



**Registration of a Charge**

Company name: **THE GRANGE (2016) LTD**

Company number: **10106614**



X8Z39P5E

Received for Electronic Filing: **18/02/2020**

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**Details of Charge**

Date of creation: **13/02/2020**

Charge code: **1010 6614 0001**

Persons entitled: **20-20 TRUSTEE SERVICES LIMITED (AS TRUSTEE OF THE QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE PENSION AND ASSURANCE SCHEME)**

Brief description: **NONE**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

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

Certified by:

**GOWLING WLG (UK) LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 10106614

Charge code: 1010 6614 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th February 2020 and created by THE GRANGE (2016) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th February 2020 .

Given at Companies House, Cardiff on 19th February 2020

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

**Deed of Guarantee and Debenture**

**Dated** 13 FEBRUARY 2020

- (1) The Grange (2016) Ltd (The Original Chargor)**
- (2) 20-20 Trustee Services Limited (The Original Secured Party)**
- (3) The Board of the Pension Protection Fund (the PPF)**

## Contents

1	Definitions and interpretation.....	1
2	Guarantee.....	10
3	Covenant to pay .....	14
4	Creation of Security.....	14
5	Nature of Security created.....	17
6	Conversion of floating charge.....	18
7	Representations and warranties .....	19
8	Positive covenants .....	21
9	Negative covenants .....	25
10	Voting and other rights .....	27
11	Enforcement.....	28
12	Appointment and powers of Receivers .....	30
13	Protection of purchasers.....	31
14	Protection of the Secured Party and Receivers.....	31
15	New accounts.....	32
16	Tacking .....	32
17	Further assurance .....	33
18	Power of attorney .....	34
19	Currency.....	34
20	Discharge of Security.....	35
21	Costs and expenses.....	35
22	Additional Chargors .....	36
23	Assignment .....	36
24	Notices .....	37
25	Calculations and certificates .....	38
26	Partial invalidity .....	39
27	Remedies and waivers .....	39
28	Amendments and waivers .....	39
29	Counterparts .....	39
30	Governing law and enforcement .....	39
	Schedule 1 Form of notice for Insurances .....	41
	Schedule 2 Current Accounts .....	43
	Schedule 3 Shares.....	44

Schedule 4 Forms of letter to and from the Account Bank.....	45
Part 1 Notice to Account Bank regarding the Current Accounts.....	45
Part 2 Form of acknowledgements from Account bank .....	47
Schedule 5 Form of Security Accession Deed .....	49

## **Deed of Guarantee and Debenture**

Dated 13 FEBRUARY 2020

### **Between:**

- (1) **The Grange (2016) Ltd** registered in England and Wales (registered number 10106614) whose registered office is at The Grange, The Green, Benenden, Kent TN17 4DN (the "**Original Chargor**");
- (2) **20-20 Trustee Services Limited** registered in England and Wales (registered number 01050578) as the trustees of the Queen Elizabeth's Foundation for Disabled People Pension and Assurance Scheme whose registered office is at 100 Wood Street, London England EC2V 7AN (the "**Original Secured Party**"); and
- (3) **The Board of the Pension Protection Fund**, a statutory corporation established by the Pensions Act 2004 of Renaissance, 12 Dingwall Road, Croydon Surrey CR0 2NA (the "**PPF**").

### **Whereas:**

- (A) The Charity has issued the Loan Notes in favour of the Original Secured Party.
- (B) The Original Chargor has agreed to
  - a. guarantee all of the obligations of the Charity under the Transaction Documents; and
  - b. provide Security to secure the payment and discharge of the Secured Liabilities.
- (C) It is intended that Loan Notes, with the benefit of the guarantees and Security constituted by, and other rights under, this Deed, may be transferred to the PPF such that, among other things, the PPF will become the Secured Party for the purposes of this Deed.

### **This deed witnesses**

#### **1 Definitions and interpretation**

In this Deed:

##### **1.1 Definitions**

"**Account**" means a Current Account.

"**Account Bank**" means in respect of any Account, the bank or financial institution with which that Account is held.

"**Act**" means the Law of Property Act 1925.

**"Assessment Period"** means an assessment period for the purposes of section 132 of the Pensions Act.

**"Assumptions"** has the meaning set out in Clause 1.4 (PPF)

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Book Debts"** means, in relation to the Chargor, all of its book debts arising in the ordinary course of trading.

**"Business Day"** means a day (other than Saturday or Sunday) on which banks are open for general business in London.

**"Chargor"** means the Original Chargor and any New Chargor and "Chargors" means all of them.

**"Charity"** means Queen Elizabeth's Foundation for Disabled People Incorporated and registered in England and Wales with registered number 892013 and registered charity with number 251051 whose registered office is at Leatherhead Court, Woodlands Road, Leatherhead, Surrey, KT22 0BN.

**"Current Account"** means:

- (a) each account of the Chargor set out in Schedule 2 (*Current Accounts*);
- (b) any other account which the Chargor holds with any bank or financial institution from time to time.

**"Default"** means:

- (a) the occurrence of an Event of Default under, and as defined in, the Loan Note Instruments;
- (b) the Chargor defaults in the payment when due of any amount due under this Deed unless such non-payment is as a result of an administrative or technical error and the payment is made within three days of its due date;
- (c) the Chargor or the Charity does not comply with or breaches any provision of a Transaction Document (other than as referred to in paragraphs (a) and (b) above);
- (d) a Chargor (other than the Charity) ceases to be a wholly-owned subsidiary of the Charity;
- (e) it is or becomes unlawful for the Chargor to perform any of its obligations under any Transaction Documents to which it is party unless such unlawfulness, if capable of remedy, is remedied within ten days of the Chargor becoming aware of its occurrence; or



- (f) the Chargor repudiates, or evidences an intention to repudiate, a Transaction Document to which It is party.

**"Default Rate"** means the rate of interest specified in, and calculated in accordance with, the Loan Note Instruments.

**"Deposit"** means all sums standing to the credit of any Current Account from time to time.

**"Distribution Rights"** means:

- (a) all dividends, interest and other distributions paid or payable on or in respect of any Investments or Shares and any right to receive them; and
- (b) any right arising or accruing by way of redemption, substitution, exchange, bonus, preference, option or other right relating to the relevant Investment or Share.

**"Eligible Scheme"** means an eligible scheme for the purposes of section 126 of the Pensions Act.

**"Employer"** means an employer for the purposes of section 318 of the Pensions Act.

**"Equipment"** means, in relation to the Chargor, all its fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties.

**"Group"** means the Original Chargor and its Subsidiaries for the time being and Group Company means any of them.

**"Insurance"** means, in relation to the Chargor, each contract or policy or insurance to which it is a party or in which it has an interest.

**"Intellectual Property Rights"** means

- (a) all patents, trade marks, trade names, domain names, service marks, software rights, 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,
- (b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist).

**"Investments"** means, in relation to the Chargor:

- (a) all or any of its stocks, shares (other than any Shares), bonds and securities of any kind (marketable or otherwise), negotiable instruments and warrants and any other financial instruments (as defined in the Regulations); and
- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or

otherwise which at any time accrue to or are offered or arise in respect of them,

and includes all Distribution Rights.

**"Land"** means all estates or interests in any freehold and leasehold property and the assets purported to be secured by way of legal mortgage or by way of a fixed charge under Clause 4.1 (*Land*) of this Deed or any supplemental deed or mortgage over interests and freehold and leasehold property acquired after the date of this Deed, following execution of this Deed.

**"Loan Notes"** means the Sale Notes and the Term Notes.

**"Loan Note Instruments"** means the Sale Note Instrument and the Term Note Instrument.

**"New Chargor"** means a Group Company which becomes a Chargor by executing a Security Accession Deed in accordance with Clause 22 (*Additional Chargor*).

**"Party"** means a party to this Deed and Parties" means all of them.

**"Pensions Regulator"** means the UK Pensions Regulator, a body corporate established pursuant to the Part I of the Pensions Act.

**"Pension Scheme"** means means the Queen Elizabeth's Foundation for Disabled People Pension and Assurance Scheme established by an Interlm trust deed dated 15 December 1966 and currently governed by the Fourth Definitive Trust Deed, entered into between the Charity and the then trustees, dated 10 March 2014 and rules attached to that deed (as amended from time to time), which is administered by the Original Secured Party.

**"Pensions Act"** means the Pensions Act 2004 and its underlying regulations.

**"PPF Creditor Rights"** means the rights and powers in relation to the debts owed to the Original Secured Party which pass to the PPF by virtue of section 137 and/or section 161 of the Pensions Act.

**"Qualifying Insolvency"** means a qualifying insolvency event for the purposes of section 127 of the Pensions Act.

**"Receiver"** means a receiver appointed pursuant to this Deed or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and, if the Secured Party is permitted by law to appoint an administrative receiver, includes an administrative receiver.

**"Regulations"** means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003/3226) as amended by:

- (a) Financial Collateral Arrangements (No 2) Regulations 2003 (Amendment) Regulations 2009 SI 2009/2464; and

(b) the Financial Markets and Insolvency (Settlement Finality and Financial Collateral Arrangements) (Amendment) Regulations 2010 SI 2010/2993,

or equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements and Regulation" means any of them.

**"Restructuring Agreement"** means the agreement dated 20 November 2018 between the Charity, the trustees of the Pension Scheme and the PPF.

**"Sale Notes"** means the [REDACTED] 2% secured loan note dated 7 December 2018 issued by the Charity to the Original Secured Party.

**"Sale Note Instrument"** means the Instrument of the Charity dated 7 December 2018 constituting the Sale Notes.

**"Secured Liabilities"** means the liabilities of the Charity and or the Chargor to the Secured Party under or pursuant to the Transaction Documents, whether present or future, actual or contingent and whether incurred solely or jointly and whether as principal or surety or in some other capacity.

**"Secured Party"** means the Original Secured Party and any person to which the interests of the Original Secured Party under the Transaction Documents may be transferred or assigned from time to time, in each case in accordance with the Transaction Documents and/or the Pensions Act.

**"Security"** means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

**"Security Accession Deed"** means a deed executed by a Group Company substantially in the form set out in Schedule 5 (*Form of Security Accession Deed*) in terms satisfactory to the Secured Party and the PPF.

**"Security Assets"** means, in relation to the Chargor, all of its assets which are the subject of any Security created or to be created by this Deed.

**"Security Period"** means the period starting on the date of this Deed and ending on the date on which the Secured Party is satisfied that all of the Secured Liabilities have been irrevocably discharged in full and the Chargor has no commitment or liability, whether present or future, actual or contingent, under or in relation to any Transaction Document.

**"Shares"** means all shares held by any Chargor or held by a nominee on behalf of any Chargor.

**"Subsidiary"** means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006.

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

**"Term Notes"** means the [REDACTED] secured loan note 2050 dated 7 December 2018 issued by the Charity to the Original Secured Party.

**"Term Note Instrument"** means the Instrument of the Charity dated 7 December 2018 constituting the Terms Notes.

**"Transaction Documents"** means the Loan Notes, the Loan Note Instruments and this Deed, and "Transaction Document" means any of them.

**"Trust Deed"** means the Fourth Definitive Trust Deed, entered into between the Charity and the then trustees, dated 10 March 2014 and rules attached to that deed (as amended from time to time), which is administered by the Original Secured Party.

## **1.2 "Construction"**

1.2.1 In this Deed (unless otherwise provided), any reference to:

- (a) "assets" includes present, future, actual and contingent properties, revenues and rights of every description;
- (b) a "guarantee" means (other than in Clause 2 (*Guarantee*)) any guarantee, letter of credit, bond, indemnity, documentary or other credit or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- (c) "debt" or "indebtedness" includes any obligation, whether incurred as principal or as surety, for the payment or repayment of money, whether present or future, actual or contingent and whether owed jointly or severally or in any other capacity;
- (d) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (e) a time of day is a reference to London time;
- (f) "liabilities" includes any obligation whether incurred as principal or as surety, whether or not in respect of indebtedness, whether present or future, actual or contingent and whether owed jointly or severally or in any other capacity;

- (g) references to "Clauses" and "Schedules" are to be construed as references to the Clauses of, and Schedules to, this Deed as amended or varied from time to time;
- (h) references to this "Deed" or to any other document mentioned in it shall be construed as references to this Deed or such document, as amended, varied, novated or supplemented, as the case may be, from time to time;
- (i) the "Chargor", a "Secured Party", the "PPF" or a "Receiver" includes any one or more of its assignees, transferees and successors in title (in the case of the Chargor and the Original Secured Party, so far as any such is permitted);
- (j) a "Secured Party", the "PPF" or any "Receiver" (except for the references in Clause 18 (*Power of attorney*)), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates;
- (k) words importing the singular shall include the plural and vice versa;
- (l) a "person" shall include that person's assigns or transferees or successors in title and shall be construed as including an individual, firm, partnership, consortium, joint venture, company, corporation, unincorporated body of persons or any state or any agency of any such state;
- (m) references to any statute or statutory provision include any statute or statutory provision which amends, extends, modifies, consolidates or replaces the same, or which has been amended, extended, modified, consolidated or replaced by the same, and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute;
- (n) a provision of law is a reference to that provision as amended or re-enacted.
- (o) the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words where a wider construction is possible; and
- (p) the words "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any foregoing words.

1.2.2 Clause headings are for convenience of reference only and shall not affect the construction of this Deed.

### **1.3 Third party rights**

- 1.3.1 A Secured Party, the PPF (If not a Secured Party), any Receiver and their respective officers, employees and agents may enforce any term of this Deed which purports to confer a benefit on that person, but no other person who is not a Party has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- 1.3.2 Notwithstanding any term of any Transaction Document, a Secured Party and any Receiver may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed without the consent of any person who is not a party to this Deed.

### **1.4 PPF**

- 1.4.1 The PPF is entering into this Deed pursuant to section 111 of the Pensions Act (and all other powers empowering it) and on the following assumptions the (the "**Assumptions**") which the other Parties acknowledge,
- (a) the Pensions Regulator has given its clearance for the proposed restructuring of the Charity and the acquisition of the Chargor by the Charity;
  - (b) the Pension Scheme is an Eligible Scheme; and
  - (c) a Qualifying Insolvency Event will occur has occurred in relation to every Employer in relation to the Pension Scheme triggering an Assessment Period and the PPF Creditor Rights in relation to the whole of the Pension Scheme.
- 1.4.2 The PPF enters into this Deed, and the other Parties acknowledge that the PPF enters into this Deed, on the basis that:
- (a) it does so without having made any enquiries in relation to the Assumptions, and without passing any opinion on or acknowledging whether or not the Assumptions (or any of them) are true or correct;
  - (b) nothing in this Deed, any other Transaction Document, or otherwise shall be construed so as to create any obligation on the PPF to confirm that an Assessment Period has commenced or to assume responsibility for the Pension Scheme or any part of it.
- 1.4.3 The Parties (other than the PPF) agree that, in accordance with section 137 of the Pensions Act, on the commencement of the Assessment Period in relation to the Pension Scheme (or any part of it), then unless and until:
- (a) the Board ceases to be involved with the Pension Scheme pursuant to section 149 of the Pensions Act; or
  - (b) subsection 154(1) of the Pensions Act applies to the Pension Scheme,

the PPF takes the benefit of this Deed and may exercise any of the rights or powers of the Original Secured Party under this Deed, but without prejudice to the protections and exclusions in the Original Secured Party's favour.

## **1.5 Trustees**

- 1.5.1 The Original Secured Party shall not incur any personal liability in any circumstance by virtue of this Deed, nor in relation to any related matter, claim, transfer, assignment or other documents made pursuant to this Deed, except in the case of personal dishonesty or wilful default.
- 1.5.2 Upon the issue by the PPF of a Transfer Notice pursuant to section 160 of the Pensions Act, any obligation or liability of the Original Secured Party under this Deed to perform obligations shall be discharged, whereupon the Original Secured Party shall cease to be a party of this Deed (without prejudice to the protections and exclusions in the Original Secured Party's favour), and all references in this Deed to the Original Secured Party shall be references to the PPF.
- 1.5.3 Nothing in this Deed shall conflict with the Original Secured Party's duty under s.154 of the Pensions Act or otherwise restrict the Original Secured Party's powers under the Trust Deed or statute.

## **1.6 Effect as a deed**

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Original Secured Party and the PPF.

## **1.7 PPF Consents**

Subject to Clause 9.5 (*Consents*), at all times when either the Pension Scheme is subject to an Assessment Period, or the PPF has assumed responsibility for the Pension Scheme;

- 1.7.1 the Original Secured Party shall not exercise any rights that it has under this Deed, including (without limitation) under
- (a) Clause 6 (Conversion of floating charge),
  - (b) Clause 10 (Voting and other rights),
  - (c) Clause 11 (*Enforcement*), and/or
  - (d) Clause 12 (Appointment and powers of a Receiver)
- without the prior written consent of the PPF (or any assignee or transferee of the PPF); and
- 1.7.2 the Original Secured Party shall promptly act in accordance with the instructions of the PPF (or any assignee or transferee of the PPF).

## **1.8 Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the other Transaction Documents and of any side letters between any parties in relation to any Transaction Document are incorporated in this Deed to the extent required to ensure that any purported disposition of an interest in Land contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

## **2 Guarantee**

### **2.1 Guarantee and indemnity**

Each Chargor irrevocably and unconditionally jointly and severally:

2.1.1 guarantees to the Secured Party punctual performance by the Charity of all the Charity's obligations under the Transaction Documents;

2.1.2 undertakes with the Secured Party that whenever the Charity does not pay any amount when due under or in connection with any Transaction Document, that Chargor shall immediately on demand pay that amount as if it were the principal obligor; and

2.1.3 agrees with the Secured Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify the Secured Party immediately on demand against any cost, loss or liability it incurs as a result of the Charity not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Transaction Document on the date when it would have been due. The amount payable by a Chargor under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee.

### **2.2 Continuing guarantee**

This guarantee is a continuing guarantee and shall remain in force notwithstanding the liquidation, administration or dissolution of the Charity or any Chargor or the appointment of a receiver or administrative receiver of all or any part of a Chargor's assets. It will extend to the ultimate balance of sums payable by the Charity or any Chargor under the Transaction Documents, regardless of any intermediate payment or discharge in whole or in part.

### **2.3 Reinstatement**

If any discharge, release, accounting or arrangement (whether in respect of the obligations of the Charity, any Chargor or any Security for those obligations or otherwise) is made by the Secured Party in whole or in part on the basis of any payment, security, recovery or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then:



- 2.3.1 the liability of each Chargor and the Security created by that Chargor under this Deed will continue or be reinstated as if the payment, discharge, release, accounting or arrangement had not occurred; and
- 2.3.2 the Secured Party will continue to be entitled to recover the value or amount of that Security or payment from that Chargor as if the payment, discharge, avoidance or reduction had not occurred.

## **2.4 Waiver of defences**

Neither the Security created by this Deed nor the obligations of the Charity or each Chargor under this Deed will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Deed (without limitation whether or not known to it or any Secured Party or Party) including:

- 2.4.1 any time, waiver or consent granted to, or composition with, any Chargor or other person;
- 2.4.2 the release of the Charity or any other Chargor or any other person under the terms of any composition or arrangement with any creditor of any person;
- 2.4.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Charity or any Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 2.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Charity or a Chargor or any other person;
- 2.4.5 any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or Security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Transaction Document or other document or security;
- 2.4.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by any person under any Transaction Document or any other document;
- 2.4.7 any insolvency, liquidation, administration or similar procedure; or
- 2.4.8 any transfer of the Security created by this Deed in accordance with the terms of the Transaction Documents or pursuant to law.

## **2.5 Chargor intent**

Without prejudice to the generality of Clause 2.4 (*Waiver of defences*), each Chargor expressly confirms that It Intends that the Security created by this Deed and the guarantee given in this Clause 2 shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Transaction Documents and/or any facility or amount made available under any of the Transaction Documents for the purposes of or in connection with any of the following:

- 2.5.1 acquisitions of any nature;
- 2.5.2 increasing working capital;
- 2.5.3 enabling investor distributions to be made;
- 2.5.4 carrying out restructurings;
- 2.5.5 refinancing existing facilities;
- 2.5.6 refinancing any other indebtedness;
- 2.5.7 making facilities available to new borrowers;
- 2.5.8 any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- 2.5.9 any fees, costs and/or expenses associated with any of the foregoing.

## **2.6 Immediate recourse**

Each Chargor waives any right It may have of first requiring the Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

## **2.7 Appropriations**

During the Security Period, the Secured Party (or any trustee or agent on its behalf) may:

- 2.7.1 refrain from applying or enforcing any other moneys, Security or rights held or received by It (or any trustee or agent on its behalf) in respect of amounts which may be or become payable by the Chargors under or in connection with the Transaction Documents, or apply and enforce the same in such manner and order as It sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- 2.7.2 hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under the Transaction Documents.

## **2.8 Deferral of Chargors' rights**

2.8.1 During the Security Period, and unless the Secured Party otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Transaction Documents or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to receive or claim payment from or be indemnified by a Chargor;
- (b) to claim any contribution from any other guarantor of, or provider of Security in respect of, any Chargor's obligations under the Transaction Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Party under any Transaction Document or of any guarantee or Security taken pursuant to, or in connection with, the Transaction Documents by the Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has given a guarantee, undertaking or indemnity under Clause 2.1 (*Guarantee and Indemnity*) of this Deed;
- (e) to exercise any right of set-off against any Chargor or to invoke or benefit from the any equitable remedy which may be afforded to the Chargor in relation to indemnification from any other Chargor or the principal debtor or any similar or analogous rule or principle; and/or<sup>23</sup>
- (f) to claim or prove as a creditor of any Chargor in competition with the Secured Party.

2.8.2 If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Party by the Chargors under or in connection with the Transaction Documents to be repaid in full on trust for the Secured Party and shall promptly pay or transfer the same to the Secured Party or as the Secured Party may direct for application in accordance with Clause 11.4 (Application of moneys) of this Deed.

## **2.9 Release of Chargors' right of contribution**

If any Chargor (a Retiring Chargor) ceases to be a guarantor in accordance with the Transaction Documents or otherwise, then on the date such Retiring Chargor ceases to be a guarantor:

2.9.1 that Retiring Chargor is released by each other Chargor from any liability (whether past, present or future and whether actual or contingent) to make

a contribution to any other Chargor arising by reason of the performance by any other Chargor of its obligations under the Transaction Documents; and

- 2.9.2 each other Chargor waives any rights it may have by reason of the performance of its obligations under the Transaction Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Party under any Transaction Document or of any other Security taken pursuant to, or in connection with, any Transaction Document where such rights or Security are granted by or in relation to the assets of the Retiring Chargor.

## **2.10 Additional Security**

The guarantee set out in Clause 2 of this Deed is in addition to and is not in any way prejudiced by, and shall not merge with, any other guarantee, contractual right or Security now or in the future held by, or available to, the Secured Party.

## **2.11 Guarantee limitations**

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance under any applicable provisions under the laws of the jurisdiction of incorporation of any Chargor and, with respect to any New Chargor, is subject to any limitations set out in the Security Accession Deed applicable to that New Chargor.

## **2.12 No Security from Chargors**

During the Security Period, no Chargor shall take, or retain, any Security from any Chargor or other person in connection with any other Chargor's liabilities under this Deed.

## **3 Covenant to pay**

The Chargor covenants with the Secured Party that it will on demand pay and discharge the Secured Liabilities when due.

## **4 Creation of Security**

### **4.1 Land**

The Chargor charges:

- 4.1.1 by way of legal mortgage its interest in the all estates or interests in any freehold or leasehold property owned by it; and
- 4.1.2 to the extent not subject to the charge by way of legal mortgage under Clause 4.1.1, by way of fixed charge any estate right, title or interest which it has now or may subsequently acquire to or in any other freehold, leasehold or commonhold property and the buildings and equipment on such properties,

- 4.1.3 by way of fixed charge the proceeds of sale of any properties so charged by way of legal mortgage or charged by a fixed charge;
- 4.1.4 by way of fixed charge the benefit of any agreements, covenants, covenants of title, restrictions, licences, instruments or rights in relation to any properties so charged by way of legal mortgage or charged by a fixed charge and any rights to sums arising or money paid in relation to any of them; and
- 4.1.5 by fixed charge all sums arising by way of rental income in relation to any properties so charged by way of legal mortgage or charged by a fixed charge.

#### **4.2 Shares**

The Chargor mortgages or (if or to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge:

- 4.2.1 all Shares; and
- 4.2.2 all related Distribution Rights,  
including those held for it by a nominee.

#### **4.3 Investments**

The Chargor mortgages or (if or to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge:

- 4.3.1 all Investments; and
- 4.3.2 all related Distribution Rights,  
including those held for it by any nominee.

#### **4.4 Equipment**

The Chargor charges by way of fixed charge all Equipment in so far as it is not charged by way of legal mortgage under Clause 4.1 (*Land*).

#### **4.5 Book Debts**

The Chargor charges by fixed charge

- 4.5.1 all of its Book Debts, and other debts arising and due to it and their proceeds whether collected or uncollected, and
- 4.5.2 all rights, guarantees, Security or other collateral or any nature, and the benefit of any judgment or order for payment in each case in relation to any Book Debt or other debts subject to the Security in Clause 4.5.1.

#### **4.6 Intellectual Property Rights**

The Chargor charges by way of fixed charge all its Intellectual Property Rights

#### **4.7 Goodwill**

The Chargor charges by way of fixed charge its goodwill.

#### **4.8 Uncalled capital**

The Chargor charges by way of fixed charge its uncalled capital.

#### **4.9 Authorisations**

The Chargor charges by way of fixed charge the benefit of all Authorisations held by it in relation to any Security Asset.

#### **4.10 Insurances**

4.10.1 The Chargor assigns absolutely all its rights and interests in the Insurances and rights to the proceeds of any Insurances.

4.10.2 Until a Default occurs, but subject to Clause 8.6 (*Insurances*), the Chargor may continue to deal with the counterparties to the Insurances.

#### **4.11 Contractual Rights**

The Chargor charges by way of fixed charge all its rights under all deeds and agreements to which it is a party and which are not mortgaged, charged by way of fixed charge or assigned under any of Clause 4.1 (*Land*) to 4.10 (*Insurances*) (Inclusive).

#### **4.12 Other assets**

4.12.1 The Chargor charges by way of floating charge all its present and future business, undertaking and assets which are not effectively mortgaged, charged by way of fixed charge or assigned under this Clause 4.

4.12.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to any floating charge created by this Deed.

#### **4.13 Trust**

4.13.1 Subject to Clause 4.13.2, if or to the extent that for any reason the assignment or charging of any Security Asset is prohibited, the Chargor holds it on trust for the Secured Party.

4.13.2 If the reason referred to in Clause 4.13.1 is that:

- (a) a consent or waiver must be obtained; or
- (b) a condition must be satisfied,

then:

- (c) subject to Clause 4.13.3, the Chargor shall apply for the consent or waiver; and
- (d) the Chargor shall use all reasonable endeavours to satisfy the condition,

In each case within 14 days of the date of this Deed or, if the Security Asset is acquired after the date of this Deed, within 14 days of the date of acquisition.

4.13.3 Where the consent or waiver is not to be unreasonably withheld, the Chargor shall:

- (a) use all reasonable endeavours to obtain it as soon as possible; and
- (b) keep the Secured Party informed of the progress of the negotiations to obtain it.

4.13.4 On the waiver or consent being obtained, or the condition being satisfied, the Security Asset shall be mortgaged, charged or assigned (as appropriate) under this Clause 4 and, in relation to such Security Asset, the trust referred to in Clause 4.13.1 shall terminate. The Chargor shall do any act or execute such document, notice, deed or agreement required to grant a charge by way of legal mortgage, fixed charge or equitable or legal assignment in favour of the Secured Party in relation to the Security Asset.

## **5 Nature of Security created**

### **5.1 General**

The Security created under this Deed is created:

- 5.1.1 as a continuing security to secure the payment and discharge of the Secured Liabilities;
- 5.1.2 (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by the Chargor and, to the extent that it does not own those assets, shall extend to any right or interest which it may have in them;
- 5.1.3 in favour of the Secured Party; and
- 5.1.4 with full title guarantee (except that the covenant set out in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to all charges, incumbrances and rights, even if the Chargor does not know and could not reasonably be expected to know about them).

## **6 Conversion of floating charge**

### **6.1 Conversion on notice**

Subject to Clause 6.2 (*Limitation*), the Secured Party may by notice to the Chargor at any time during the Security Period convert the floating charge created by the Chargor under this Deed into a fixed charge in respect of any Security Asset specified in that notice if:

- 6.1.1 a Default is continuing; or
- 6.1.2 the Secured Party considers that Security Asset to be in danger of being seized, attached, charged, taken possession of or sold under any form of distress, sequestration, execution or other process or otherwise to be in jeopardy.

### **6.2 Limitation**

Clause 6.1 (*Conversion on notice*) shall not apply by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

### **6.3 Automatic conversion**

The floating charge created by the Chargor under this Deed will convert automatically into fixed charges:

- 6.3.1 If the Secured Party receives notice of an intention to appoint an administrator of the Chargor;
- 6.3.2 If any steps are taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor over all or any part of its assets, or if such person is appointed;
- 6.3.3 If the Chargor creates or attempts to create Security over all or any of the Security Assets, other than as agreed in writing by the Secured Party;
- 6.3.4 on the crystallisation of any other floating charge over any Security Assets;
- 6.3.5 If any person seizes, attaches, charges, takes possession of or sells any Security Asset under any form of distress, sequestration, execution or other process, or attempts to do so; and
- 6.3.6 In any other circumstances prescribed by law.



## **7 Representations and warranties**

### **7.1 General**

The Secured Party has entered into this Deed in reliance on the representations of the Chargor set out in this Clause 7, and each Chargor, warrants to the Secured Party on the date of this Deed and to any subsequent Secured Party on the date of any transfer of the rights under this Deed to that Secured Party in each case, in respect of itself, as set out in this Clause 7.

### **7.2 Status**

7.2.1 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of Incorporation.

7.2.2 It has the power to own its assets and carry on its business as it is being conducted.

### **7.3 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents to which it is party do not and will not conflict with its constitutional documents and any laws applicable to it.

### **7.4 Power and authority**

7.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

7.4.2 No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

### **7.5 Validity and admissibility in evidence**

All Authorisations required:

7.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and

7.5.2 to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of Incorporation,

have been obtained or effected and are in full force and effect.

### **7.6 Governing law and enforcement**

7.6.1 The choice of English law as the governing law of the Transaction Documents will be recognised and enforced in its jurisdiction of Incorporation.

7.6.2 Any judgment obtained in England in relation to a Transaction Document will be recognised and enforced in its jurisdiction of incorporation

#### **7.7 Group Companies**

There are no Group Companies as at the date of this Deed which are not Chargors.

#### **7.8 Insurances**

7.8.1 It is the legal and beneficial owner of each Insurance to which it is a party.

7.8.2 All premiums and other moneys payable in respect of each Insurance have been duly and promptly paid in full.

7.8.3 Each Insurance is in full force and effect.

7.8.4 It has not made any false declaration or mis-statement in support of obtaining any Insurance

7.8.5 It has disclosed in writing to the insurers of each Insurance all material facts.

#### **7.9 Accounts**

As at the date of this Deed, the Chargor does not hold any account with a bank or financial institution other than the Current Accounts set out in Schedule 2 (*Current Accounts*).

#### **7.10 Intellectual Property**

It is not aware of any claim from any third party relating to ownership of any Intellectual Property or of any claim that any Intellectual Property infringes any trade mark (whether registered or unregistered) or any other Intellectual Property of any third party.

#### **7.11 Shares**

7.11.1 All Shares beneficially owned by it as at the date of this Deed are described opposite its name in Schedule 3 (*Shares*).

7.11.2 All of the Shares and, to the extent applicable, all Investments are fully paid.

#### **7.12 Repetition**

The representations and warranties set out in this Clause 7 shall survive the execution of this Deed and (other than the representation and warranty in Clause 7.9 (*Accounts*)) are deemed to be repeated by reference to the facts and circumstances then existing on each day during the Security Period in favour of the relevant Secured Party and to the PPF on the date of the PPF becoming the Secured Party under this Deed.

## **8 Positive covenants**

The covenants in this Clause 8 remain in force from the date of this Deed until the end of the Security Period.

### **8.1 Preservation of the Security Assets**

The Chargor shall:

- 8.1.1 keep all Land, all Equipment and all other tangible assets which form part of the Security Assets in the same or better condition as that in which it is on the date of this Deed and permit the Secured Party free access at all reasonable times and on reasonable notice to view their state and condition;
- 8.1.2 preserve, maintain and renew as and when necessary all Intellectual Property Rights which form part of the Security Assets;
- 8.1.3 observe and perform all covenants, undertakings, laws and regulations from time to time affecting any Security Asset or the use or enjoyment of it;
- 8.1.4 pay all Tax, rents, rates, duties, fees, charges, assessments, impositions, calls, Instalments and outgoings which are properly payable at any time during the Security Period in respect of any Security Asset or by the owner or occupier of it (and otherwise if it fails to pay that amount when due, the Secured Party may pay it);
- 8.1.5 notify the Secured Party of any action commenced by a third party to seize, attach, charge, take possession of or sell any Security Asset which (to the best of its knowledge and belief) has been started or threatened; and
- 8.1.6 at its own cost, defend any proceedings (including proceedings to seize, attach, charge, take possession of or sell) brought by a third party relating to any Security Asset.

### **8.2 Land**

- 8.2.1 The Chargor shall promptly notify the Secured Party in writing if it:
  - (a) intends to acquire any estate or interest in Land; or
  - (b) acquires any estate or interest in Land.
- 8.2.2 The Chargor shall remedy any material defect or want of repair promptly after service by the Secured Party of notice of the defect or want of repair.
- 8.2.3 The Chargor shall give immediate notice in writing to the Secured Party if:
  - (a) it receives any notice under section 146 of the Act; or
  - (b) any proceedings are commenced against it for the forfeiture of any lease of any Land.

8.2.4 If the Chargor acquires any freehold or leasehold property after the date of this Deed it shall:

- (a) Immediately on request by the Secured Party and at the cost of the Chargor, execute and deliver to the Secured Party a legal mortgage in favour of the Secured Party of that property in any form which the Secured Party may require;
- (b) If the title to that freehold or leasehold property is registered at the Land Registry or required to be so registered, apply to the Land Registry for registration of this Security; and
- (c) if applicable, ensure that the provisions of Clause 17.2 (*Application to Land Registrar*) are complied with in relation to that legal mortgage.

8.2.5 If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor shall:

- (a) not be required to perform that obligation unless and until it has obtained the landlord's consent; and
- (b) use all reasonable endeavours to obtain the landlord's consent.

8.2.6 The Chargor shall:

- (a) perform all its obligations under any law or regulation in any way related to or affecting its Land, except to the extent that non-performance of those obligations would not materially adversely affect the value or marketability of any of its Land; and
- (b) must, within 14 days after receipt by it of any material application, requirement, order or notice served or given by any public or local or any other authority with respect to its Land (or any part of it):
  - (i) deliver a copy to the Secured Party; and
  - (ii) inform the Secured Party of the steps taken or proposed to be taken to comply with the relevant requirements.

8.2.7 Following a Default or, in respect of any Land acquired after the date of this Deed, upon request by the Secured Party, the Chargor shall:

- (a) grant the Secured Party or its lawyers on request all facilities within the power of the Chargor to enable the Secured Party or its lawyers (at the expense of the Chargor) to:
  - (i) carry out investigations of title to the Land; and

- (ii) make such enquiries in relation to any part of the Land as a prudent mortgagee might carry out; and
- (b) if reasonably required by the Secured Party, provide it with a report on title of the Chargor to the Land concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of that nature.

### **8.3 Accounts**

- 8.3.1 If the Chargor opens or otherwise acquires any Account after the date of this Deed, it shall notify the Secured Party immediately.
- 8.3.2 After executing this Deed (or in the case of any Account opened after the date of this Deed, after the date on which that Account is opened), and at the request of the Secured Party (acting in its absolute discretion), the Chargor shall:
  - (a) in respect of each of its Current Accounts (if any), promptly give notice to the Account Bank in the form set out in Part 1 of Schedule 4 (*Forms of letter to and from Account Bank*) and deliver to the Secured Party a certified copy of that notice; and
  - (b) use all reasonable endeavours to ensure that the Account Bank acknowledges each notice served on it pursuant to Clause 8.3.2(a) in the form set out in Part 2 of Schedule 4 (*Forms of Letter to and from Account Bank*) or other form approved by the Secured Party.
- 8.3.3 The Chargor may receive, withdraw or transfer any credit balance on any Current Account unless the Secured Party notifies it to the contrary at any time when a Default has occurred.
- 8.3.4 In addition to any rights of the Secured Party under the Transaction Documents, at any time after a Default has occurred, the Secured Party may:
  - (a) apply any amount standing to the credit of Current Account or any amount it receives in respect of any such Account towards any amounts due and payable under the Transaction Documents; and
  - (b) notify the Account Bank at which any Current Account is held that the Chargor's rights (or any of them) under Clause 8.3.3 cease to apply.

### **8.4 Shares and Investments**

- 8.4.1 If the Chargor forms or acquires any Subsidiary after the date of this Deed, it shall notify the Secured Party immediately.
- 8.4.2 The Chargor shall (in the case of the Shares specified in Schedule 3 (*Shares*) and its Investments as at the date of this Deed) immediately after entering

into this Deed or (in the case of any other Shares and Investments) on such later date on which any Shares or Investments are issued to or otherwise acquired by the Chargor, deposit with the Secured Party, in respect of or in connection with its Shares and Investments:

- (a) all stock and share certificates and documents of or evidencing title;
- (b) signed undated transfers, completed in blank and, if the Secured Party so requires, pre-stamped; and
- (c) any other documents which the Secured Party may from time to time require for perfecting its title, or the title of any purchaser,

all of which will be held by the Secured Party at the expense and risk of the Chargor.

**8.4.3 The Chargor shall:**

- (a) promptly following receipt, forward to the Secured Party copies of all notices, documents and other communications received in connection with the Shares and Investments;
- (b) promptly copy to the Secured Party, and comply with, all requests for information which is within its knowledge and which are made under sections 790D, 790E and 793 of the Companies Act 2006 or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares and Investments; and
- (c) comply with all other conditions and obligations assumed by it in respect of any of the Shares and Investments where failure to so comply would adversely affect the interests of the Secured Party.

**8.5 Book Debts**

The Chargor shall:

- 8.5.1 collect in and realise the Book Debts in the ordinary course of its business (which shall not extend to selling or assigning or in any other way factoring or discounting them unless otherwise agreed in writing by the Secured Party);
- 8.5.2 pay the proceeds of such Book Debts into its current account with the Account Bank or into any other account which the Secured Party may specify;
- 8.5.3 pending payment under Clause 8.5.2, hold such proceeds on trust for the Secured Party.

**8.6 Insurances**

- 8.6.1 The Chargor shall:

- (a) perform all its obligations under the Insurances in a diligent and timely manner;
- (b) promptly after the execution of this Deed, or (as the case may be) promptly after the execution of any Insurance entered into after the date of this Deed and at the request of the Secured Party (acting in its absolute discretion), give notice to the other parties to the Insurances in the case of Insurances, substantially in the form set out in Schedule 1 (*Form of notice for Insurances*) and deliver to the Secured Party a copy of each notice; and
- (c) use all reasonable endeavours to procure that each party served with a notice under Clause (b) countersigns and returns it to the Secured Party within 14 days of the execution of this Deed or in the case of Insurances entered into after the date of this Deed, within 14 days of the date of the execution of the Insurance.

8.6.2 While no Default is continuing, the Chargor may exercise all its rights in respect of the Insurances (in each case to which it is a party) including receiving and exercising all rights relating to proceeds of those Insurances.

## **8.7 Insurances**

8.7.1 Until a Default occurs the Secured Party agrees that any proceeds payable under the Insurances may be received by the Chargor.

8.7.2 Until a Default occurs the Secured Party agrees that any proceeds received under the Insurances shall (subject to the payment of any third party claims) be applied by the Chargor (and the Chargor agrees to apply them):

- (a) towards replacement or repair of the Security Asset the subject of the relevant claim under the Insurances; or
- (b) if that replacement or repair of the Security Asset is not possible, towards reduction of the Secured Liabilities.

8.7.3 After a Default occurs any proceeds received under the Insurances shall be applied towards reduction of the Secured Liabilities.

## **8.8 Payments without deduction**

The Chargor covenants with the Secured Party that all payments to be made by it under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

## **9 Negative covenants**

The covenants in this Clause 9 remain in force from the date of this Deed until the end of the Security Period.

## **9.1 Disposals**

- 9.1.1 Save for any disposal permitted by this Deed or under the Restructuring Agreement, the Chargor shall not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, transfer, license, loan or otherwise dispose of any Security Asset, or enter into any agreement to make any such disposal.
- 9.1.2 Provided that no Default has occurred, the restrictions on disposals in Clause 9.1.1 do not apply to a disposal in the ordinary course of the day to day trading activities of the Chargor of any Security Asset which, at the time of that disposal, is subject to the floating charge created by this Deed.

## **9.2 Negative pledge**

The Chargor shall not create or permit to subsist any Security over any Security Asset except as agreed in writing by the Secured Party.

## **9.3 Preservation of the Security Assets**

The Chargor shall not, without the prior written consent of the Secured Party (except as permitted under and pursuant to the Restructuring Agreement):

- 9.3.1 enter into any onerous obligation or restriction affecting any Security Asset;
- 9.3.2 In relation to any Land forming part of the Security Assets:
- (a) part with possession of it, confer on any other person any right or licence to occupy it or grant any licence to assign, sub-let or create any Security over it;
  - (b) exercise any of the powers conferred by sections 99 and 100 of the Act of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases;
  - (c) vary, assign or otherwise dispose of or allow to be forfeited any leasehold interest;
  - (d) agree any rent review;
  - (e) make any structural or material alteration, or do or allow anything to be done which falls within the definition of development in section 55 of the Town and Country Planning Act 1990;
  - (f) allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor, or create or permit to arise any interest which overrides under the Land Registration Act 2002 (and the Chargor shall reimburse the Secured Party for its costs of lodging;



- (i) a caution against first registration of the title to that Land;  
or
- (ii) if that Land is unregistered, a land charge); or
- (g) make an application, consent to or acquiesce in the application by any third party, to the Land Registry to enter any matter on the register of title;

9.3.3 in relation to any uncalled capital of the Chargor, call it up or receive it in advance of calls unless the Secured Party otherwise directs, nor apply it, when paid, otherwise than in payment of the Secured Liabilities or as the Secured Party otherwise directs; or

9.3.4 take any Security in connection with its liability under this Deed from any guarantor of, or provider of Security for, any of the Secured Liabilities.

#### **9.4 Insurances**

The Chargor shall not, without the prior written consent of the Secured Party

9.4.1 make or agree to make any amendments to;

9.4.2 waive any of its rights under; or

9.4.3 exercise any right to terminate,

any of the Insurances.

#### **9.5 Consents**

For the purposes of Clauses 9.3 (*Preservation of Security Assets*) to 9.4 (*Insurances*) (inclusive), written consent of the Secured Party shall comprise for the duration of the Assessment Period and at any time on and after the PPF has assumed responsibility for the Pension Scheme, consent of the PPF or any of its assignees or transferees.

### **10 Voting and other rights**

#### **10.1 Before demand by the Secured Party**

Until such time as the Secured Party makes a demand under Clause 10.2, the Chargor may exercise any of its voting and other rights and powers attached to the Shares and Investments but shall not do so in a manner which may:

10.1.1 have the effect of changing the terms of issue of any of the Shares or Investments (or any class of them) or any of the Distribution Rights relating to them;

10.1.2 impair the value of any of the Shares or Investments;

10.1.3 prejudice the Security or guarantees created by this Deed; or

10.1.4 otherwise prejudice the Interests of the Secured Party under the Transaction Documents.

**10.2 After demand by the Secured Party**

After the Secured Party so demands following the occurrence of a Default, the Chargor shall:

10.2.1 promptly pay over to the Secured Party all moneys arising from the Distribution Rights relating to the Shares and Investments which it may receive; and

10.2.2 exercise all voting and other rights and powers attached to the Shares and Investments in any manner which the Secured Party may direct.

**10.3 Completion of transfers**

At any time after a Default the Secured Party may, without notice to the Chargor:

10.3.1 complete and date any of the transfers and other documents referred to in Clauses 8.4.2 (b) and (c) (*Shares and Investments*); and

10.3.2 transfer all or any of the Shares or Investments to a nominee.

**11 Enforcement**

**11.1 When Security becomes enforceable**

The Security created by the Chargor under this Deed shall become enforceable:

11.1.1 on the occurrence of a Default; or

11.1.2 If the Chargor so requests.

**11.2 Powers on enforcement**

At any time after the Security created by the Chargor under this Deed has become enforceable, the Secured Party may (without prejudice to any other of its rights and remedies and without notice to the Chargor) do all or any of the following:

11.2.1 exercise all the powers and rights conferred on mortgagees by the Act, as varied and extended by this Deed, without the restrictions contained in sections 103 or 109(1) of the Act;

11.2.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Security Asset, without the restrictions imposed by sections 99 and 100 of the Act;

11.2.3 to the extent that any Security Asset constitutes Financial Collateral, as defined in the Regulations, appropriate it and transfer the title in and to it to

the Secured Party insofar as not already transferred, subject to paragraphs (1) and (2) of Regulation 18;

11.2.4 subject to Clause 12.1 (*Method of appointment and removal*), appoint one or more persons to be a Receiver or Receivers of all or any of the Security Assets; and

11.2.5 appoint an administrator of the Chargor.

### **11.3 Disposal of the Security Assets**

In exercising the powers referred to in Clause 11.2.1 (*Powers on enforcement*), the Secured Party or any Receiver may sell or dispose of all or any of the Security Assets at the times, in the manner and order, on the terms and conditions and for the consideration determined by it.

### **11.4 Application of moneys**

11.4.1 The Secured Party or any Receiver shall apply moneys received by them under this Deed after the Security created under this Deed has become enforceable in the following order:

- (a) first, in or towards the payment pro rata of, or the provision pro rata for, any unpaid costs and expenses of the Secured Party and any Receiver under this Deed or which are incidental to any Receiver's appointment, together with interest at the Default Rate (both before and after judgment) from the date those amounts became due until the date they are irrevocably paid in full;
- (b) second, in or towards the payment pro rata of, or the provision pro rata for, any unpaid fees, commission or remuneration of the Secured Party and any Receiver;
- (c) third, in or towards the discharge of all liabilities having priority to the Secured Liabilities;
- (d) fourth, in or towards the discharge of the Secured Liabilities; and
- (e) fifth, in the payment of any surplus to the Chargor or other person entitled to it,

and section 109(8) of the Act shall not apply.

11.4.2 The Chargor shall hold on trust for the Secured Party all moneys received by virtue of the Insurances and shall apply those moneys as the Secured Party may require.

11.4.3 This Clause 11.4 does not prejudice the right of the Secured Party to recover any shortfall from the Chargor.

11.4.4 Clause 11.4.1 will override any appropriation made by a Chargor.

## **12 Appointment and powers of Receivers**

### **12.1 Method of appointment and removal**

12.1.1 The Secured Party may not appoint a Receiver by reason only of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the Insolvency Act 1986.

12.1.2 Every appointment or removal of a Receiver, of any delegate or of any other person by the Secured Party pursuant to this Deed may be made in writing under the hand of any officer or manager of the Secured Party (subject to any requirement for a court order in the removal of an administrative receiver).

### **12.2 Powers of Receiver**

Every Receiver shall have all the powers:

12.2.1 of the Secured Party under this Deed;

12.2.2 conferred by the Act on mortgagees in possession and on receivers appointed under the Act;

12.2.3 in relation to, and to the extent applicable to, the Security Assets or any of them, the powers specified in Schedule 1 and Schedule 2 of the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver within the meaning of that Act); and

12.2.4 in relation to any Security Asset, which the Receiver would have if it were its only absolute beneficial owner.

### **12.3 Joint or several**

If two or more persons are appointed as Receivers of the same assets, they may act jointly and/or severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers by this Deed.

### **12.4 Receiver as agent**

Every Receiver shall be the agent of the Chargor which shall be solely responsible for his acts and defaults and for the payment of his remuneration.

### **12.5 Receiver's remuneration**

Every Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Secured Party, and the maximum rate specified in section 109(6) of the Act shall not apply.

**13 Protection of purchasers**

No purchaser or other person dealing with the Secured Party or any Receiver shall be bound or concerned:

- 13.1 to see or enquire whether the right of the Secured Party or any Receiver to exercise any of the powers conferred by this Deed has arisen or not;
- 13.2 with the propriety of the exercise or purported exercise of those powers; or
- 13.3 with the application of any moneys paid to the Secured Party, to any Receiver or to any other person.

**14 Protection of the Secured Party and Receivers**

**14.1 Exclusion of liability**

None of the Secured Party or any Receiver or any of their respective officers or employees shall have any responsibility or liability:

- 14.1.1 for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- 14.1.2 to account as mortgagee in possession or for any loss upon realisation of any Security Asset;
- 14.1.3 for any loss resulting from any fluctuation in exchange rates in connection with any purchase of currencies under Clause 19 (*Currency*);
- 14.1.4 for the loss or destruction of, or damage to, any of the Security Assets, or to any documents of or evidencing title to them, which are in the possession or held to the order of any such person (and which will be held by such persons at the expense and risk of the Chargor); or
- 14.1.5 for any other default or omission in relation to all or any of the Security

Assets for which a mortgagee in possession might be liable, except in the case of gross negligence or wilful misconduct on the part of that person.

**14.2 General Indemnity**

14.2.1 The Chargor shall indemnify the Secured Party, any Receiver and their respective officers and employees against all actions, proceedings, demands, claims, costs, expenses, and other liabilities incurred by them in respect of all or any of the following:

- (a) any act or omission by any of them in relation to all or any of the Security Assets;
- (b) any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;

- (c) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed;
- (d) carrying out or purporting to carry out any of the rights, powers and discretions conferred on them by or permitted under this Deed; and
- (e) any breach by the Chargor of any of its covenants or other obligations to the Secured Party,

except in the case of gross negligence or wilful misconduct on the part of that person.

14.2.2 The Chargor shall pay Interest at the Default Rate on the sums payable under this Clause 14.2 from the date on which the liability was incurred to the date of actual payment (both before and after judgment).

#### **14.3 Indemnity out of the Security Assets**

The Secured Party, any Receiver and their respective officers and employees shall be entitled to be indemnified out of the Security Assets in respect of the actions, proceedings, demands, claims, costs, expenses and liabilities referred to in Clause 14.2 (*General indemnity*).

The Original Secured Party shall hold on trust for the PPF any sums it receives in relation to this indemnity which are to be applied to the PPF at the date it becomes the Secured Party.

#### **15 New accounts**

If the Secured Party receives notice (actual or otherwise) of any subsequent Security over or affecting all or any of the Security Assets it may open a new account or accounts in the name of the Chargor and, if it does not do so, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that subsequent Security, and as from that time all payments made by or on behalf of the Chargor to the Secured Party:

- 15.1 shall be credited or be treated as having been credited to the new account of the Chargor; and
- 15.2 shall not operate to reduce the Secured Liabilities at the time when the Secured Party received or was deemed to have received such notice.

#### **16 Tacking**

For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Secured Party confirms it shall make further advances to the Chargor on the terms and subject to the conditions of the Transaction Documents.

**17 Further assurance**

**17.1 Registration**

The Chargor consents to registration of this Deed at Companies House pursuant to Part 25 of the Companies Act 2006.

**17.2 Application to Land Registrar**

The Chargor consents to the registration against any property acquired at a later date to be subject to a charge by way of legal mortgage by a supplemental legal mortgage, of a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated \_\_\_\_\_ in favour of 20-20 Trustee Services Limited referred to in the charges register or their conveyancer" (Form P)

**17.3 Further action**

The Chargor shall, at its own expense, promptly take any action and sign or execute any further documents which the Secured Party may require in order to:

- 17.3.1 give effect to the requirements of this Deed;
- 17.3.2 protect, preserve and perfect the Security Intended to be created by or pursuant to this Deed;
- 17.3.3 protect and preserve the ranking of the Security Intended to be created by or pursuant to this Deed with any other Security over any assets of any Chargor; or
- 17.3.4 facilitate the realisation of all or any of the Security Assets or the exercise of any rights, powers and discretions conferred on the Secured Party, any Receiver or any administrator in connection with all or any of the Security Assets,

and any such document may disapply section 93 of the Act.

**17.4 Deposit of documents**

The Chargor covenants that, on the date of this Deed and at all times during the Security Period as soon as it receives them (and in any event as soon as the Secured Party so requests), it shall deposit with the Secured Party, in respect of or in connection with the Security Assets:

- 17.4.1 all deeds, certificates and other documents of or evidencing title; and

17.4.2 any other documents which the Secured Party may from time to time reasonably require for perfecting its title, or the title of any purchaser,

all of which will be held by the Secured Party at the expense and risk of the Chargor.

#### **17.5 Law of Property (Miscellaneous Provisions) Act 1994**

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the provisions set out in this Clause 17.

#### **18 Power of attorney**

The Chargor irrevocably and by way of security appoints each of:

18.1 the Secured Party;

18.2 any delegate or sub-delegate of, or other person nominated in writing by, an officer of the Secured Party; and

18.3 any Receiver,

jointly and severally as the Chargor's attorney, in the Chargor's name, on its behalf and in such manner as the attorney may in its or his absolute discretion think fit following the occurrence of a Default or following the failure by the Chargor to comply with a request from the Secured Party to take any action and sign or execute any further documents which the Chargor is required to take, sign or execute in accordance with the Transaction Documents. The Chargor agrees, promptly on the request of the Secured Party or any Receiver, to ratify and confirm all such actions taken and documents signed or executed.

#### **19 Currency**

##### **19.1 The Spot Rate**

In this Clause 19, Spot Rate means the spot rate of exchange of HSBC UK Bank plc or such other bank as the Secured Party may select for the purchase of any currency with any other currency in the London foreign exchange market.

##### **19.2 Conversion of moneys received**

The Secured Party may convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause 19) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

##### **19.3 Hedging**

If the Chargor fails to pay any sum under this Deed on the due date, the Secured Party may, without notice to the Chargor, purchase at the Spot Rate any currency which the Secured Party considers necessary or desirable to cover the liabilities of the Chargor to pay that sum.



## **20 Discharge of Security**

At the end of the Security Period, unless any third party has any subrogation or other rights in respect of the Security created by this Deed at that time, the Secured Party shall, or shall procure that its appointees will, at the request and cost of the Chargor:

- 20.1 release the Security Assets from this Deed;
  - 20.2 re-assign to the Chargor those Security Assets that have been assigned to the Secured Party under Clause 4 (*Creation of Security*), and
  - 20.3 register any such release and reassignment with Registrar of Companies and any other asset registry in respect of the Security Asset being released from the Security,
- and section 93 of the Act shall not apply to this Deed.

## **21 Costs and expenses**

### **21.1 Transaction expenses**

The Chargor shall promptly on demand pay each of the Secured Party and the PPF the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with the negotiation, preparation, printing, execution, registration and perfection of this Deed and the Transaction Documents and any of the interests in them or arising from them.

### **21.2 Amendment, waiver and management time costs**

If the Chargor requests an amendment, waiver, consent or release of or in relation to this Deed, the Chargor shall, within three Business Days of demand, reimburse each of the Secured Party and the PPF for the amount of all costs and expenses (including legal fees) reasonably incurred by it in responding to, evaluating, negotiating or complying with that request or requirement.

Any amount payable to the PPF shall include in addition the cost of utilising the management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the PPF shall determine and may notify to the Chargor from time to time, and is in addition to any other fee paid or payable to the Original Secured Party or the PPF.

### **21.3 Enforcement costs**

The Chargor shall, within three Business Days of demand, pay to the Secured Party or any Receiver the amount of all costs and expenses (including legal fees) incurred by the Secured Party or any Receiver in connection with the enforcement of, or the preservation of any rights under this Deed or the investigation of any possible Default. The Secured Party or any Receiver may request all such costs from any of the Chargors.

## **22 Additional Chargers**

### **22.1 Delivery of Security Accession Deed**

- 22.1.1 The Chargor may request that any Subsidiary becomes a New Chargor.
- 22.1.2 The Chargor shall ensure that any Subsidiary shall, as soon as possible after becoming a Group Company, become a New Chargor.
- 22.1.3 A Subsidiary shall become a New Chargor if:
  - (a) the Chargor and that Subsidiary deliver to the Secured Party a duly completed and executed Security Accession Deed;
  - (b) the Chargor and the Subsidiary undertake all registrations required at the Registrar of Companies or any asset register and all other requirements to perfect the Security and guarantees purported to be created under the Security Accession Deed, and
  - (c) the Chargor confirms that no Default is continuing or would occur as a result of the Subsidiary becoming a New Chargor.

### **22.2 Repetition of representations**

Delivery of a Security Accession Deed constitutes confirmation by the New Chargor that the representations and warranties contain in Clause 7 (*Representations and warranties*) are true and correct to the extent applicable to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

## **23 Assignment**

### **23.1 Procedure**

- 23.1.1 The Chargor may not assign, transfer or novate all or any of its rights and obligations under this Deed.
- 23.1.2 A Secured Party (other than the Original Secured Party) may assign any of its rights under this Deed to any person to whom it assigns or transfers any  
  
of its rights or obligations under the Transaction Documents.
- 23.1.3 Subject as follows, the Original Secured Party may not assign or transfer its rights under this Deed and any other Transaction Documents to any third party.
- 23.1.4 In the event that the PPF assumes responsibility for the Pension Scheme or any part thereof for the purposes of section 161 of the Pensions Act, it is acknowledged that the Original Secured Party's rights under this Deed (and the Transaction Documents) shall be transferred by operation of law to the PPF.

23.1.5 Nothing in this Clause shall purport to restrict any other assignment or transfer of rights, obligations or liabilities, by operation of law or otherwise, from the Original Secured Party to the PPF.

## **23.2 Disclosure of information**

The Secured Party may disclose to any assignee or proposing assignee any information it thinks fit in relation to the Chargor and any Transaction Document.

## **24 Notices**

### **24.1 Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **24.2 Addresses**

24.2.1 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address, fax number or department or officer as either party may notify to the other by not less than five Business Days' notice.

24.2.2 The addresses referred to in Clause 24.2.1 are:

#### **(a) The Charity:**

Leatherhead Court, Woodlands Road, Leatherhead, Surrey,  
KT22 0BN

Attention: Jason Davies

#### **(b) The Chargor:**

The Grange, The Green, Benenden, Kent TN17 4DN

Attention: Jason Davies

#### **(c) The Original Secured Party:**

Head of Operations, 20-20 Trustee Services Limited, St Nicholas  
Court, 25-27 Castle Gate, Nottingham, NG1 7AR

Attention: Stewart Graham

Fax: +44 115 947 2824

**(d) PPF:**

Renaissance  
12 Dingwall Road  
Croydon  
CR0 2NA

Attention: The Director of Restructuring & Insolvency

**24.3 Delivery**

24.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

- (a) If by way of fax, when received in legible form; or
- (b) If by way of letter, (i) when it has been left at the relevant address or (ii) three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 24.2 (*Addresses*), if addressed to that department or officer.

24.3.2 Any communication or document to be made or delivered to the Secured Party will be effective only when actually received by the Secured Party and then only if it is expressly marked for the attention of the department or officer identified with the Secured Party's signature below (or any substitute department or officer as the Secured Party or its successor/assignee shall specify for this purpose).

**24.4 English language**

24.4.1 Any notice given under or in connection with this Deed must be in English.

24.4.2 All other documents provided under or in connection with this Deed must be:

- (a) in English; or
- (b) if not in English, and if so required by the Secured Party accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

**25 Calculations and certificates**

**25.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Secured Party are in the absence of manifest error prima facie evidence of the matters to which they relate.

## **25.2 Certificates and determinations**

Any certification or determination by the Secured Party of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

## **25.3 Set-off**

The Secured Party may set off any matured obligation due from the Chargor under the Transaction Documents (to the extent beneficially owned by the Secured Party) against any matured obligation owed by the Secured Party to the Chargor.

## **26 Partial Invalidity**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability 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.

## **27 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Secured Party, 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 in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

## **28 Amendments and waivers**

Subject to Clause 1.7 (*PPF Consents*), any provision of this Deed may be amended or waived only with the written consent of the Chargor (for itself and as Chargors' Agent), the Secured Party and the PPF.

## **29 Counterparts**

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

## **30 Governing law and enforcement**

### **30.1 Governing law**

English law governs this Deed, its interpretation and any non-contractual obligation arising from or connected with it.

### **30.2 Jurisdiction**

30.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a Dispute).

30.2.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

30.2.3 This Clause 30.2 is for the benefit of the Secured Party and the PPF only. As a result, the Secured Party and the PPF shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Party and the PPF may take concurrent proceedings in any number of jurisdictions.

**Executed as a deed and delivered on the date appearing at the beginning of this Deed.**

**Schedule 1**  
**Form of notice for Insurances**

**[On relevant Chargor's notepaper.]**

To: [Insert name and address of Insurance company]

Attention: [ ]

Date: [date]

Dear Sirs

**Notice of assignment**

- 1 We refer to the [specify the relevant insurance policy] dated [date] between us and you (the "**Policy**")
- 2 We notify you that:
  - 2.1 under a Deed of guarantee and debenture dated [date] between, among others, us and [insert name of secured party] (the "**Secured Party**") we have assigned to the Secured Party all our right, title and interest in and to, and all benefits accruing under, the Policy as security for certain obligations owed to the Secured Party;
  - 2.2 we may not agree to amend or terminate the Policy without the prior written consent of the Secured Party;
  - 2.3 until you receive written notice to the contrary from the Secured Party, you may continue to deal with us in relation to the Policy and credit all moneys to which we are entitled under the Policy to the following account in our name: [insert details of account]. After receipt we will cease to have any right to deal with you in relation to the Policy and from that time you should deal only with the Secured Party; and
  - 2.4 you are authorised to disclose information relating to the Policy to the Secured Party on request.
- 3 We request that you:
  - 3.1 after receipt of written notice in accordance with paragraph 2.3, ensure that all moneys to which we are entitled under the Policy are credited to the account of the Secured Party specified in that notice (and are not paid to us);
  - 3.2 note on the Policy the Secured Party's security interest under the Debenture; and
  - 3.3 give the Secured Party not less than 30 day's written notice of your giving notice to terminate the Policy or allowing the Policy to lapse.

4 Please sign and return the enclosed copy of this notice to the Secured Party (with a copy to the Chargor) to confirm that you:

4.1 agree to the terms of this notice and to act in accordance with its provisions;

4.2 have not received notice that the Chargor has assigned its rights under the Policy to a third party or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party; and

4.3 have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Policy.

5 The provisions of this notice are governed by English law.

Yours faithfully

.....  
for and on behalf of  
*The Grange (2016) Limited*.....

Copy to: Secured Party

**[On acknowledgement copy]**

To: *[Insert name and address of the Secured Party]*

Copy to: *The Grange (2016) Limited*

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4.

.....  
for and on behalf of  
*[Insert name of insurance company]*

Date: *[date]*



**Schedule 2**  
**Current Accounts**

<b>Name of Chargor</b>	<b>Account Bank</b>	<b>Sort Code</b>	<b>Account Number</b>

**Schedule 3 Shares**

<b>Name of chargor</b>	<b>Subsidiary</b>	<b>Number and class of shares</b>	<b>Details of Nominee (If any) holding title to the shares</b>

**Schedule 4**  
**Forms of letter to and from the Account Bank**

**Part 1**

**Notice to Account Bank regarding the Current Accounts**

*[On relevant Chargor's notepaper.]*

To: *[Insert name and address of Account Bank]*

Date: *[date]*

Dear Sirs

**Deed of guarantee and debenture dated *[date]* between (among others) *The Grange (2016) Limited* and *20-20 Trustee Services Limited* (the "Deed")**

1 We refer to the follows accounts we hold with you, as they may from time to time be re-designated or re-numbered:

1.1 *[insert Account Number/Sort Code for each Current Account held by the relevant Chargor];*

1.2 *]*

(the "**Current Accounts**").

2 We are writing to give you notice of certain rights in respect of the Current Accounts that we have granted to *[Insert the name of the Secured Party]* (the "**Secured Party**").

3 Under the Debenture we have charged by way of floating charge to the Secured Party all amounts standing to the credit of each Current Account from time to time (each a "**Deposit**" and together the "**Deposits**") and all of our right, title and interest in, and relating to, each Current Account.

4 We notify you that:

4.1 after you have received notice from the Secured Party under paragraph 6, we may not withdraw any moneys from any Current Account without first obtaining the prior written consent of the Secured Party;

4.2 there is a prohibition in the Debenture on the creation of any further Security Interest over any Current Account; and

4.3 you are authorised to disclose information relating to the Current Accounts to the Secured Party on the request of the Secured Party.

5 After you have received notice from the Secured Party under paragraph 6, we irrevocably authorise and instruct you to:

- 5.1 hold all moneys from time to time standing to the credit of each Current Account to the order of the Secured Party; and
  - 5.2 pay all or any part of those moneys to the Secured Party (or as It may direct) promptly following receipt of written instructions from the Secured Party to that effect.
- 6 By counter-signing this notice the Secured Party confirms that you may accept instructions from us to make withdrawals from each Current Account (without prejudice to any restrictions on our right to make such withdrawals permitted by the Deed) until such time as the Secured Party shall notify you (with a copy to us) in writing that its permission is withdrawn.

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Secured Party.

This letter is governed by English law.

Please confirm your agreement to the above by sending an acknowledgement to the Bank in the form attached, with a copy to ourselves.

Yours faithfully,

.....  
*The Grange (2016) Limited*

**Part 2**  
**Form of acknowledgements from Account bank**

*[On Account Bank's notepaper]*

To: *[insert name and address of Secured Party]*

Attention: [    ]

Date: *[date]*

Dear Sirs

**Deed of guarantee and debenture dated *[date]* between (among others) *The Grange (2016) Limited* and *20-20 Trustee Services Limited* (the "Deed")**

We acknowledge receipt of a notice (the "**Notice**") from *The Grange (2016) Limited* (the "**Chargor**") dated *[date]* of the security granted by the Chargor to the Secured Party over the Current Accounts under the Deed.

Words defined in the Notice have the same meaning in this letter.

We confirm that:

- 1        we acknowledge receipt of the Notice and accept the authorisations and Instructions contained in the Notice and we undertake to comply with its terms;
- 2        we have not received notice of:
  - 2.1       any other assignment of or encumbrance over any Current Accounts or any Deposit; or
  - 2.2       any interest, claim or right in or to them by any third party,and we shall but without incurring any liability in respect of the obligation promptly give you notice of any such actual, potential or asserted assignment, encumbrance, interest, claim or right of which we become aware; and
- 3        we do not, and will not, hold or otherwise have the benefit of any Security or other encumbrance over any Current Accounts or any Deposit; and
- 4        we will not exercise any right of combination, consolidation, merger or set-off which we may have in respect of the Current Accounts except for the netting of credit and debit balances pursuant to current account netting arrangements expressly permitted under the Deed or if:
  - 4.1       we exercise that right in respect of an obligation which purports to be secured under the Deed; and
  - 4.2       we exercise that right pursuant to, or in accordance with, the terms of the Transaction Documents (as that term applies in the Deed).

We are aware that you are relying on this letter in connection with your rights under the Deed.

This letter is governed by English law.

Yours faithfully,

.....  
for and on behalf of  
[Account Bank]

Copy to: The Grange (2016) Limited

.....

**Schedule 5**  
**Form of Security Accession Deed**

**Security Accession Deed**

**Dated**

**Between:**

- (1) [ ] Limited, a company incorporated under the laws of [England and Wales] with registered number [•] whose registered office is at [address] (the "**New Chargor**");
- (2) The Grange (2016) Ltd a company registered in England and Wales under company number 10106614 whose registered office is at The Grange, The Green, Benenden, Kent TN17 4DN (the "**Chargor**")
- (3) [ ] (the "**Secured Party**")

**Whereas:**

- (A) This deed is supplemental to a Deed of guarantee and debenture dated [date] between the Chargors named in it, the Secured Party and the Board of the Pension Protection Fund (as supplemented and amended from time to time, the "**Deed of Guarantee and Debenture**").

**This deed witnesses**

**1 Definitions and interpretation**

**1.1 Definitions**

Words and expressions defined in the Deed of Guarantee and Debenture shall have the same meanings in this Deed.

**1.2 Construction**

The principles of construction set out in Clause 1.2 (*Construction*) of the Deed of Guarantee and Debenture shall apply to this Deed, insofar as they are relevant to it, as they apply to the Guarantee and Debenture.

**2 Accession of New Chargor**

The New Chargor agrees to be a Chargor for the purposes of the Deed of Guarantee and Debenture with immediate effect and agrees to be bound by all of the terms of the Deed of Guarantee and Debenture as if it had originally been a party to it as a Chargor, including (without limitation) the obligations contained in Clause 2 (*Guarantee*) of the Deed of Guarantee and Debenture.

**3 Creation of Security**

The New Chargor mortgages, charges and assigns to the Secured Party all its business, undertaking and assets on the terms of Clause 4 (*Creation of Security*) of the Deed of Guarantee and Debenture, provided that:

- 3.1 the interests in freehold and leasehold property over those charged by way of legal mortgage shall be the Land referred to in Schedule 1 (Land);
- 3.2 the Shares charged by way of fixed charge which shall include the Shares referred to in Part 1 of Schedule 2 (Shares);
- 3.3 the Investments charged by way of fixed charge which shall include the Investments referred to in Part 2 of Schedule 2 (Investments)
- 3.4 the Accounts charged by way of fixed charge shall include those set out in Schedule 3 (Accounts);
- 3.5 the Insurances assigned or (if and to the extent that the assignment does not take effect as an assignment) charged by way of fixed charge shall include the Insurances set out in Schedule 4 (Insurances)].

#### **4 Consent of existing Chargors**

The existing Chargors agree to the terms of this Deed and agree that its execution will in no way prejudice or affect the Security granted by each of them under (and covenants given by each of them in) the Deed of Guarantee and Debenture.

#### **5 Notices**

The New Chargor confirms that its address details for notices in relation to Clause 24 (*Notices*) of the Deed of Guarantee and Debenture are as follows:

Address: [Address]

Attention: [

Fax: [Fax number including international dialling code]

#### **6 Law**

English law governs this Deed, its interpretation and any non-contractual obligations arising from or connected with it.

**Executed as a deed and delivered on the date appearing at the beginning of this Deed.**



**Schedule 1 - Land**

**Schedule 2 - Part 1 - Shares**

**Part 2 - Investments**

**Schedule 2 - Controlled Accounts**

**Schedule 3 - Accounts**

**Schedule 4 - Insurances**

**Signatories to the Deed of Guarantee and Debenture**

**The Original Chargor**

**Executed** as a **deed** by The Grange  
(2016) Ltd acting by a director in the  
presence of:

signature

print name

Director

T.J. DAVIES

Signature of  
witness

Name

Address

MALCOLM SWOWLING

**The Original Secured Party**

**Executed** as a **deed** by 20-20 Trustee  
Services Limited acting by two  
directors:

signature

print name

Director

signature

print name

Director

**PPF**

**Executed** as a **deed** and delivered  
when dated, by affixing the common  
seal of **The Board of the Pension  
Protection Fund** in the presence of:

Common  
seal

Signature

print name

Authorised  
Signatory

**Signatories to the Deed of Guarantee and Debenture**

**The Original Chargor**

**Executed as a deed by The Grange (2016) Ltd acting by a director in the presence of:**

signature

Director

print name

Signature of witness

Name

Address

**The Original Secured Party**

**Executed as a deed by 20-20 Trustee Services Limited acting by two directors:**

signature

Director

print name

signature

Director

print name

**PPF**

**Executed as a deed and delivered when dated, by affixing the common seal of The Board of the Pension Protection Fund in the presence of:**

Common seal

Signature

Authorised Signatory

print name

**Signatories to the Deed of Guarantee and Debenture**

**The Original Chargor**

Executed as a deed by The Grange  
(2016) Ltd acting by a director in the  
presence of:

signature

Director

print name

Signature of  
witness

Name

Address

**The Original Secured Party**

Executed as a deed by 20-20 Trustee  
Services Limited acting by two  
directors:

signature

Director

print name

signature

Director

print name

**PPF**

Executed as a deed and delivered  
when dated, by affixing the common  
seal of The Board of the Pension  
Protection Fund in the presence of:

Signature

Authorised  
Signatory

print name

OLIVER MORLEY



