exercise by the Security Agent of its right to consolidate all or any of the Security created by or pursuant to this Security Accession Deed with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to the Additional Chargor on or at any time after the Security created by or pursuant to this Security Accession Deed has become enforceable in accordance with Clause 14 (*Enforcement of Security*) of the Debenture.

13. NOTICES

The Additional Chargor confirms that its address details for notices are as follows:

Address: [•]

Fax number: [•]

Attention: [•]

14. GOVERNING LAW

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

THIS SECURITY ACCESSION DEED has been signed by the Security Agent and executed as a deed by the Additional Chargor and the Parent and is delivered by them as a deed on the date stated at the beginning of this Security Accession Deed.

SCHEDULE 1
Mortgaged Property

SCHEDULE 2
Shares

EXECUTION PAGES TO DEBENTURE

The Chargors

EXECUTED AS A DEED

By: **BESTWAY UK HOLDCO LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY SECURITIES LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY NORTHERN LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY WHOLESALE LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **PALMBEST LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **MAP TRADING LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BATLEYS PROPERTIES LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PANACEA HOLDINGS LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PHARMACY NDC LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY PANACEA HEALTHCARE LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **BESTWAY NATIONAL CHEMISTS LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED AS A DEED

By: **DONALD WARDLE AND SON LIMITED**

Signature of Director

Name of Director

in the presence of

Signature of witness

Name of witness

Address of witness

Occupation of witness

The Security Agent

For and on behalf of

THE ROYAL BANK OF SCOTLAND PLC

By:



Name: *ANDREW N GORMLEY*

Title: *Authorised Signatory*

Witnessed By



Anthony O'Flynn

Syndicated Loans Agency
The Royal Bank of Scotland plc
250 Bishopsgate
London
EC2M 4AA