



Registration of a Charge

Company name: **SCOTCO (NORTHERN) LIMITED**

Company number: **09294355**



X7491XEG

Received for Electronic Filing: **20/04/2018**

Details of Charge

Date of creation: **09/04/2018**

Charge code: **0929 4355 0014**

Persons entitled: **HSBC BANK PLC (AS SECURITY AGENT) (00014259)**

Brief description: **ALL AND WHOLE THE TENANT'S INTEREST UNDER THE LEASE BETWEEN SCOTCO (EASTERN) LIMITED AND SCOTCO (NORTHERN) LIMITED DATED 17 OCTOBER 2016 AND CURRENTLY UNDERGOING REGISTRATION IN THE LAND REGISTER OF SCOTLAND UNDER TITLE NUMBER MID177902 IN RESPECT OF THE SUBJECTS KNOWN AS AND FORMING THE PLOT OF GROUND ON THE NORTH WEST SIDE OF STRAITON ROAD, LOANHEAD EH20 9NS.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **EDWIN TRUESDALE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9294355

Charge code: 0929 4355 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th April 2018 and created by SCOTCO (NORTHERN) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th April 2018 .

Given at Companies House, Cardiff on 24th April 2018

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

2018

(1) SCOTCO (NORTHERN) LIMITED

- and -

(2) HSBC BANK PLC

as Security Agent

STANDARD SECURITY

relating to

subjects on the on the north west side
of Straiton Road, Loanhead EH20 9NS.



DLA PIPER

WE HEREBY CERTIFY THIS TO BE A TRUE COPY
OF THE ORIGINAL

DATE 19/4/2018

SIGNED [Signature]

DLA PIPER UK LLP

DLA PIPER SCOTLAND LLP

HSBC

HSBC Bank plc

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THIS STANDARD SECURITY is made on,

2018

BETWEEN:-

- (1) **SCOTCO (NORTHERN) LIMITED**, a company incorporated and registered under the laws of England and Wales with registered number 09294355 whose registered office is at Marina Buildings, Harleyford Estate, Henley Road, Marlow, Buckinghamshire SL7 2DX (the "**Chargor**"); and
- (2) **HSBC BANK PLC**, a company incorporated and registered under the laws of England and Wales with registered number 00014259 whose registered office is at 8 Canada Square, London, E14 5HQ (as security trustee for the Secured Parties (as defined below) (in such capacity, the "**Security Agent**")).

IT IS AGREED as follows:-

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Standard Security:-

"Affiliate" means a Subsidiary of a company, a Holding Company of that company or any other Subsidiary of that Holding Company

"Costs" means any (i) costs, charges, fees, premiums and expenses incurred from time to time by the Security Agent under the Standard Conditions and which are either repayable by the Chargor to the Security Agent under the said Standard Conditions or are incurred by the Security Agent in exercise of its powers under the said Standard Conditions; (ii) any costs, charges and expenses incurred by the Security Agent in connection with doing anything to protect its interest in this Standard Security or to obtain possession of, sell or deal with the Property; and (iii) any charges and commission which the Security Agent may from time to time charge the Chargor in the ordinary course of the Security Agent's business in respect of the liabilities and obligations secured by this Standard Security or any service provided by the Security Agent to the Chargor

"Facilities Agreement" means the facilities agreement dated on or about the same date as this Standard Security and made between (1) Scotco (Northern) Limited as Company (2) the entities listed in Part 1 of Schedule 1 thereof (including the Chargor) as Original Guarantors (3) HSBC Bank plc as Arranger (4) HSBC Bank plc as Original Lender (5) HSBC Bank plc as Agent and (6) HSBC Bank plc as Security Agent

"Headlease" means any lease pursuant to which the Property is held

"Hedging Agreement" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Chargor and to which HSBC Bank plc is the counterparty, for the purpose of hedging interest rate liabilities and/or any exchange rate or other risks in relation to all or part of the Secured Obligations and shall include all trades conducted thereunder

"Holding Company" has the meaning given in section 1159 of the Companies Act 2006

"Interest"	means interest at the rate payable pursuant to any facility secured by this Standard Security
"Lease"	means any lease, sublease, tenancy, licence or other right of occupation to which the Property is from time to time subject together with any agreement to grant any such interest or right and any related guarantee or other security for the performance of the lessee's obligations
"Net Rental Income"	means Rental Income other than:- <ul style="list-style-type: none"> (a) any sum paid or payable by a tenant or other occupier of the Property to reimburse expenses incurred in the management, maintenance and repair of, or the provision of services specified in any Lease in respect of, the Property (b) any sum paid or payable by a tenant or other occupier of the Property for a breach of obligation under any Lease in respect of the items specified in paragraph (a) above and any related costs and expenses (c) any contribution to a sinking fund paid or payable by a tenant of the Property (d) any contribution to insurance premium (e) any contribution to the cost of an insurance valuation (f) any rent due under a Headlease and (g) any withholding or deduction on account of Tax or any VAT on any component of Rental Income
"Obligor"	means the Chargor and any guarantor of the Secured Obligations or any part of them
"Property"	means ALL and WHOLE the property specified in the Schedule (<i>The Property</i>)
"Rental Income"	means the aggregate of all amounts paid or payable to or for the benefit of any Obligor who has granted Security over the Property in connection with the letting, use or occupation of the Property including:- <ul style="list-style-type: none"> (a) rents, licence fees and equivalent amounts in respect of the Property (b) any amount paid from any deposit held as security for the performance of any lessee's obligations under any Lease (c) any other monies paid or payable in respect of use and/or occupation of all or any part of the Property (d) any insurance proceeds in respect of loss of rent in respect of all or any part of the Property (e) any amount paid in respect of a breach of covenant under any Lease and any related costs and expenses

- (f) any amount equal to any apportionment of rent allowed in favour of any Obligor under a contract for the purchase of the Property
- (g) any sums payable in respect of the items set out in paragraphs (a) to (g) of the definition of Net Rental Income
- (h) any amount paid by a guarantor in respect of any item set out in paragraphs (a) to (g) above
- (i) any interest, damages or compensation in respect of any item set out in paragraphs (a) to (h) above and
- (j) any VAT on any amount set out in paragraphs (a) to (i) above

"Schedule"

means the schedule annexed to this Standard Security

"Secured Obligations"

means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Security Agent and/or the other Secured Parties by the Chargor, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor), including any money and liabilities of the Chargor to a third party which have been assigned or novated to or otherwise vested in the Security Agent and/or the other Secured Parties and including interest, discount, commission and other lawful charges or expenses which the Security Agent and/or the other Secured Parties may in the course of its business charge or incur in respect of any of those matters or for keeping the Chargor's accounts, and so that interest shall be computed and compounded according to the usual rates and practice (or otherwise agreed in writing) after as well as before any demand made or judgment or decree contained under or in relation to this Standard Security including without limitation all such amounts under the Finance Documents and under the Bilateral Finance Documents

"Secured Parties"

means each Finance Party and HSBC Bank plc in any capacity

"Security"

means the Security Interests created or intended to be created by or pursuant to this Deed

"Security Interest"

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

"Standard Conditions"

means the Standard Conditions specified in schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended and as may be further amended from time to time) and any lawful variation thereof operative for the time being all as varied by Clause 13 below (save to the extent that any variation would result in the security created by this Standard Security becoming void or unenforceable)

"Subsidiary"

has the meaning given in section 1159 of the Companies Act 2006

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

"VAT" means Value Added Tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature

and terms defined in, or constituted for the purposes of the Facilities Agreement have the same meanings when used in this Standard Security (unless the same are otherwise defined in this Standard Security).

1.2 Interpretation

1.2.1 Unless a contrary indication appears, any reference in this Standard Security to:-

- (a) the Security Agent shall be construed to include its successors in title, permitted assigns and permitted transferees;
- (b) includes or including shall be read and construed as including the phrase without limitation;
- (c) this Standard Security or any other agreement or instrument is a reference to this Standard Security, or other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the Chargor's obligations or provides for further advances);
- (d) a provision of law is a reference to that provision as amended or re-enacted;
- (e) the singular includes the plural and vice versa;
- (f) any heritable property includes:-
 - (i) all or any part of it;
 - (ii) all buildings, fixtures (including trade fixtures), fittings and fixed plant or machinery at any time on that property;
 - (iii) all servitudes, rights and agreements in respect of that property;
 - (iv) all rents from and proceeds of sale of that property; and
 - (v) the benefit of all covenants given in respect of that property.

1.2.2 When any provision of this Standard Security refers to an approval or consent by the Security Agent that provision shall be construed so as to require that consent or approval to be given in writing.

1.2.3 Where the Chargor includes two or more entities a reference to the Chargor shall mean to each of the entities severally as well as all of the entities jointly.

1.2.4 Where the Chargor is not a limited company, references to 'its' and 'it' shall be read and construed as references to 'his' and 'him' or 'her' as applicable.

1.2.5 References to clauses and paragraphs are to be construed, unless otherwise stated, as references to clauses and paragraphs of this Standard Security.

1.2.6 Clause headings are for ease of reference only and shall not affect the construction of this Standard Security.

1.2.7 If the Security Agent reasonably considers that an amount paid by the Chargor is capable of being avoided or otherwise set aside on the bankruptcy, liquidation or administration of the Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Standard Security.

2. GRANT OF SECURITY AND UNDERTAKING TO PAY

2.1 Undertaking

We, the Chargor, hereby undertake to pay and discharge to the Security Agent the Secured Obligations when the same fall due for payment.

2.2 Grant

We, the Chargor, do hereby in security of the Secured Obligations GRANT a Standard Security in favour of the Lender over ALL and WHOLE the Property.

3. STANDARD CONDITIONS

The Standard Conditions shall apply (save to the extent that they are prevented by law) and under declaration that the terms "**debtor**" and "**creditor**" in the Standard Conditions shall refer to the Chargor and the Security Agent respectively.

4. INCORPORATION OF SCHEDULE

The Schedule forms part of this Standard Security and the Chargor undertakes to comply fully with its obligations (if any) set out in the Schedule.

5. CONTINUING SECURITY

This Standard Security shall be a continuing security for the liabilities and obligations secured hereby notwithstanding any intermediate payment or settlement of all or any part of such liabilities and obligations or other matter or thing whatsoever until the said liabilities and obligations have been discharged in full. This Standard Security shall be in addition to and shall not either prejudice or be prejudiced by any other security, guarantee, right or remedy of whatever sort, held by or available to the Security Agent at any time for the said liabilities and obligations and will not be affected by the Security Agent at any time failing to enforce, releasing, or varying any such other security, guarantee, right or remedy.

6. GRANT OF FURTHER SECURITY

If the Security Agent receives notice that any security interest has been created over the Property the Security Agent will (to the extent that it has not immediately done so) be treated as if it had immediately opened a new account in the name of the Chargor and all payments received by the Security Agent from the Chargor will (notwithstanding any instructions from the Chargor to the contrary) be treated as if they had been credited to the new account and will not reduce the amount then due by the Chargor to the Security Agent.

7. NO WAIVER

No failure or delay by the Security Agent in exercising any right or remedy under this Standard Security shall operate as a waiver, and no single or partial exercise shall prevent further exercise of any right or remedy.

8. COSTS

8.1 Payment

The Chargor agrees to indemnify the Security Agent, upon demand, against any Costs.

8.2 Security for Costs

Without prejudice to any other remedy, security or lien available to the Security Agent from time to time in respect of repayment of the Costs, until any such Costs are repaid by the Chargor (and whether they are repaid after the Security Agent has demanded repayment of all or any part of the Secured Obligations or after the Security Agent has obtained any decree for repayment of all or any part of the Secured Obligations), they will form part of the Secured Obligations hereby secured, they will be secured by this Standard Security and Interest will be payable upon them by the Chargor to the Security Agent from the respective times of becoming due until payment.

8.3 Certification

Any account or certificate signed by any signing official authorised by the Security Agent as to the amount of the Secured Obligations or any part of them shall, in the absence of manifest error, be conclusive and binding on the Chargor and the Chargor consents to the registration of this Standard Security and any such account or certificate for execution.

8.4 Joint and Several Liability

Any agreements, undertakings and security given or implied by more than one person in or under the Standard Conditions or this Standard Security shall be assumed to have been given jointly and severally by all such persons.

8.5 Management Time

The Security Agent reserves the right to charge for its management time or other resources (which will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Chargor from time to time), and shall form part of the Costs.

9. NOTICES

9.1 Communications in writing

Without prejudice to the provisions regarding notices contained in the Conveyancing and Feudal Reform (Scotland) Act 1970 (as amended and as may be further amended from time to time), any communication to be made under or in connection with this Standard Security or the Standard Conditions shall be made in terms of this Clause 9. Further, any such communication must be in writing in the English language and, unless otherwise stated, must be made by letter.

9.2 Addresses

The Security Agent may deliver any communication, document or notice to the Chargor relating to this Standard Security to its registered office, or any additional address the Chargor may notify to the Security Agent by not less than five business days' notice.

9.3 Delivery

9.3.1 Any communication or document made or delivered by one person to another under or in connection with this Standard Security will only be effective when it has been left at the relevant address or five business days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address.

9.3.2 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent.

10. TRANSFER

- 10.1 The Security Agent may at any time (without notice or consent) transfer to any other person (the "transferee") the benefit of this Standard Security and all or any of its rights and interest therein (either absolutely or in security) together with all or any of its rights in respect of the Secured Obligations. The transferee may enforce this Standard Security in the same way as if he had been a party to this Standard Security instead of the Security Agent. Where the Security Agent has transferred only part of its rights in respect of the Secured Obligations, then this Standard Security shall be treated as if it had been given to the Security Agent as trustee for itself and such other person.

11. CONFIDENTIALITY

The Security Agent may disclose to:-

- 11.1 any transferee or potential transferee;
- 11.2 any assignee or potential assignee;
- 11.3 any person with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to or including the Secured Obligations;
- 11.4 any ratings agency;
- 11.5 any of the officers, directors, employees, professional advisers, auditors, partners and representatives of the persons referred to in sub-clauses 11.1 to 11.4;
- 11.6 any of its Affiliates and to any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives;
- 11.6.1 any person to whom information is required or requested to be disclosed by any court of a competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- 11.6.2 any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes; and
- 11.7 any insurance company or underwriters in relation to the insurance of the Property,

such confidential information as the Security Agent shall consider appropriate.

12. PARTIAL INVALIDITY

All the provisions of this Standard Security are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

13. STANDARD CONDITIONS

The Standard Conditions shall be varied as follows:-

13.1 Standard Condition 1

Standard Condition 1 shall be deleted and replaced by the following:-

- "1. It shall be an obligation on the Chargor:-
- (a) to maintain and repair all buildings and other erections, any services for such buildings and erections and any fixtures and fittings at any time in and upon the Property so that they are at all times in good and substantial repair and condition in every respect and (whenever necessary for the purpose of ensuring that the same are kept at all times in such repair and condition) to renew, rebuild and reinstate the same and generally in all respects to keep the same in good and substantial repair and condition, decorated in a good and workmanlike manner with good quality materials, and clean and tidy, all to the reasonable satisfaction of the Security Agent;
 - (b) to permit the Security Agent (and any person authorised by it) at all times and upon reasonable prior written notice (except in an emergency when no notice shall be required) to enter upon the Property to examine the state of repair and condition of the same and to leave at the Property written notice of any repairs and defects which the Security Agent or that person considers must be carried out to preserve the marketability and/or value of the Property;
 - (c) well and substantially to make good all repairs and defects affecting the Property specified in such notice within such reasonable period as the Security Agent may specify in such notice (and if the Chargor fails satisfactorily to comply with such notice the Security Agent and all persons authorised by it may (without prejudice to any other rights and remedies available to the Security Agent) enter the Property, with or without workmen and/or equipment, to execute the relevant works and the cost of doing so (together with legal and surveyors' fees and any Value Added Tax) will be repayable by the Chargor to the Security Agent upon demand); and
 - (d) to carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of any Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties."

13.2 Standard Condition 2

Standard Condition 2 shall be deleted and replaced by the following:-

2. "It shall be an obligation on the Chargor:-
- (a) to complete, without delay (and in any event within such period of time as the Security Agent may require) and in a proper manner, any unfinished buildings, other erections and works at any time forming part of the Property, in accordance with all consents, licences and approvals required by law ("**necessary consents**") for the same and to the satisfaction of the Security Agent and of any relevant authorities and upon request to exhibit to the Security Agent evidence of the necessary consents for the same having been obtained;
 - (b) not, without the prior written consent of the Security Agent and without all necessary consents for the same, to demolish, or make any structural alteration

or addition to any buildings or other erections or works forming the whole or part of the Property, whether internal or external;

- (c) to carry out any demolition, structural alteration or addition permitted in terms of Condition 2(b) above in accordance with all necessary consents and to the satisfaction of the Security Agent and of any relevant authorities and upon request to exhibit to the Security Agent evidence of the necessary consents for the same having been obtained;
- (d) not, without the prior written consent of the Security Agent, to apply for (i) any improvement grant or other grant in respect of the whole or any part of the Property; and (ii) any planning permission for the development or change of use of the Property;
- (e) not to do or omit to do (or permit to be done or omitted) anything which might adversely affect the marketability or value of the Property."

13.3 Standard Condition 3

Standard Condition 3 shall be varied by adding the following obligations as new Conditions 3(d), 3(e), 3(f) and 3(g):-

- "(d) to observe and perform the burdens, obligations, agreements, conditions and others contained or referred to in the title deeds (and applicable leasehold documentation) for the Property (so far as they are still subsisting and capable of taking effect and relate to the Property) and to comply with every obligation relating to the Property (including where the Property comprise the tenant's interest under a lease, to pay all rents and other sums due under that lease and to enforce performance by the landlord of its obligations under that lease);
- (e) to ensure that all necessary consents in respect of or affecting the Property are obtained and are being complied with at all times and that the statutes, orders, bye-laws, statutory instruments, regulations, other subordinate legislation and codes of practice of any governmental, local or other competent authorities affecting the Property will be complied with at all times;
- (f) to use the Property only for such purpose as may for the time being be authorised as a permitted use under or by virtue of any applicable authorisation, (including any consent, approval, resolution, licence, planning permission, exemption, filing or registration) or any regulations, (including any rule, official directive, notice, guideline or order (whether or not having the force of law)) of any governmental body, agency, department, court, tribunal or regulatory authority or organisation;
- (g) if the Chargor at any time while this Standard Security is in force, holds any licence or consent required to carry out any business or operation on the Property, the Chargor shall:-
 - (i) not do or omit to do (or allow to be done or omitted) anything which may prejudice the contractual existence or renewal of such licence or consent;
 - (ii) obtain, maintain and renew such licence or consent upon terms acceptable to the Security Agent and, upon request by the Security Agent, exhibit such licence or consent to the Security Agent;
 - (iii) notify the Security Agent immediately upon becoming aware of anything likely to affect the continued existence or renewal of such licence or consent or to result in the conditions upon which such licence or consent was granted to be altered;
 - (iv) insure and keep such licence or consent insured against loss, termination or non-renewal on such terms and for such sums as the Security Agent may from

time to time require in writing and the provisions of Standard Condition 5 (as varied by this Standard Security) shall apply to such insurance as if they were now repeated."

13.4 **Standard Condition 4**

Standard Condition 4 shall be deleted and replaced by the following:-

"4. It shall be an obligation on the Chargor:-

- (a) to notify the Security Agent immediately upon receipt by the Chargor of any application, requirement, order or notice or of any amendment of the same or of any proposal for the making or issuing of the same ("**Requirement**") served or given by any person or authority (including the Chargor's landlord if the Property is the tenant's interest under a lease) affecting or likely to affect the Property or their use and at the same time to produce a copy of the same to the Security Agent and inform it of the steps proposed to be taken to comply with any such Requirement or, as the case may be, to object to it;
- (b) at the Chargor's expense, to take all such actions (including commencing legal proceedings) and within such timescale(s) as the Security Agent may require in connection with any such Requirement (including objecting or joining with the Security Agent in objecting to or in making representations against the same) and if the Chargor fails to do so, to permit the Security Agent to take such action (including commencing legal proceedings) as it thinks fit in connection with any such Requirement, whether or not in the name of the Chargor (and any costs incurred by the Security Agent in so doing will be repayable by the Chargor to the Security Agent upon demand);
- (c) without prejudice to Condition 4(b) above, at the Chargor's expense to take, as soon as practicable, all reasonable and necessary steps to comply with any such Requirement or, as the case may be, to object to the same;
- (d) if the Security Agent so requires, to object or to join with the Security Agent in objecting to any such Requirement or in making representations against any proposal for the same."

13.5 **Standard Condition 5**

Standard Condition 5 shall be deleted and replaced by the following:-

"5.

- (a) The Chargor must ensure that at all times it benefits from and each other Obligor benefits from insurance against third party and public liability risks and that the Property is insured against:-
 - (i) loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them, riot, terrorism, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, and subsidence; and
 - (ii) such other risks and contingencies as are insured against in accordance with sound commercial practice or which the Security Agent may direct from time to time to the full reinstatement value thereof with adequate provision also being made for:-
 - (1) the cost of clearing the site, demolition, shoring or propping up and architects', engineers', surveyors' and other

professional fees incidental thereto and value added tax on such costs and fees (together with provision for future inflation); and

- (2) the loss of rents or prospective rents for a period of not less than three years or such other period as the Security Agent may direct and having regard to any potential increases in rent as a result of reviews.

(b) The Chargor must ensure at all times that all insurance policies:-

- (i) contain a mortgagee clause whereby such insurance policy will not be vitiated or avoided as against a mortgagee or security holder in the event of or as a result of any circumstances beyond the control of that insured party or any misrepresentation, breach of any policy term or condition, act or neglect or failure to make disclosure on the part of any other insured party or any agent of any other insured party;
- (ii) name the Security Agent as co-insured on a composite basis in respect of its own separate insurable interest (other than in respect of any public liability and third party liability insurance policies);
- (iii) contain a loss payee clause under which the Security Agent is named as first loss payee in respect of any claim or series of connected claims in excess of £10,000 (other than in respect of any claim under any public liability and third party liability insurances);
- (iv) contain a "tenant's clause" in the following or similar terms:-
"The insurance hereby effected shall not be prejudiced by any act or omission unknown to or beyond the control of the insured on the part of any tenant occupying or using the premises, provided that the insured immediately on becoming aware thereof shall give notice to the insurers and pay an additional premium if required";
- (v) contain terms providing that each insurer must give at least 30 days' notice to the Security Agent if it proposes to:-

- (1) repudiate, rescind or cancel any insurance policy;
- (2) treat any insurance policy as avoided in whole or in part;
- (3) treat any insurance policy as expired due to non-payment of premium; or
- (4) otherwise decline any claim under any insurance policy by or on behalf of any insured party,

and, in respect of paragraph 5(b)(v)(3) above, must in the notice give the Security Agent the opportunity to rectify any such non-payment of premium within the notice period; and

- (vi) contain terms providing that the Security Agent shall have no duty of disclosure to the insurance company or underwriters and has no liability to pay any unpaid premium;
- (vii) contain a waiver of the rights of subrogation of the insurer as against each Obligor, the Security Agent and the tenants of the Property;
- (viii) are in an amount and form acceptable to the Security Agent; and

- (ix) are with an insurance company or underwriters acceptable to the Security Agent.
- (c) The relevant Obligor must be free to assign or otherwise grant Security Interests over all amounts payable to it under each insurance policy and all its rights in connection with those amounts in favour of the Security Agent.
- (d) If the Security Agent requests, the Chargor must promptly provide a copy of each insurance policy together with evidence of payment of the premiums and such other information in connection with the insurance policies as the Security Agent requests.
- (e) If the Security Agent considers that the amount insured, or the risks covered, by any insurance policy is/are inadequate, the Chargor must increase the amount insured and/or require the category of risks covered to be amended to such extent and in such manner as the Security Agent considers appropriate.
- (f) The Chargor must:-
 - (i) comply, and procure that each other Obligor will comply, with the terms of the insurance policies;
 - (ii) ensure that all things necessary to keep all the insurance policies in force are done promptly including the punctual payment of premiums; and
 - (iii) notify the Security Agent of premiums paid, renewals made, material variations and cancellations of insurance policies made or, to the knowledge of the insured, threatened or pending and any claim or any actual or threatened refusal of a claim.
- (g) The Chargor must not allow anything to occur which may make any insurance policy void or voidable.
- (h) If the Chargor does not comply, the Security Agent may (without any obligation to do so) effect or renew any such insurance policy either in its own name, or together with the Chargor in such sum and on such terms as the Security Agent may reasonably think expedient and all monies expended by the Security Agent will be deemed to be properly paid by the relevant person and shall be reimbursed by the Chargor on demand.
- (i) The Chargor must apply (and shall ensure that each other Obligor applies) sums received under any insurance policy effected pursuant to this Standard Condition 5 as follows:-
 - (i) if the Chargor is or other relevant Obligor is required by a Lease to apply the sums in a particular way, then it must do so;
 - (ii) amounts received under liability policies held by an Obligor which are required by that Obligor to satisfy established liabilities of the Obligor to third parties must be used to satisfy these liabilities
 - (iii) the proceeds of any loss of rent insurance will be treated as Rental Income and applied in such manner as the Security Agent (acting reasonably) requires to have effect as if it were Rental Income received over the period of the loss of rent;
- (j) otherwise the Chargor must (and shall procure that the relevant Obligor will) pay all sums received into an account held with the Security Agent as directed by the Security Agent and, at the option of the Security Agent, either:-

- (i) apply the sums towards making good the loss or damage to which they relate; or
- (ii) apply the sums towards prepayment of the Secured Obligations."

13.6 **Standard Condition 6**

Standard Condition 6 shall be deleted and replaced by the following:-

- "6.
- (a) The Chargor shall not, without the prior written consent of the Security Agent, grant or agree to grant (whether in exercise or independently of any statutory power) any Lease or confer upon any person any contractual licence or right to occupy the Property.
 - (b) The Chargor shall not, without the prior written consent of the Security Agent, grant or accept a surrender of, vary the terms of, agree to any change of use under, or consent to an assignation, transfer or sub-let of any Lease or tenancy of all or any part of the Property and nor shall the Chargor, without such prior written consent, agree to do any of the foregoing.
 - (c) The Chargor shall enforce the prompt payment of the rents and other sums payable by any tenant, licensee or occupier of all or any part of the Property and shall procure that any such tenant, licensee or occupier complies fully with the terms of its Lease.
 - (d) The Chargor shall take all requisite steps to ensure that each rent review imposed by any Lease of all or part of the Property is agreed or determined as quickly as possible for the best rent reasonably obtainable.
 - (e) The Chargor shall not (whether absolutely or in security) sell, assign, transfer or otherwise dispose of all or any part of or interest in the Property or agree to do so without the prior written consent of the Security Agent.
 - (f) The Chargor shall not create, agree to create or allow to be created any security, charge (whether fixed or floating) or lien of any kind whatsoever over the Property without the prior written consent of the Security Agent (except where the same is in favour of the Security Agent).
 - (g) The Chargor shall not create or allow to be created any real burden, title condition or overriding interest (as defined in section 28(1) of the Land Registration (Scotland) Act 1979 (as amended from time to time)) affecting the Property (or any part thereof).
 - (h) The Chargor shall, promptly upon request by the Security Agent, deposit with the Security Agent all title deeds, leasehold documentation and planning permissions relating to the Property.
 - (i) The Chargor shall not, without the prior written consent of the Security Agent, grant or agree to grant any access right to or over the Property or any part of it.
 - (j) The Chargor shall not deal with any claim for compensation, howsoever arising, in respect of all or any part of the Property, other than in accordance with the Security Agent's requirements and if so requested by the Security Agent, shall pay to the Security Agent (in reduction of the Secured Obligations) all or any part of such compensation."

13.7 **Standard Condition 7**

Standard Condition 7 shall be varied by adding the following obligation as a new Condition 7(4), to which the terms of Standard Condition 7(3) shall apply (with reference to Clause 13.1 and 13.5

being taken to be reference to Standard Condition 1 and Standard Condition 5 respectively, in each case as amended by this Clause 13):-

- "(4) If the Chargor fails to comply with its obligations in Clauses 13.1 and 13.5 regarding the repair of and insurance of the Property or fails to observe or perform any of the obligations or stipulations contained in the title deeds- and/or any leasehold documentation affecting them or if a default of the Chargor in performance of its obligations in terms of this Standard Security or any other document evidencing the facilities to which the Secured Obligations relate occurs, the Chargor will permit the Security Agent or its agents:-
- (a) to enter on the Property and to comply with or object to any notice served on the Chargor in respect of the Property; and
 - (b) to effect such repairs and/or insurance and generally do such things and pay all such costs, charges and expenses as the Security Agent may consider necessary or desirable to prevent or remedy any breach of obligation or stipulation or to comply with or object to any notice."

13.8 **Standard Condition 9(1)**

Standard Condition 9(1) shall be varied as follows:-

In addition to the events of default set out in Standard Condition 9(1), the Chargor shall be held to be in default if any of the events constituting a default of the Chargor in performance of its obligations in terms of this Standard Security or any other document evidencing the facilities to which the Secured Obligations relate shall occur.

13.9 **Standard Condition 10**

Standard Condition 10 shall be varied by adding the following as new Conditions 10(8) and 10(9):-

- "(8) If the Security Agent shall enter into possession of the Property, the Security Agent may (at the Chargor's expense and risk and as the agent of the Chargor) remove, store, sell or otherwise deal with any moveable items left in or at the Property and the Security Agent shall not be liable to the Chargor for any loss or damage caused by the same and the Security Agent will pay the net proceeds of sale of such moveable items (after deducting all costs and expenses incurred by the Security Agent in connection with such removal, storage, and dealing) to the Chargor as soon as reasonably practicable.
- (9) The Security Agent may (in addition to the powers specified in this Standard Condition 10):-
- (i) at any time after entering into possession of the Property relinquish such possession on giving written notice to the Chargor;
 - (ii) if the Property is the tenant's interest under a lease, vary the terms of or surrender the lease (declaring that the Chargor irrevocably and by way of security appoints the Security Agent as its attorney for it and in its name and on its behalf to execute and deliver and otherwise perfect any document which may be required of the Chargor under this Standard Security or may be required in the exercise of the Security Agent's rights under this Standard Security or otherwise for any purpose connected with this Standard Security);
 - (iii) bring or defend any proceedings in the name of the Chargor in relation to the Property as the Security Agent thinks fit;
 - (iv) exercise on behalf of the Chargor all or any of the powers given to landlords and tenants (as the case may be) in respect of the Property but without incurring any liability in respect of the powers so exercised;

- (v) sell, let, grant licences of, vary the terms of or terminate or accept any surrender of leases or tenancies of all or any part of the Property or grant any option over all or any part of the Property on such terms and conditions (including as to the payment of money) as the Security Agent thinks fit (in its absolute discretion);
- (vi) do all such other acts and things as may be considered by the Security Agent to be necessary for or incidental to any of the powers contained in the said Standard Conditions or otherwise preserve, improve, sell or assign the Property."

14. REPRESENTATIONS

14.1 General

The Chargor makes the representations and warranties set out in this Clause 14 (*Representations*) to the Security Agent on the date of this Standard Security and on each day the Secured Obligations are outstanding.

14.2 Status

If the Chargor is a company it is a limited liability corporation duly incorporated and validly existing under the law of its jurisdiction of incorporation. The Chargor has the power to own its assets and carry on its business as it is being conducted.

14.3 Binding obligations

14.3.1 The Chargor's obligations in this Standard Security are legal, valid, binding and enforceable obligations.

14.3.2 The security which this Standard Security purports to create is valid and effective and is not liable to be avoided or otherwise set aside on the Chargor's bankruptcy, liquidation, death or administration.

14.4 Non-conflict with other obligations

The entry into and performance by the Chargor of its obligations under this Standard Security and the granting of this Standard Security do not and will not conflict with:-

14.4.1 any law or regulation applicable to it;

14.4.2 (if the Chargor is not an individual) its constitutional documents; or

14.4.3 any agreement or instrument binding upon the Chargor or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

14.5 Power and authority

14.5.1 The Chargor has the power to enter into, perform and deliver, and have taken all necessary action to authorise its entry into, performance and delivery of, this Standard Security and the grant of this Standard Security.

14.5.2 No limit on the Chargor's powers will be exceeded as a result of the grant of this Standard Security.

14.6 Validity and admissibility in evidence

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations and registrations required or desirable to enable the Chargor lawfully to enter into, and comply with its

obligations under this Standard Security and to grant this Standard Security have been obtained or effected and are in full force and effect.

14.7 Solvency

As at the date of this Standard Security

- 14.7.1 where the Chargor is a company or limited liability partnership, it is able to meet its debts as they fall due and is not deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or any analogous provision in any relevant jurisdiction; or
- 14.7.2 where the Chargor is an individual, they are not deemed either unable to pay their debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the IA 1986 or any analogous provision in any relevant jurisdiction; or
- 14.7.3 where the Chargor is a partnership, none of the foregoing (or any analogous provision in any relevant jurisdiction) applies to any of its partners.

14.8 Environmental Laws

- 14.8.1 In relation to the Property the Chargor is complying with any applicable law or regulation which relates to:-
 - (a) the pollution or protection of the environment;
 - (b) the conditions of the workplace; or
 - (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the environment, including, any waste.
- 14.8.2 The Chargor is not aware of any claim which has been commenced or is threatened against it in respect of any breach or alleged breach of any such laws or regulations, so far as they relate to the Property.
- 14.8.3 So far as the Chargor is aware no dangerous substance has been used, disposed of, generated, stored, dumped, released, deposited, buried or emitted at, on, from or under the Property.

14.9 Security

- 14.9.1 No security exists over the Property other than as permitted by this Standard Security
- 14.9.2 This Standard Security has or will have first ranking priority and it is not subject to any prior ranking or pari passu ranking security.
- 14.9.3 The Chargor has a good and marketable title to and is the sole heritable proprietor of the Property.

14.10 Centre of main interest and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the **Regulation**), the Chargor's "*centre of main interest*" (as that term is used in Article 3(1) of the Regulation) is situated in England and it has no "*establishment*" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

15. **CHOICE OF LAW**

This Standard Security and any non-contractual disputes arising from it shall be governed by, and construed in accordance with the law of Scotland and, for the benefit of the Security Agent, the Chargor irrevocably submits to the exclusive jurisdiction of the Scottish Courts without prejudice to the ability of the Security Agent to proceed against the Chargor in any other appropriate jurisdiction.

16. **WARRANTICE**

The Chargor grants warrantice.

IN WITNESS WHEREOF: these presents consisting of this and the preceding 16 pages together with the Schedule annexed are executed as follows:-

Subscribed for and on behalf of Scotco (Northern)
Limited acting by a director

at 60-605 LISBURN ROAD BELFAST

on 21 MARCH 2018

by MICHAEL HERBERT

before, as witness

[REDACTED]
For and on behalf of Scotco
(Northern) Limited

[REDACTED]
Witness

DAMIAN MULLAN
[REDACTED]
60-605 LISBURN RD, BELFAST

This is the Schedule referred to in the foregoing Standard Security granted by Scotco (Northern) Limited in favour of HSBC BANK PLC

SCHEDULE

ALL and WHOLE the tenant's interest under the lease between Scotco (Eastern) Limited and Scotco (Northern) Limited dated 17 October 2016 and currently undergoing registration in the Land Register of Scotland under Title Number MID177902 in respect of the subjects known as and forming the plot of ground on the north west side of Straiton Road, Loanhead EH20 9NS.

[REDACTED]

[REDACTED]

[REDACTED]

For and on behalf of the Chargor

ERT/ERT/113920/120682/UKM/88098872.1