



Registration of a Charge

Company name: **LONGS STEEL UK LIMITED**

Company number: **09438207**



X588SNKR

Received for Electronic Filing: **01/06/2016**

Details of Charge

Date of creation: **31/05/2016**

Charge code: **0943 8207 0002**

Persons entitled: **PNC BUSINESS CREDIT A TRADING STYLE OF PNC FINANCIAL SERVICES UK LTD**

Brief description: **INTELLECTUAL PROPERTY REGISTERED IN AUSTRALIA WITH PATENT NUMBER 93558/98. FOR FURTHER DETAILS PLEASE REFER TO THE INSTRUMENT.**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **SQUIRE PATTON BOGGS (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9438207

Charge code: 0943 8207 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st May 2016 and created by LONGS STEEL UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st June 2016 .

Given at Companies House, Cardiff on 2nd June 2016

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

31 May

2016

**PNC BUSINESS CREDIT a trading style of PNC
FINANCIAL SERVICES UK LTD**

(1)

for itself and as Security Agent

and

**THE COMPANIES NAMED IN THIS DEED AS
SECURITY OBLIGORS**

(2)

as Security Obligors

DEBENTURE

This Debenture is subject to the terms of an Intercreditor Agreement (as such term is defined in the Master Facilities Agreement referred to in this Deed).

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
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Reference: AJK/PNC.004-0184

We hereby certify that this is a
true and correct copy of the original
Dated... 1 June 2016

Squire Patton Boggs (UK) LLP
SQUIRE PATTON BOGGS (UK) LLP
7 DEVONSHIRE SQUARE
LONDON
EC2M 4YH

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THIS DEBENTURE is made on

31 May

2016

BETWEEN

- (1) **PNC BUSINESS CREDIT** a trading style of **PNC FINANCIAL SERVICES UK LTD** a company registered in England and Wales with the number 07341483 and having its registered office at PNC House, 34/36 Perrymount Road, Haywards Heath, West Sussex, United Kingdom, RH16 3DN ("**PNC**") in its capacity as Security Agent for the Finance Parties (the "**Security Agent**"); and
- (2) **THE COMPANIES NAMED IN SCHEDULE 1 TO THIS DEED** (the "**Original Security Obligors**" and each an "**Original Security Obligor**").

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Master Facilities Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) the following terms have the following meanings:

"Accession Deed" means an accession deed substantially in the form set out in schedule 3 (*Form of Accession Deed*);

"Act" means the Law of Property Act 1925;

"Assigned Assets" means the Security Assets expressed to be assigned by way of security pursuant to clause 4.2 (*Security assignments*);

"Charged Investments" means the Charged Securities and all present and future Securities Rights accruing to all or any of the Charged Securities;

"Charged Securities" means the Securities specified in part 1 of schedule 2 (*Details of Security Assets*) together with all other Securities held by each Security Obligor in the relevant company from time to time;

"Excluded Occupational Leases" means any Real Property which is leasehold and held by a Security Obligor and such lease either is for a term of less than seven years, or has less than seven years remaining on the lease.

"Excluded Property" has the meaning given to that term in clause 4.4 (*Leasehold security restriction*);

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, any Security Obligor or in which

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any Security Obligor from time to time has an interest, including without limitation the benefit of all insurances pertaining to the Pledged Assets, those policies of insurance (if any) specified in part 3 of schedule 2 (*Details of Security Assets*) and any other policies of insurance which may replace those policies of insurance;

"Intellectual Property" means all present and future Intellectual Property Rights;

"Intellectual Property Rights" means:

- (i) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; and
- (ii) the benefit of all applications and rights to use such assets of each Security Obligor;

"Master Facilities Agreement" means the master facilities agreement dated the same date as this Deed and made between (1) British Steel Holdings Limited as Parent, (2) Longs Steel UK Limited (expected to be renamed British Steel Limited) as Original Client, (3) the Subsidiaries of the Parent referred to therein as Original Guarantors, (4) the financial institutions named therein as Arrangers, (5) the financial institutions named therein as Original Funders, (6) PNC as Agent, (7) PNC as Security Agent and (8) PNC as A/R Trustee, pursuant to which the Funders have agreed to make certain Facilities available to the Clients;

"Non-Vesting A/R" means Non-Vesting Domestic A/R and Non-Vesting Export A/R and **"Non-Vesting A/R"** means any one of them;

"Non-Vesting Domestic A/R" means any A/R (other than an Export A/R) purportedly assigned to the A/R Trustee pursuant to the Master Facilities Agreement but which does not, for any reason, vest absolutely and effectively in the A/R Trustee;

"Non-Vesting Export A/R" means any Export A/R purportedly assigned to the A/R Trustee pursuant to the Master Facilities Agreement but which does not, for any reason, vest absolutely and effectively in the A/R Trustee;

"Notice of Assignment" means a duly completed notice of assignment in the form set out in part A of schedule 4 (*Forms of Notice and Acknowledgment of Assignment*);

"Other Proceeds" means all and any monies paid to a Trust Account which are not the proceeds of A/R;

"Other Receivables" means, save for A/R, all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to,

each Security Obligor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (iii) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (iv) all proceeds of any of the foregoing;

"Party" means a party to this Deed;

"P&M" means all plant, machinery, other capital equipment (excluding inventory) owned by a Security Obligor from time to time wherever located and all spare parts, replacements, modifications and additions for or to the same and any manuals, log books or registration documents relating thereto;

"Pledged Assets" means all negotiable instruments and all bills of lading, warrants, delivery orders, wharfingers' or other warehousekeepers' certificates or receipts and all other shipping and related insurance documents, and all documents of title to goods whatsoever, and the goods to which the same relate, which are from time to time:

- (v) in the possession of the Security Agent;
- (vi) warehoused or stored in the name of the Security Agent, or in the name of its nominee or agent; or
- (vii) received by, deposited with, transferred to or otherwise held by or to the order of, or controlled by, the Security Agent or its nominee or agent, (whether directly or indirectly by each Security Obligor or by any other person and whether for safe custody, collection, security or any other purpose whether specific or general);

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to a Security Obligor, or in which a Security Obligor has an interest at any time, together with:

- (viii) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (ix) all easements, rights and agreements in respect thereof; and
- (x) the benefit of all covenants given in respect thereof;

"Receiver" means any receiver or receiver and manager appointed by the Security Agent under this Deed;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each Security Obligor to any

of the Finance Parties under or pursuant to any Finance Document (including but not limited to all monies covenanted to be paid under this Deed);

"Securities" means all stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by each Security Obligor, held by a nominee on its behalf or in which each Security Obligor has an interest at any time;

"Securities Rights" means:

- (xi) all dividends, distributions and other income paid or payable on the relevant Securities or Charged Securities or on any asset referred to in paragraph (ii) of this definition;
- (xii) all rights, monies or property accruing or offered at any time in relation to such Securities or Charged Securities whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Security Assets" means all property and assets from time to time mortgaged, charged, assigned or pledged (or expressed to be mortgaged, charged, assigned or pledged) by, under or pursuant to this Deed;

"Security Obligor" means:

- (xiii) the Original Security Obligors; and
- (xiv) any other company which accedes to this Deed pursuant to an Accession Deed; and

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (xv) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;
- (xvi) each Facility has been terminated according to its terms; and
- (xvii) none of the Finance Parties has any further commitment, obligation or liability under or pursuant to the Finance Documents.

1.2 Interpretation

- (a) Unless a contrary indication appears, any reference in this Deed to:
 - (i) an "Obligor", a "Security Obligor", a "Finance Party" or the "Security Agent" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

- (ii) **"this Deed"**, the **"Master Facilities Agreement"**, any other **"Finance Document"** or any other agreement or instrument shall be construed as a reference to this Deed, the Master Facilities Agreement, such other Finance Document or such other agreement or instrument as varied, 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 obligations of any member of the Group or provides for further advances);
 - (iii) **"assets"** includes any present and future properties, revenues and rights of every description and includes uncalled capital;
 - (iv) **"including"** or **"includes"** means including or includes without limitation;
 - (v) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation or dissolution of, or a similar event affecting, each Security Obligor;
 - (vi) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vii) the singular includes the plural and vice versa.
- (b) A Default (other than an Event of Default) is **"continuing"** if it has not been remedied or waived and an Event of Default is **"continuing"** if it has not been remedied or waived
 - (c) References to clauses, paragraphs and schedules are to be construed, unless otherwise stated, as references to clauses, paragraphs and schedules of and to this Deed and references to this Deed include its schedules.
 - (d) Clause and schedule headings are for convenience only and shall not affect the construction of this Deed.
 - (e) Each undertaking of each Security Obligor contained in this Deed must be complied with at all times during the Security Period.
 - (f) The terms of the other Finance Documents and of any side letters between any of the parties thereto in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any disposition of the property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (g) If the Security Agent reasonably considers that an amount paid by a Security Obligor to a Finance Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of that Security Obligor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

(h) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

(i) This Deed is a Finance Document.

1.3 Third party rights

A person who is not a Party shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.4 Joint and several

The liabilities and obligations of each Security Obligor under this Deed are joint and several. Each Security Obligor agrees to be bound by this Deed notwithstanding that any other Security Obligor which was intended to sign or be bound by this Deed did not sign or is not bound by this Deed.

1.5 Master Facilities Agreement

If there is any conflict between the provisions of this Deed and the Master Facilities Agreement, the provisions of the Master Facilities Agreement shall prevail.

1.6 Intercreditor Agreement

(a) This Deed is subject to the terms of the Intercreditor Agreement.

(b) If there is any conflict between the provisions of this Deed and the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall prevail.

1.7 PNC as Security Agent

(a) All Security created by the Security Obligors in favour of the Security Agent under or pursuant to this Deed shall be held by it as Security Agent for the Finance Parties in accordance with their respective interests pursuant to the terms of the Master Facilities Agreement.

(b) Every obligation, undertaking and representation and warranty given to the Security Agent under this Deed is given to it as Security Agent for the Finance Parties in accordance with the terms of its appointment in the Master Facilities Agreement.

(c) The Finance Parties (other than the Security Agent) agree by their acceptance of the benefit of this Deed that this Deed may be enforced on their behalf only by the action of the Security Agent and that no other Finance Party shall have any right individually to seek to enforce or to enforce this Deed or realise the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Security Agent for the benefit of the Finance Parties upon the terms of this Deed.

2 COVENANT TO PAY

2.1 Covenant to pay

Each Security Obligor, as principal obligor and not merely as surety, hereby covenants to the Security Agent to pay and discharge on demand the Secured Obligations to the Security Agent, for the account of the Finance Parties, from time to time when such Secured Obligations fall due and payable.

2.2 Default interest

- (a) Any amount which is not paid under this Deed when due and payable shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate and in the manner agreed in the Finance Document under which such amount is payable and, in the absence of such agreement, at the Default Rate from time to time.
- (b) Default interest will accrue from day to day and will be compounded at such intervals as the Security Agent states are appropriate.

3 GRANT OF SECURITY

3.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as a continuing security for payment and discharge of the Secured Obligations.

3.2 Qualifying floating charge

Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

4 FIXED SECURITY AND PLEDGE

4.1 Fixed charges

Each Security Obligor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first fixed equitable charge:

- (i) all Real Property and all interests in Real Property;
- (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
- (iii) the proceeds of sale of all Real Property;
- (b) by way of first fixed charge all P&M, the benefit of all contracts, licences and warranties relating to the same and the proceeds of the sale of any P&M;
- (c) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(b)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge the Charged Securities and the proceeds of the sale of any Charged Securities;
- (e) by way of first fixed charge all Securities Rights from time to time accruing to the Charged Securities;
- (f) by way of first fixed charge all rights which each Security Obligor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Securities;
- (g) by way of first fixed charge all Securities (not charged by clause 4.1(d)),
- (h) by way of first fixed charge (A) all Securities Rights from time to time accruing to those Securities and (B) all rights which each Security Obligor may have at any time against any clearance or settlement system or any custodian in respect of any Securities;
- (i) by way of first fixed charge all A/R and their proceeds now or in the future owing to each Security Obligor;
- (j) by way of first fixed charge all Non-Vesting Domestic A/R and their proceeds now or in the future owing to each Security Obligor;
- (k) by way of first fixed charge all Related Rights relating to any Non-Vesting Domestic A/R owing to each Security Obligor;
- (l) by way of first fixed charge all Non-Vesting Export A/R and their proceeds now or in the future owing to each Security Obligor;
- (m) by way of first fixed charge all Related Rights relating to any Non-Vesting Export A/R owing to each Security Obligor;
- (n) by way of first fixed charge all Other Proceeds;

- (o) by way of first fixed charge the Intellectual Property (if any) specified in part 2 of schedule 2 (*Details of Security Assets*) and the proceeds of sale of any such Intellectual Property;
- (p) by way of first fixed charge all Intellectual Property (if any) not charged by clause 4.1(o);
- (q) by way of first fixed charge:
 - (i) the Insurances; and
 - (ii) (other than in respect of third party liability or public liability Insurances) all claims under the Insurances and all proceeds of the Insurances;
- (r) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge to the extent permitted to be charged such Assigned Asset;
- (s) by way of first fixed charge the Other Receivables;
- (t) by way of first fixed charge (to the extent permitted to be charged and not otherwise charged in this Deed):
 - (i) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of each Security Obligor or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of each Security Obligor and all bills of exchange and other negotiable instruments held by it; and
- (u) by way of first fixed charge all of the goodwill and its right in relation to uncalled capital of each Security Obligor.

4.2 Security assignments

- (a) Each Security Obligor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to:
 - (i) the proceeds of the sale of any Real Property;
 - (ii) the proceeds of the sale of any P&M;
 - (iii) the proceeds of the sale of any Charged Securities;
 - (iv) the proceeds of the sale of any Intellectual Property specified in part 2 of schedule 2 (*Details of Security Assets*);
 - (v) the Insurances, all claims under the Insurances but excluding any third party liability or public liability insurance and all proceeds of the

Insurances but excluding any third party liability or public liability insurance; and

- (vi) Other Receivables (not assigned under clauses 4.2(a)(i) to 4.2(a)(v) inclusive) above.

- (b) To the extent that any Assigned Asset described in clauses 4.2(a)(i) to 4.2(a)(vi) inclusive is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of such Security Obligor to any proceeds of an Assigned Asset.

4.3 Pledge

Each Security Obligor agrees that the Security Agent shall have a pledge upon all Pledged Assets.

4.4 Leasehold security restriction

- (a) There shall be excluded from the Security created under this Deed:
 - (i) the Excluded Occupational Leases; and
 - (ii) subject always to clauses 4.4(b) and 4.4(c) below, any leasehold property (not being an Excluded Occupational Lease) held by a Security Obligor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) a Security Obligor from creating any charge over its leasehold interest in that property (each an "Excluded Property") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Property, each Security Obligor undertakes to:
 - (i) apply for the relevant consent or waiver of prohibition or conditions if requested to do so by the Security Agent (acting reasonably) and, to use its reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible;
 - (ii) upon request, keep the Security Agent informed of its progress in obtaining such consent or waiver; and
 - (iii) forthwith upon receipt of such consent or waiver, provide the Security Agent with a copy.
- (c) Promptly upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent (as trustee for the Finance Parties) under clause 4.1(a). If required by the Security Agent at any time following receipt of that waiver or consent, each Security Obligor will execute a further valid fixed equitable charge in such form as the Security Agent (acting reasonably) shall require (provided that the form of such document is consistent with and no more onerous than this Deed).

5 FLOATING CHARGE

Each Security Obligor charges and agrees to charge by way of first floating charge all of its present and future undertaking and assets (wherever located) which are not effectively charged by way of first fixed charge, assigned or pledged respectively pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*), clause 4.3 (*Pledge*) or any other provision of this Deed.

6 CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Security Agent may, by written notice to any Security Obligor:

- (a) as regards all or any of the assets of each Security Obligor that are specified in the notice convert the floating charge created under this Deed into a fixed charge if an Event of Default has occurred and is continuing; or
- (b) prior to the occurrence of an Event of Default, convert the floating charge created under this Deed into a fixed charge in respect of those Security Assets specified in such notice if the Security Agent (acting reasonably) considers such Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

6.2 Small companies

The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of any Security Obligor.

6.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge, if:
 - (i) any Security Obligor creates (or attempts or purports to create) any Security or Quasi-Security (other than Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset and it is not discharged within seven Business Days; and
- (b) over all Security Assets which are subject to a floating charge, if an administrator is appointed in respect of any Security Obligor or the Security Agent receives notice of intention to appoint such an administrator.

6.4 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of any Security Obligor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of any Security Obligor.

7 CONTINUING SECURITY

7.1 Continuing security

The Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

7.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent or any Finance Party may at any time hold for any Secured Obligation.

7.3 Right to enforce

This Deed may be enforced against each Security Obligor without the Security Agent or any Finance Party first having recourse to any other right, remedy, guarantee or Security held by or available to it.

8 LIABILITY OF SECURITY OBLIGORS RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, each Security Obligor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

9 ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of any Security Obligor with the Security Agent or any Finance Party or in which any Security Obligor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any third party.

10 REPRESENTATIONS

10.1 General

Each Security Obligor makes the representations and warranties set out in this clause 10 to the Security Agent.

10.2 No avoidance

This Deed creates the Security which it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of any Security Obligor or otherwise.

10.3 Ownership of Security Assets

Each Security Obligor is and will remain the sole legal and beneficial owner of all the Security Assets identified in schedule 2 (*Details of Security Assets*) except in respect of those Charged Securities (if any) which are held by a nominee for a Security Obligor, in which case such Security Obligor is the beneficial owner only of such Charged Securities or as otherwise permitted by the Master Facilities Agreement.

10.4 Charged Securities

- (a) All Securities (including any Charged Securities) are fully paid.
- (b) The Charged Securities constitute the entire issued share capital owned by each Security Obligor in the relevant company.

10.5 Time when representations made

- (a) All the representations and warranties in this clause 10 (*Representations*) are made by each Security Obligor on the date of this Deed and are also deemed to be made by each Security Obligor:
 - (i) on the date of each Notification; and
 - (ii) (in the case of a company that accedes to the terms of this Deed pursuant to an Accession Deed) on the day on which it becomes a Security Obligor.
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

11 UNDERTAKINGS BY SECURITY OBLIGORS

11.1 Restrictions on dealing

Each Security Obligor shall not do or agree to do any of the following during the Security Period without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Assets except for Permitted Security or as otherwise permitted by the Master Facilities Agreement;
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset, except for the sale at full

market value of stock in trade in the usual course of trading as conducted by each Security Obligor at the Commencement Date or as otherwise permitted by the Master Facilities Agreement.

11.2 Security Assets generally

Each Security Obligor shall during the Security Period:

- (a) permit the Security Agent (or its designated representatives), on reasonable written notice (being at least two Business Days or at any time following an Event of Default which is continuing):
 - (i) access during normal office hours to any documents and records relating to the Security Assets; and
 - (ii) to inspect, take extracts from, and make photocopies of, the same,as reasonably required by the Security Agent and to provide (at the expense of each Security Obligor), such clerical and other assistance which the Security Agent may reasonably require to do this and each Security Obligor hereby grants an irrevocable licence to the Security Agent for the Security Agent (and any of its employees, servants or agents) to enter upon any premises or location owned or under the control or authority of any Security Obligor at any time during normal business hours and, unless an Event of Default has occurred which is continuing, on reasonable notice, being at least two Business Days, for confirming and ensuring (at the expense of each Security Obligor), the compliance by each Security Obligor with the terms of the Finance Documents, and for the purposes of the Security Agent's assessment and monitoring from time to time as it may require of the location, state, nature, and value of any Security Assets at that time;
- (b) notify the Security Agent of every formal notice, order, application, requirement or proposal given or made by any competent authority:
 - (i) in relation to any Security Asset specified in schedule 2 (*Details of Security Assets*), promptly upon receipt of the same; and
 - (ii) within 14 days of receipt of every formal notice, order, application, requirement or proposal given or made in relation to any Security Assets other than any Security Asset specified in schedule 2 (*Details of Security Assets*)

and (if required by the Security Agent) as soon as is reasonably practicable provide it with a copy of the same and either (A) comply with such formal notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Agent may require or approve (acting reasonably) **PROVIDED ALWAYS** that notices in respect of limb (a) of the definition of Securities Rights shall be dealt with in accordance with clause 11.2(b)(i) above following the exercise by the Security Agent of its rights in accordance with clause 11.4(b) (*Rights in respect of Securities Charged Securities and Securities Rights*).

11.3 Charged Securities

- (a) In relation to any Charged Securities, each Security Obligor shall, promptly upon execution of this Deed or (if later), as soon as is practicable after its acquisition of any such Charged Securities in certificated form, by way of security for the Secured Obligations:
 - (i) deposit with the Security Agent or, as the Security Agent may direct, all certificates and other documents of title or evidence of ownership to such Charged Securities and their Securities Rights; and
 - (ii) execute and deliver to the Security Agent instruments of transfer in respect of such Charged Securities (executed in blank and left undated) and/or such other documents as the Security Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to such Charged Securities and their Securities Rights (or to pass legal title to any purchaser) in accordance with clause 11.4(b) (*Rights in respect of Securities, Charged Securities and Securities Rights*).
- (b) In relation to any Charged Securities, each Security Obligor shall:
 - (i) promptly give notice to any custodian of any agreement with that Security Obligor in respect of any such Charged Securities and all present and future Securities Rights accruing to all or any of such Charged Securities, in a form the Security Agent may reasonably require; and
 - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Agent may require.
- (c) Without prejudice to the rest of this clause 11.3 (*Charged Securities*), the Security Agent may, at the expense of each Security Obligor, take whatever action is required for the dematerialisation or rematerialisation of any Charged Securities and all present and future Securities Rights accruing to all or any of such Charged Securities.
- (d) Each Security Obligor shall promptly pay all calls or other payments which may become due in respect of Charged Securities and all present and future Securities Rights accruing to all or any of such Charged Securities.
- (e) Each Security Obligor shall immediately upon request by the Security Agent comply with the provisions of this clause 11.3 (*Charged Securities*) in relation to any Securities other than the Charged Securities and their Securities Rights.

11.4 Rights in respect of Securities, Charged Securities and Securities Rights

- (a) At all time when an Event of Default is not continuing, each Security Obligor shall be entitled to:

- (i) receive and retain all dividends, distributions and other monies paid on or derived from its Securities and its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Securities and its Charged Securities, provided that it must not do so in a manner which (A) has the effect of changing the terms of the Securities or the Charged Securities (or any class of them) or of any Securities Rights or (B) which is prejudicial to the interests of the Security Agent.
- (b) At any time following the occurrence of an Event of Default which is continuing, the Security Agent may complete the instrument(s) of transfer for all or any Securities or Charged Securities on behalf of any Security Obligor in favour of itself or such other person as it may select.
- (c) At any time when any Securities or Charged Securities are registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:
- (i) ensure that any dividends, distributions or other monies payable in respect of such Securities or Charged Securities are duly and promptly paid or received by it or its nominee; or
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Securities Rights in respect of or in substitution for any such Securities or Charged Securities.

11.5 Dealings with and realisation of A/R, Non-Vesting A/R and Other Proceeds

- (a) Each Security Obligor shall only deal with A/R, Non-Vesting A/R and the proceeds thereof and the Related Rights thereto in accordance with the Master Facilities Agreement.
- (b) Each Security Obligor agrees that the Other Proceeds shall be dealt with as if they were the proceeds of A/R.

11.6 Insurance

In relation to any Insurances, each Security Obligor shall at all times during the Security Period comply with the provisions of clause 30.26 (*Insurance*) of the Master Facilities Agreement as if the same were set out in this Deed.

11.7 Notice of Assignment

The relevant Security Obligor shall promptly upon the execution of this Deed and thereafter upon the request of PNC, give notice of the assignments effected pursuant to clause 4.2 (*Security assignments*) by sending a Notice of Assignment to each of the insurers party to each Insurance and such Security Obligor shall use its reasonable endeavours to ensure that the addressee of any Notice of Assignment acknowledges that notice substantially in the form of the Acknowledgment.

11.8 P&M covenants

On the Commencement Date, and until the end of the Security Period, each Security Obligor undertakes that:

(a) Status and condition

save for damaged items as notified to the Security Agent, it shall maintain all of its P&M in a good state of repair (reasonable wear and tear expected);

(b) Plating

it shall, promptly on request by the Security Agent, affix to any item of P&M (in a prominent position) a durable notice of this Deed (in any form required by the Security Agent);

11.9 Real Property covenants

On the Commencement Date, and until the end of the Security Period, each Security Obligor undertakes that:

(a) Acquiring Real Property

(i) it shall provide reasonable notice to the Security Agent before contracting to purchase any Real Property; and

(ii) it shall, in respect of any Real Property which is acquired by it after the Commencement Date, the title of which is registered at HM Land Registry or the title to which is required to be so registered, upon the request of the Security Agent grant such Security to the Security Agent in respect of such Real Property as the Security Agent may require (provided that the form of such document is consistent with and no more onerous than this Deed);

(b) Deposit of documents

subject to the rights of any prior mortgagee, in respect of Real Property that Security Obligor shall upon the Security Agent's request either (A) deposit with the Security Agent all deeds and documents of title relating to such Real Property and all local land charges, land charges and search certificates from HM Land Registry and similar documents received by or on behalf of the Security Obligor or (B) at the option of the Security Agent (acting reasonably), provide an undertaking from the Security Obligors' solicitor in a form and

substance satisfactory to the Security Agent to hold such deeds and documents to the order of the Security Agent;

(c) Report on title and/or certificate of title

promptly upon demand by the Security Agent following an Event of Default that is continuing, it shall at its own expense provide the Security Agent with a report on title and/or a certificate of title (as the Security Agent may specify) on any Real Property owned by it (concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature);

(d) Real Property undertakings

- (i) it shall maintain all buildings and erections, fixed P&M, fixtures, fittings and other effects forming part of the Security Assets in a good state of repair (reasonable wear and tear expected);
- (ii) it shall not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed) or as otherwise permitted by the terms of the Master Facilities Agreement, confer on any person:
 - (A) any lease or tenancy of any Real Property owned by it or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
 - (B) any right or licence to occupy any land or buildings forming part of that Real Property; or
 - (C) any licence to assign or sub-let any part of that Real Property;
- (iii) it shall not carry out any development defined in the Town and Country Planning Act 1990 and the Planning Act 2008 (the "Planning Acts") in or upon any part of any Real Property owned by it without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure of, or a change of use of, any part of that Real Property, without first obtaining the written consent of the Security Agent (such consent not to be unreasonably withheld or delayed);
- (iv) it shall not do, or permit to be done, anything as a result of which any lease of that Real Property may be liable to forfeiture or otherwise be determined; and
- (v) it shall permit the Security Agent and any person nominated by it at all reasonable times with reasonable notice (or at any time following the occurrence of a Default) to enter any part of the Real Property owned by it and view the state of it.

12 POWER TO REMEDY

12.1 Power to remedy

If at any time a Security Obligor does not comply with any of its obligations under this Deed, the Security Agent shall (without prejudice to any other rights arising as a consequence of such non-compliance) be entitled (but not bound) to rectify that non-compliance. Each Security Obligor irrevocably authorises the Security Agent and its employees and agents by way of security to do all things (including entering the property of each Security Obligor) which are necessary to rectify that non-compliance.

12.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 12 (*Power to Remedy*) shall not render it nor any Finance Party liable as a mortgagee in possession.

12.3 Monies expended

Each Security Obligor shall pay to the Security Agent on demand any monies which are properly expended by the Security Agent in exercising its powers under this clause 12 (*Power to Remedy*), together with interest at the Default Rate from the date on which those monies were expended by the Security Agent (both before and after judgment) until payment and otherwise in accordance with clause 2.2 (*Default interest*).

13 WHEN SECURITY BECOMES ENFORCEABLE

13.1 When enforceable

This Security shall become immediately enforceable at any time after the occurrence of an Event of Default which is continuing.

13.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after this Security has become enforceable.

13.3 Enforcement

After this Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Security in such manner as it sees fit.

14 ENFORCEMENT OF SECURITY

14.1 General

For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Security. The statutory powers of leasing

conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

14.2 Powers of the Security Agent

- (a) At any time after the Security becomes enforceable, the Security Agent may without further notice (unless required by law):
 - (i) appoint any person or persons to be a Receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of any Security Obligor; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
 - (iv) exercise (in the name of each Security Obligor and without any further consent or authority of any Security Obligor) any voting rights and any powers or rights which may be exercised by the person(s) in whose name the Charged Investments are registered, or who is the holder of any of them; and/or
 - (v) without notice or further consent of any other person, sell, assign, transfer, dispose of, transfer, negotiate or otherwise dispose of the Pledged Assets at such times, in such manner and generally upon such terms and conditions and for such consideration as the Security Agent may think fit.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Security Obligor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of any Security Obligor.

14.3 Redemption of prior mortgages

- (a) At any time after the Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or

- (iii) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on any Security Obligor.
- (b) All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Security Obligor to the Security Agent on demand.

14.4 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

14.5 No liability

- (a) None of the Security Agent, a Finance Party or any Receiver shall be liable (i) in respect of all or any part of the Security Assets or (ii) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such expense, liability, loss or damage is caused by its or his fraud, negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.5(a), none of the Security Agent, a Finance Party or any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable (except for any expense, loss, liability or damage arising from its negligence, fraud or wilful misconduct).

14.6 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or any Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

15 RECEIVER

15.1 Removal and replacement

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency

Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

15.5 Agent of Security Obligors

Any Receiver shall be the agent of the Security Obligor in respect of which it is appointed. Such Security Obligor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. Neither the Security Agent nor any Finance Party shall incur any liability (either to such Security Obligor or to any other person) by reason of the appointment of a Receiver or for any other reason (unless the expense, damage, loss or liability arises as a result of that party's fraud, negligence or wilful misconduct).

16 POWERS OF RECEIVER

16.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (b) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (c) all powers which are conferred by any other law conferring power on receivers.

16.2 Additional powers

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of any Security Obligor as he thinks fit;
- (c) to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act. Fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Security Obligor. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party). Any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Security Obligor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of any Security Obligor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, each Security Obligor;
- (g) to take any such proceedings (in the name of any Security Obligor or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to form one or more Subsidiaries of any Security Obligor, and to transfer to any such Subsidiary all or any part of the Security Assets;

- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the name of each Security Obligor for any of the above purposes.

17 APPLICATION OF PROCEEDS

17.1 Application

All monies received by the Security Agent or any Receiver after the Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Security) be applied in the following order:

- (a) first, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made by the Security Agent, a Finance Party or any Receiver and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) secondly, in or towards satisfaction of the remaining Secured Obligations in accordance with Clause 39 (*Application of proceeds*) of the Master Facilities Agreement; and
- (c) thirdly, in payment of any surplus to the Security Obligors or other person entitled to it.

17.2 Contingencies

If the Security constituted by this Deed is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may, in the opinion of the Security Agent, become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Security Agent usually grants for accounts of that size and nature) without the Security Agent having any intermediate obligation to apply such monies and interest or any part thereof in or towards the discharge of any of the Secured Obligations unless (in the opinion of the Security Agent) such monies would be sufficient to discharge all the Secured Obligations in full.

17.3 Appropriation, Intercreditor Agreement and suspense account

- (a) Subject to the Intercreditor Agreement and Clause 17.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by any Chargor.
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent may determine without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless such monies would be sufficient to discharge all the Secured Obligations in full.

18 SET-OFF

18.1 Set-off

In addition to any right of set-off to which a Finance Party may be entitled in law:

- (a) the Security Agent may set off any obligation of a Security Obligor (whether matured, unmatured, contingent or otherwise) under the Finance Documents (to the extent beneficially owned by the Security Agent) against any obligation (whether matured, unmatured, contingent or otherwise) owed by the Security Agent to that Security Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (b) The Security Agent is not obliged to exercise its rights under clause 0 above.

18.2 Time deposits

Without prejudice to clause 18.1 (*Set-off*) if at any time a deposit matures on any account which any Security Obligor has with the Security Agent or a Finance Party at a time when:

- (a) this Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

such deposit shall automatically be renewed for such further maturity as the Security Agent or such Finance Party in its absolute discretion considers appropriate unless the Security Agent or such Finance Party otherwise agrees in writing.

19 DELEGATION

Each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by it under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Security Obligor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate (except for any expense, loss, liability or damage arising from its negligence, fraud or wilful misconduct).

20 FURTHER ASSURANCES

20.1 Further action

Each Security Obligor shall, at its own expense (such expense to be properly incurred), promptly take whatever action the Security Agent or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting the Security intended to be created by this Deed;
- (b) facilitating the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver or any of its or his delegates or sub-delegates in respect of any Security Asset; and
- (c) after the Security has become enforceable, facilitating the realisation of any Security Asset,

including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Agent or to its nominees, the giving of any notice, order or direction and the making of any registration which in any such case the Security Agent may think expedient.

20.2 Specific security

Without prejudice to the generality of clause 20.1 (*Further action*), each Security Obligor shall forthwith at the request of the Security Agent execute a legal mortgage, charge, assignment, assignation or other security over any Security Asset which is subject to or intended to be subject to any fixed security created by this Deed in favour of the Security Agent (including any arising or intended to arise pursuant to clause 6 (*Conversion of floating charge*)) in such form as the Security Agent may require on terms no more onerous than those provided for in this Deed, provided always that no Security Obligor shall be obliged to execute a legal mortgage over any Real Property or serve any notice to perfect an equitable assignment unless an Event of Default has occurred and is continuing.

21 POWER OF ATTORNEY

- (a) Each Security Obligor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of its or his delegates or sub-delegates to be its attorney to, take any action which any Security Obligor is

obliged to take under this Deed but has failed to do, including under clause 20 (*Further assurances*).

- (b) Each Security Obligor ratifies and confirms whatever any attorney lawfully does or purports to do pursuant to its appointment under this clause.

22 PAYMENTS

Without prejudice to each Security Obligor's obligations under this Deed, the Security Agent may at any time discharge any Security Obligor's obligation to make payment of any sums due by any Security Obligor to the Security Agent by debiting such sum to any account held by the Security Agent (in whatever capacity) in relation to the Security Obligor.

23 COSTS AND EXPENSES

23.1 Enforcement and preservation costs

Each Security Obligor shall within three Business Days of demand pay to the Security Agent and any Receiver the amount of all costs and expenses (including legal fees incurred by any of them in connection with the enforcement of or the preservation of any of their respective rights under this Deed (including all remuneration of the Receiver) and any proceedings instituted by or against the Security Agent or any Receiver as a consequence of taking or holding the Security constituted by this Deed or of enforcing such rights, as the case may be except for any proceedings instituted by or against the Security Agent or any Receiver as a result of its gross negligence, fraud or wilful misconduct.

24 CURRENCIES

24.1 Conversion

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Spot Rate of Exchange. Each Security Obligor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to any Security Obligor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

24.2 Currency indemnity

No payment to the Security Agent (whether under any judgment or court order or in the liquidation, administration or dissolution of any Security Obligor or otherwise) shall discharge the obligation or liability of any Security Obligor in respect of which it was made, unless and until the Security Agent shall have received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Security Agent shall have

a further separate cause of action against each Security Obligor and shall be entitled to enforce the Security to recover the amount of the shortfall.

25 INDEMNITY

Each Security Obligor shall indemnify the Security Agent and any Receiver and any attorney, agent or other person appointed by the Security Agent under this Deed and the Security Agent's officers and employees (each an "Indemnified Party") on demand against any cost, loss, liability or expense (however arising) except for any expense, loss, liability or damage arising from its negligence, fraud or wilful misconduct incurred by any Indemnified Party as a result of or in connection with:

- (a) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed;
- (b) the Security Assets or the use or occupation of them by any person (including any Environmental Claim); or
- (c) any breach by any Security Obligor of any of its obligations under this Deed.

26 MISCELLANEOUS

26.1 Appropriation and suspense account

- (a) The Security Agent may apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations as it thinks fit. Any such appropriation shall override any purported appropriation by any Security Obligor.
- (b) All monies received, recovered or realised by the Security Agent under, or in connection with, this Deed may at the discretion of the Security Agent be credited to a separate interest bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate, if any, as the Security Agent may determine for the account of each Security Obligor) without the Security Agent having any intermediate obligation to apply such monies and interest or any part thereof in or towards the discharge of any of the Secured Obligations unless such monies would be sufficient to discharge all the Secured Obligations in full.

26.2 New accounts

If any of the Security Agent or a Finance Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset, it may open a new account or accounts for each Security Obligor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice. As from that time all payments made to the Security Agent or such Finance Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

26.3 Changes to the Parties

- (a) None of the Security Obligors may assign or transfer any of its rights and/or obligations under this Deed.
- (b) Subject to the terms of the Master Facilities Agreement, the Security Agent may assign or transfer all or any part of its rights under this Deed. Each Security Obligor shall, promptly upon being requested to do so in writing by the Security Agent, enter into such documents as may be necessary to effect such assignment or transfer in accordance with the terms of the Master Facilities Agreement.

26.4 Accession Deed

Each Security Obligor:

- (a) consents to other Subsidiaries of the Parent becoming Security Obligors as contemplated by the Finance Documents; and
- (b) irrevocably authorises the Parent to agree to and, if required, sign any duly completed Accession Deed as agent and attorney for and on behalf of such Security Obligor.

26.5 Amendments

Any provision of this Deed may be amended only if the Security Agent and each Security Obligor or the Parent on their behalf so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

26.6 Calculations and certificates

A certificate of the Security Agent specifying the amount of any Secured Obligation due from any Security Obligor (including details of any relevant calculation thereof) shall be *prima facie* evidence of such amount against each Security Obligor in the absence of manifest error.

26.7 Waiver, rights and remedies

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

27 NOTICES

27.1 Master Facilities Agreement

Subject to clause 27.2 (*Notices through the Parent as Obligors' Agent*):

- (a) Clause 43 (*Notices*) of the Master Facilities Agreement is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Master Facilities Agreement or this Deed.

27.2 Notices through the Parent as Obligors' Agent

- (a) All communications and documents to or from the Security Obligors (or any of them) may be sent through the Parent as Obligors' Agent under the Master Facilities Agreement.
- (b) Any communication or document made or delivered to the Parent in accordance with this Clause 27 will be deemed to have been made or delivered to each of the Security Obligors.

28 PARTIAL INVALIDITY

All the provisions of this Deed 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.

29 RELEASE

- (a) Upon the expiry of the Security Period subject to clause 29(b) below (but not otherwise) the Security Agent shall, promptly after the request and at the cost of each Security Obligor, take whatever action is necessary to release and/or re-assign (without recourse or warranty) the Security Assets from the Security and return all deeds and documents of title delivered to the Security Agent under this Deed and execute and deliver any other documents as each Security Obligor may reasonably require in order to give effect to this clause 29 (*Release*).
- (b) Where any Security Obligor makes a Disposal which is a Permitted Disposal, the Security Agent shall promptly, at the request and cost of the relevant Security Obligor, take any action (including the provision of a letter of non-crystallisation) that is necessary to release or potentially release or re-assign to the relevant Security Obligor the Security Asset which is the subject of such Disposal from the Security.

30 COUNTERPARTS

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

31 GOVERNING LAW

- (a) This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Each Security Obligor irrevocably submits to the exclusive jurisdiction of the English courts.

IN WITNESS of which this Deed has been duly executed by the Security Agent and each Security Obligor as a deed and has been delivered on the first date specified on page 1 of this Deed.

**SCHEDULE 1
ORIGINAL SECURITY OBLIGORS**

Company name	Company number	Registered Office
Longs Steel UK Limited (expected to be renamed British Steel UK Limited)	09438207	30 Millbank 2nd Floor London SW1P 4WY
Tata Steel UK Rail Consultancy Limited (expected to be renamed TSP Projects Limited)	03033290	Meridian House The Crescent York Yorkshire YO24 1AW
British Steel Holdings Limited	10185111	31 Hill Street London W1J 5LS

**SCHEDULE 2
DETAILS OF SECURITY ASSETS**

Part 1 - Charged Securities

Name of shareholder	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
British Steel Holdings Limited	Longs Steel UK Limited (expected to be renamed British Steel Limited)	Ordinary Shares	1	£1.00
Longs Steel UK Limited (expected to be renamed British Steel Limited)	Tata Steel UK Rail Consultancy Limited (expected to be renamed TSP Projects Limited)	Ordinary Shares	2	£30,000,001

Part 2 - Intellectual Property

Patents

(Green patents)

Longs Steel UK Limited (expected to be renamed British Steel Limited)	BS0034	AU	93558/98	Granted
	BS0034	CA	2303836	To Kill
	BS0034	NL	98946552-1	Granted
	BS0034	NZ	503445	Granted
	BS0034	SG	200001489-4	Granted
	BS0034	US	09/508101	Granted
	BS0034	AT	98946552-1	To Kill
	BS0034	DE	98946552-1	Granted
	BS0034	DK	98946552-1	To Kill
	BS0034	ES	98946552-1	To Kill
	BS0034	FI	98946552-1	To Kill
	BS0034	FR	98946552-1	To Kill
	BS0034	IE	98946552-1	To Kill
	BS0034	IT	98946552-1	Granted
	BS0034	SE	98946552-1	Granted
	BS0034	PT	98946552-1	To Kill
	BS0034	CH	98946552-1	Granted
	BS0034	GR	98946552-1	To Kill
	BS0034	BE	98946552-1	To Kill
	BS0034	GB	98946552-1	Granted
	BS0044	GB	0105947-6	Granted
	BS0361	GB	0113709-0	Granted
	CO0226	GB	0325693.0	Granted
	CO0226	AU	2004295521	Granted
	CO0226	ES	04768945.0	Granted
	CO0226	IT	04768945.0	Granted
	CO0226	NL	04768945.0	Granted
	CO0226	IE	04768945.0	Granted
	CO0226	GB	04768945.0	Granted

	CO0226	FR	04768945.0	Granted
	CO0226	DE	04768945.0	Granted
	CO0362	GB	0713641.9	Granted
	CO0362	GB	07252798.9	Granted
	CO0362	BE	07252798.9	Granted
	CO0362	CH	07252798.9	Granted
	CO0362	CZ	07252798.9	Granted
	CO0362	DE	07252798.9	Granted
	CO0362	DK	07252798.9	Granted
	CO0362	AT	07252798.9	Granted
	CO0362	FR	07252798.9	Granted
	CO0362	SE	07252798.9	Granted
	CO0362	IE	07252798.9	Granted
	CO0362	IT	07252798.9	Granted
	CO0362	LU	07252798.9	Granted
	CO0362	NL	07252798.9	Granted
	CO0362	PL	07252798.9	Granted
	CO0362	PT	07252798.9	Granted
	CO0362	ES	07252798.9	Granted
	CO0366	SE	07252664.3	Granted
	CO0366	NL	07252664.3	Granted
	CO0366	IT	07252664.3	Granted
	CO0366	FR	07252664.3	Granted
	CO0366	DE	07252664.3	Granted
	CO0366	CH	07252664.3	Granted
	CO0366	AT	07252664.3	Granted
	CO0366	GB	07252664.3	Granted
	CO0451	US	12/867631	Granted
	CO0451	JP	2010-547122	Granted
	CO0451	BR	PI0907583-6	Published
	CO0451	MY	PI2010003756	Granted
	CO0451	ZA	2010/06226	Granted
	CO0451	UA	a201011144	Granted
	CO0451	RU	2010138913	Granted

	CO0451	KR	2010-7020907	Granted
	CO0451	IN	5878/CHENP/2010	Published
	CO0451	AU	2009216933	Granted
	CO0451	GB	1013728.9	Granted
	CO0451	CA	2716282	Published
	CO0451	IE	09713461.3	Granted
	CO0451	BE	09713461.3	Granted
	CO0451	CH	09713461.3	Granted
	CO0451	CZ	09713461.3	Granted
	CO0451	DE	09713461.3	Granted
	CO0451	DK	09713461.3	Granted
	CO0451	ES	09713461.3	Granted
	CO0451	FR	09713461.3	Granted
	CO0451	GB	09713461.3	Granted
	CO0451	AT	09713461.3	Granted
	CO0451	TR	09713461.3	Granted
	CO0451	IT	09713461.3	Granted
	CO0451	LT	09713461.3	Granted
	CO0451	LU	09713461.3	Granted
	CO0451	LV	09713461.3	Granted
	CO0451	NL	09713461.3	Granted
	CO0451	NO	09713461.3	Granted
	CO0451	PL	09713461.3	Granted
	CO0451	PT	09713461.3	Granted
	CO0451	SE	09713461.3	Granted
	CO0451	EP-OP	09713461.3	Opposed
	CO0454	IN	6390/CHENP/2010	Published
	CO0454	CH	09718617.5	Granted
	CO0454	DE	09718617.5	Granted
	CO0454	FR	09718617.5	Granted
	CO0454	GB	09718617.5	Granted
	CO0454	PL	09718617.5	Granted
	DS0007	EM	001620626	Granted
	TE0056	QA	QA/201404/00142	Pending

	TE0056	MA	PV/37151	Granted
	TE0056	JP	2014-542876	Pending
	TE0056	DZ	140354	Pending
	TE0056	BR	BR112014012660-7	Pending
	TE0056	AT	12791480.2	Granted
	TE0056	BE	12791480.2	Granted
	TE0056	CH	12791480.2	Granted
	TE0056	CZ	12791480.2	Granted
	TE0056	DE	602012008838.9	Granted
	TE0056	DK	12791480.2	Granted
	TE0056	ES	12791480.2	Granted
	TE0056	FI	12791480.2	Granted
	TE0056	FR	12791480.2	Granted
	TE0056	GB	12791480.2	Granted
	TE0056	HU	12791480.2	Granted
	TE0056	IE	12791480.2	Granted
	TE0056	IT	12791480.2	Granted
	TE0056	LU	12791480.2	Granted
	TE0056	NL	12791480.2	Granted
	TE0056	NO	12791480.2	Granted
	TE0056	PL	12791480.2	Granted
	TE0056	PT	12791480.2	Granted
	TE0056	RO	12791480.2	Granted
	TE0056	SE	12791480.2	Granted
	TE0056	SK	12791480.2	Granted
	TE0056	TR	12791480.2	Granted
	TE0057	BR	BR112014018242-6	To Kill
	TE0057	ZA	2014/05734	To Kill
	TE0057	US	14/373741	To Kill
	TE0057	TH	1401004270	To Kill
	TE0057	RU	2014134530	To Kill
	TE0057	MY	PI2014002153	To Kill
	TE0057	MX	MX/a/2014/008972	To Kill
	TE0057	KR	2014-7023571	To Kill

	TE0057	JP	2014-553744	To Kill
	TE0057	IN	6273/CHENP/2014	To Kill
	TE0057	CN	201380012280.1	To Kill
	TE0057	AU	2013213544	To Kill
	TE0057	EP	13702617.5	To Kill
	TE0057	HK	15103913.1	To Kill
	TE0301	WO	PCT/EP2015/071496	Pending

Yellow patents

Security Obligor	Reference	Country	Application Number	Status
Longs Steel UK Limited (expected to be renamed British Steel Limited)	BS0035	DE	99963630-1	Granted
	BS0035	FR	99963630-1	Granted
	BS0035	GB	99963630-1	Granted
	CO0266	AT	97911364-4	Granted
	CO0266	BE	97911364-4	Granted
	CO0266	DE	97911364-4	Granted
	CO0266	FI	97911364-4	Granted
	CO0266	FR	97911364-4	Granted
	CO0266	GB	9623344	Granted
	CO0266	IT	97911364-4	Granted
	CO0266	SE	97911364-4	Granted
	CO0266	GB	9714452.1	Granted
	TE0089	GB	11188814.5	Granted
	TE0327	EP	15020131.7	To Kill

To Kill = The business has decided to allow these to expire, but the positions may not have yet expired

[illegible]

[illegible]

TN1067	IN	ORD	HYM	YMS Steel UK Limited	Registered	2007062 19-Feb-2011	2007062 14-Jul-2015	10-Feb-2021	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1068	EM	PP	PAUCOTE	YMS Steel UK Limited	Registered	08020871 19-Feb-2010	08020871 28-Jan-2011	10-Aug-2020	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1069	IN	ORD	PAUCOTE	YMS Steel UK Limited	Registered	2007063 20-Feb-2011	2007063 10-Feb-2011	10-Feb-2021	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1111	OW	ORD	RCJ	YMS Steel UK Limited	Registered	10020805 29-May-2013	10020805 29-May-2013	27-Feb-2023	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1111	OW	ORD	RCJ	YMS Steel UK Limited	Registered	10020805 29-May-2013	10020805 29-May-2013	27-Feb-2023	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1111	EM	PP	RCJ	YMS Steel UK Limited	Registered	08020871 19-Feb-2010	08020871 28-Jan-2011	10-Aug-2020	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	AE	ORD	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1143	BN	MPR	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1143	CH	MPR	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	EM	PP	ZR000	YMS Steel UK Limited	Registered	01020814 21-Jul-2015	01020814 21-Jul-2015	21-Jul-2025	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	HK	ORD	ZR000	YMS Steel UK Limited	Pending	02020809 21-Jan-2016	02020809 21-Jan-2016	21-Jan-2026	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	IN	MPR	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	NO	MPR	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	OM	MPR	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services
TN1142	BN	ORD	ZR000	YMS Steel UK Limited	Pending	1202087 07-Jan-2016	1202087 07-Jan-2016	29-Jan-2028	05 metal roller; railway sleepers of metal; railway points; railway switches; metal line; 12 hydraulic dampers for vehicles; broken dampers for vehicles; 27 repair and maintenance services

IP licence

Security Obligor	Date	Grantor	Description
Longs Steel UK Limited (expected to be renamed British Steel Limited)	On or about the date of this Debenture	Tata Steel UK Limited	Patent licence agreement in respect of patent references CO0369 (GB), CO0434 (EP), TE0009 (GB) and TE0053 (EP)

Part 3 – Insurances

Security Obligor	Insurer	Insured risks	Policy number
Longs Steel UK Limited (expected to be renamed British Steel Limited)	Atradius Credit Insurance NV	Credit insurance including insolvency, protracted default, and political risk	930920
	Zurich Insurance PLC	Property damage and business interruption	B1370GL0247816

**SCHEDULE 3
FORM OF ACCESSION DEED**

THIS ACCESSION DEED is made on 201[•]

BETWEEN:

- (1) **EACH COMPANY LISTED IN SCHEDULE 1** (each an "Acceding Company");
- (2) **BRITISH STEEL HOLDINGS LIMITED** (the "Parent"); and
- (3) **PNC BUSINESS CREDIT** a trading style of **PNC FINANCIAL SERVICES UK LTD** (as Security Agent for the Finance Parties (as defined below)) (the "Security Agent").

BACKGROUND

This Accession Deed is supplemental to a mortgage debenture dated [•] 201[•] and made between (1) the Security Obligors named in it and (2) the Security Agent (the "Debenture").

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in, or construed for the purposes of, the Debenture have the same meanings when used in this Accession Deed including the recital to this Accession Deed (unless otherwise defined in this Accession Deed).

1.2 Construction

Clause 1.2 (*Interpretation*) of the Debenture applies with any necessary changes to this Accession Deed as if it were set out in full in this Accession Deed.

2 ACCESSION OF THE ACCEDING COMPANY

2.1 Accession

[The/Each] Acceding Company:

- (a) unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and
- (b) creates and grants [at the date of this Deed] the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as one of the Security Obligors.

2.2 Covenant to pay

Without prejudice to the generality of clause 2.1 (*Accession*), [the/each] Acceding Company (jointly and severally with the other Security Obligors [and each other Acceding Company]), covenants in the terms set out in clause 2 (*Covenant to pay*) of the Debenture.

2.3 Charge and pledge

(a) Without prejudice to the generality of clause 2.1 (*Accession*), [the/each] Acceding Company with full title guarantee, charges and pledges (and agrees to charge and pledge) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 3 (*Grant of security*), 4 (*Fixed security and pledge*) and 5 (*Floating charge*) of the Debenture including (without limiting the generality of the foregoing):

- (i) by way of first equitable mortgage all the freehold and leasehold Real Property (if any) vested in or charged to the Acceding Company (including, without limitation, the property specified [against its name] in part 1 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any));
- (ii) by way of first fixed equitable charge:
 - (A) all Real Property and all interests in Real Property not charged by paragraph (i) above;
 - (B) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (C) the proceeds of sale of all Real Property other than Real Property listed in part 2 of schedule 2 (*Details of Security Assets owned by Acceding Company*);
- (iii) by way of first fixed charge, all plant and machinery (not charged by paragraphs (i) and (ii) above), the benefit of all contracts, licences and warranties relating to the same and the proceeds of the sale of any plant and machinery;
- (iv) by way of first fixed charge:
 - (A) all computers, vehicles, office equipment and other equipment (not charged by paragraph (iii) above; and
 - (B) the benefit of all contracts, licences and warranties relating to the same;
- (v) by way of first fixed charge:
 - (A) all the Charged Securities (including, without limitation, those specified [against its name] in part 2 of schedule 2 (*Details of*

Security Assets owned by Acceding Company) (if any)) and the proceeds of the sale of any Charged Securities; together with

- (B) all Securities Rights from time to time accruing to them;
- (vi) by way of first fixed charge all rights which the Acceding Company may have at any time against any clearance or settlement system or any custodian in respect of any Charged Securities;
- (vii) by way of first fixed charge:
 - (A) all Securities Rights from time to time accruing to those Securities; and
 - (B) all rights which each Acceding Company may have at any time against any clearance or settlement system or any custodian in respect of any Securities;
- (viii) by way of first fixed charge all Non-Vesting Domestic A/R and their proceeds now or in the future owing to the Acceding Company;
- (ix) by way of first fixed charge all Related Rights relating to any Non-Vesting Domestic A/R owing to the Acceding Company;
- (x) by way of first fixed charge all Non-Vesting Export A/R and their proceeds now or in the future owing to the Acceding Company;
- (xi) by way of first fixed charge all Related Rights relating to any Non-Vesting Export A/R owing to the Acceding Company;
- (xii) by way of first fixed charge all Other Proceeds;
- (xiii) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified [against its name] in part 3 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any));
- (xiv) by way of first fixed charge the Insurances (including, without limitation, those specified [against its name] in part 4 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all claims under the Insurances and all proceeds of the Insurances;
- (xv) by way of first fixed charge the Other Receivables;
- (xvi) by way of first fixed charge (to the extent permitted to be charged and not otherwise charged in this Accession Deed):
 - (A) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Acceding Company or the use of any of its assets; and

- (B) any letter of credit issued in favour of the Acceding Company and all bills of exchange and other negotiable instruments held by it; and
- (xvii) by way of first fixed charge all of the goodwill and its right to in relation to the uncalled capital of the Acceding Company.
- (b) The Acceding Company agrees that the Security Agent shall have a pledge upon all its Pledged Assets.

2.4 Representations

[The/Each] Acceding Company makes the representations and warranties required pursuant to clause 10.5(a)(ii) to the Debenture as well as those set out in this clause 2.4:

- (a) The Charged Securities listed in [part 2 of] schedule 2 to the Accession Deed (Details of Security Assets owned by the Acceding Companies) constitute the entire share capital owned by each Acceding Company in the relevant company [and constitute the entire share capital of each such company]; and
- (b) In relation to the Real Property, [part 1 of] schedule 2 (Details of Security Assets owned by the Acceding Companies) identifies all freehold and leasehold Real Property which is beneficially owned by each Acceding Company at the date of this Deed.

2.5 Consent

Pursuant to clause 26.4 (*Accession Deed*) of the Debenture, the Parent (as agent for itself and the existing Security Obligors):

- (a) consents to the accession of [the/each] Acceding Company to the Debenture on the terms of this Accession Deed; and
- (b) agrees that the Debenture shall, after the date of this Accession Deed, be read and construed as if [the/each] Acceding Company had been named in the Debenture as a Security Obligor.

3 CONSTRUCTION OF DEBENTURE

This Accession Deed shall be read as one with the Debenture so that all references in the Debenture to "*this Deed*" and similar expressions shall include references to this Accession Deed.

4 THIRD PARTY RIGHTS

A person who is not a party to this Accession Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Accession Deed.

5 NOTICE DETAILS

Notice details for [the/each] Acceding Company are those identified with its name below.

6 COUNTERPARTS

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

7 GOVERNING LAW

- (a) This Accession Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- (b) [The/Each] Acceding Company irrevocably submits to the exclusive jurisdiction of the English courts.

IN WITNESS of which this Accession Deed has been duly executed by [the/each] Acceding Company and the Parent as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Accession Deed][by [the/each] Acceding Company and the Parent].

SCHEDULE 1 TO THE ACCESSION DEED

The Acceding Companies

Company name	Registered number	Registered office
[•]	[•]	[•]
[•]	[•]	[•]

SCHEDULE 2 TO THE ACCESSION DEED

Details of Security Assets owned by the Acceding Companies

[Part 1 - Real Property]

Registered land				
[Acceding Company]	Address	Administrative Area		Title number
[•]	[•]	[•]		[•]
Unregistered land				
[Acceding Company]	Address	Document describing the Real Property		
		Date	Document	Parties
[•]	[•]	[• 20[•]]	[•]	[•]

[Part 2 - Charged Securities]

[Acceding Company]	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

[Part 3 - Intellectual Property]

Part 3A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/apparatus (ICM)	Classes	Mark row
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]

Part 3B - Patents		
Proprietor/ADP number	Patent number	Description

[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

[Part 4 - Insurances]

Acceding Company	Insurer	Policy number
[•]	[•]	[•]
[•]	[•]	[•]

EXECUTION PAGES OF THE ACCESSION DEED

THE ACCEDING COMPAN[Y][IES]

EITHER one director in the presence of an attesting witness

Executed as a deed[, but not delivered until)
the first date specified on page 1,] by [NAME)
OF ACCEDING COMPANY] acting by:)

Director _____

Witness signature _____

Witness name: _____

Witness address: _____

Address: [•]

Facsimile No:[•]

OR where executing by an individual attorney

Signed as a deed[, but not delivered until the)
first date specified on page 1,] by [NAME)
OF ACCEDING COMPANY] by its attorney)
_____ [acting pursuant to)
a power of attorney dated [• 20[•]]))
in the presence of:)

Signature _____
as attorney for [NAME
OF ACCEDING
COMPANY]

Witness signature _____

Witness name: _____

Witness address: _____

Address: [•]

Facsimile No:[•]

THE PARENT

EITHER one director in the presence of an attesting witness

Executed as a deed[, but not delivered until)
the first date specified on page 1,] by)
[•] acting by:)

Director _____

Witness signature _____

Witness name: _____

Witness address: _____

Address: [•]

Facsimile No:[•]

OR where executing by an individual attorney

Signed as a deed[, but not delivered until the)
first date specified on page 1,] by [•])
by its attorney _____)
[acting pursuant to a power of attorney dated)
[• 20[•]]] in the presence of:)

Signature _____
as attorney for [•]

Witness signature _____

Witness name: _____

Witness address: _____

Address: [•]

Facsimile No:[•]

THE SECURITY AGENT

Executed as a deed, but not delivered)
until the first date specified on page 1, by)
PNC BUSINESS CREDIT a trading style)
of **PNC FINANCIAL SERVICES UK LTD**)
(for itself and in its capacity as Security)
Agent) acting by:

Attorney

Attorney

—
Address: PNC House, 34/36
Perrymount Road, Haywards Heath, West
Sussex RH16 3DN

Facsimile No: +44 (0) 1444 458259

SCHEDULE 4
FORMS OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Part A

Form of Notice to Insurer

To: *[Insert name of Insurer]*

[Date]

Dear Sirs

We hereby give you notice that, pursuant to a Debenture dated [•] 2016, we have charged and assigned to **PNC BUSINESS CREDIT** a trading style of **PNC FINANCIAL SERVICES UK LTD ("PNC")** all our rights, title, interests and benefits in, to or in respect of the insurance policies with you detailed in the Schedule attached hereto (the "**Insurances**") including all claims and returns of premiums in respect thereof to which we are, or may at any future time become, entitled.

With effect from your receipt of this notice we hereby request and instruct that:

- 1 you immediately name PNC as loss payee in respect of each of the Insurances but excluding any third party liability or public liability insurance;
- 2 upon the security granted by the Debenture in respect of the Insurances becoming enforceable (as notified to you by PNC):
 - (a) all payments under or arising from the Insurances but excluding any third party liability or public liability insurance are to be made to PNC or to its order;
 - (b) all remedies provided for in the Insurances or available at law or in equity are to be exercisable by PNC;
 - (c) all rights to compel the performance of the Insurances are to be exercisable by PNC; and
 - (d) all rights, title, interests and benefits whatsoever accruing to or the benefit of ourselves arising from the Insurances shall belong to PNC; and
- 3 you give notice to PNC in writing:
 - (a) if we propose to cancel or give notice of cancellation of any Insurance, at least 14 days before such cancellation is to take effect;
 - (b) of any material alteration or the termination or expiry of any such Insurance, at least 14 days before such alteration, termination or expiry is to take effect;

- (c) of any default in the payment of any premium or failure to renew any such Insurance at least 21 days before the renewal date; and/or
- (d) of any act, omission or event which may make the insurance policy void, voidable or unenforceable (in whole or in part).

Please confirm your receipt of this notice and your acknowledgement of the matters and instructions set out above by signing and dating the Acknowledgement of Assignment set out on the enclosed copy of this notice, and returning the same to PNC with a copy to ourselves.

Yours faithfully

.....
(Authorised signatory)

[SECURITY OBLIGOR]

Schedule

Relevant Insurance Policies

[List All Policies in respect of which notice given]

[•]

Part B

Form of Acknowledgment of Assignment

[To be printed only on the copy of the Notice of Assignment given]

To: PNC BUSINESS CREDIT a trading style of PNC FINANCIAL SERVICES UK LTD

Attention: [●]

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above (the "Notice").

We confirm that we shall hereafter act in accordance with the Notice and that we have not received any other notice of any other third party interests whether by way of assignment or charge in respect of any of the Insurances.

We further confirm that no amendment or termination of any of the Insurances shall be effective unless we have given you [30] days' prior written notice of our intention to so amend or terminate the same.

Yours faithfully

.....
(Authorised signatory)

[INSURER]


Date: [●]

EXECUTION PAGES

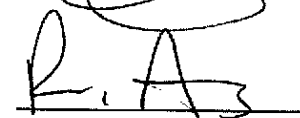
SECURITY AGENT

Executed as a deed, but not delivered until)
the first date specified on page 1, by **PNC**)
BUSINESS CREDIT a trading style of **PNC**)
FINANCIAL SERVICES UK LTD (for itself)
and in its capacity as Security Agent) acting)
by:)

Attorney

 DANIEL HARRISON

Attorney

 PAUL APPS

Address: PNC House, 34/36 Perrymount Road, Haywards Heath, West Sussex RH16 3DN

Facsimile No: +44 (0) 1444 458259

Attention: The Directors, PNC Business Credit

ORIGINAL SECURITY OBLIGORS

SIGNED as a deed, but not delivered until)
the first date specified on page 1 by **LONGS**)
STEEL UK LIMITED acting by)
_____)
a director, in the presence of:)

Director

Witness signature:

Witness name:

Witness address:

Address:

Facsimile No:

Attention:

EXECUTION PAGES

SECURITY AGENT

Executed as a deed, but not delivered until)
the first date specified on page 1, by PNC)
BUSINESS CREDIT a trading style of PNC)
FINANCIAL SERVICES UK LTD (for itself)
and in its capacity as Security Agent) acting)
by:)

Attorney _____

Attorney _____

Address: PNC House, 34/36 Perrymount Road, Haywards Heath, West Sussex RH16 3DN

Facsimile No: +44 (0) 1444 458259

Attention: The Directors, PNC Business Credit

ORIGINAL SECURITY OBLIGORS

SIGNED as a deed, but not delivered until)
the first date specified on page 1 by LONGS)
STEEL UK LIMITED acting by)
_____,)
a director, in the presence of:)



Director

Witness signature:



Witness name:

VICTORIA EDLAND

Witness address:

31 Hill St

London

W1J 5LW

Address: Administration Building, Briggs Road, Scunthorpe, North
Lincolnshire, DN16 1BP

Facsimile No:

Attention: THE DIRECTORS

SIGNED as a deed, but not delivered until
the first date specified on page 1 by **TATA
STEEL UK RAIL CONSULTANCY LIMITED**
acting by



Director

a director, in the presence of:

Witness signature:



Witness name:

VICTORIA EDWARDS

Witness address:

31 Hill St

LONDON

W1J 5LJ

Address: MERIDIAN HOUSE, THE CRESCENT, YORK, YORKSHIRE, YO24 1AW
Facsimile No:

Attention: THE DIRECTORS

SIGNED as a deed, but not delivered until
the first date specified on page 1 by
BRITISH STEEL HOLDINGS LIMITED
acting by



Director

a director, in the presence of:

Witness signature:



Witness name:

VICTORIA EDWARDS

Witness address:

31 Hill St

LONDON

W1J 5LJ

Address: 31 Hill Street, London, W1J 5LS
Facsimile No:

Attention: THE DIRECTORS