Companies House

MR01(ef)

Registration of a Charge

Company name: **PROJECT STEEL MIDCO 1 LIMITED**

Company number: **11726678**

X7WEMONL

Received for Electronic Filing: **04/01/2019**

Details of Charge

Date of creation: **22/12/2018**

Charge code: **1172 6678 0001**

Persons entitled: **SOVEREIGN CAPITAL PARTNERS LLP**

Brief description: **FIXED CHARGES OVER ALL LAND AND INTELLECTUAL PROPERTY OWNED BY THE COMPANY AT ANY TIME.**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.

Certified by: **MARIE-CHARLOTTE CHAMBERS**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11726678

Charge code: 1172 6678 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2018 and created by PROJECT STEEL MIDCO 1 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th January 2019 .

Given at Companies House, Cardiff on 8th January 2019

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

REGISTRAR OF COMPANIES FOR ENGLAND AND WALES

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

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Dated: 22 December 2018

(1) Project Steel Midco 1 Limited

(2) Project Steel Midco 2 Limited

(3) Project Steel Bidco Limited

(4) Utility Bidder Holdings Limited

(5) Utility Bidder Limited

(6) Sovereign Capital Partners LLP (as Original Security Trustee)

Debenture

ENGROSSMENT COPY

Contents

DATE OF DEBENTURE 22 December 2018

BETWEEN

(1) **EACH COMPANY LISTED IN SCHEDULE 1** (the **"Original Companies"** and each a **"Original Company"**) in favour of;

(2) **SOVEREIGN CAPITAL PARTNERS LLP,** company number OC309409 as security trustee for the Secured Lenders on the terms and conditions set out in the Security Trust Deed (the **"Original Security Trustee"**).

OPERATIVE PROVISIONS

IT IS AGREED THAT:

1. **DEFINITIONS AND INTERPRETATION{** TC "1 DEFINITIONS AND INTERPRETATION" \l 1 **}**

1.1 **Definitions**

Terms defined in the Security Trust Deed, unless otherwise defined in this Debenture, have the same meaning when used in this Debenture (as defined below) and in addition:

"Account"	means any credit balance from time to time on any account opened or maintained by a Company (and any replacement account or subdivision or sub account of that account) and all Related Rights
"Act"	means the Law of Property Act 1925
"Assigned Account"	means any Account that may from time to time be agreed between the Security Trustee and a Company to be an Assigned Account
"Charged Intellectual Property"	means any and all Intellectual Property owned by a Company now or in the future including without limitation those rights listed in **Schedule 3** (*Details of Intellectual Property*)
"Charged Property"	means all the assets and undertaking of the Companies which from time to time are the subject of the security created or expressed to be created in favour of the Security Trustee by or pursuant to this Debenture
"Collateral Rights"	means all rights, powers and remedies of the Security Trustee provided by or pursuant to this Debenture or by law
"Companies"	means each Original Company or any company which becomes a party by executing and delivering a Deed of Accession (each being a **"Company"**)
"Deed of Accession"	means a deed substantially in the form set out in **Schedule 8** (*Form of Deed of Accession*) subject to such variations as the Security Trustee shall agree
"Default Period"	has the meaning given to it in the Subscription Agreement
"Event of Default"	means the commencement of a:

(i) Default Period;

(ii)Material Underperformance Period,

in respect of any Company.

"Group"	means Midco and its subsidiaries undertakings (as defined in the Companies Act 2006), and
"member of the Group"	shall be construed accordingly
"Guarantee"	means the cross guarantee entered into on or around the date of this Debenture between (1) the Companies and (2) the Security Trustee
"Insurance Policy"	means any policy of insurance (including life insurance or assurance) in which a Company may from time to time have an interest
"Intellectual Property"	means all patents, rights in inventions, trade marks, service marks, designs, business names, domain names, geographical indications, copyrights (including rights in computer software), registered designs, design rights, moral rights, database rights, rights in confidential information and know how, trade names, trade dress, formulas, trade secrets and other intellectual property rights and interests, whether registered or unregistered and including all applications for and the right to apply for the same, and any interests (including by way of licence or covenant not to sue) which may subsist anywhere in the world
"Intra-Group Loan"	means any loan by a Company as lender to any other member of the Group as borrower
"Investments"	means: (a) any stocks, shares, debentures, securities and certificates of deposit (but not including the Shares); (b) all interests in collective investment schemes; and (c) all warrants, options and other rights to subscribe or acquire any of the investments described in (a) and (b) above, in each case whether held directly by or to the order of a Company or by any trustee, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearance system)
"Material Underperformance Period"	has the meaning given to it in the Subscription Agreement
"Midco"	means Project Steel Midco 1 Limited a company incorporated in England and Wales with registration number 11726678

"Monetary Claims"	means any book and other debts and monetary claims (other than Accounts) owing to a Company and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which a Company is a party and any other assets, property, rights or undertaking of a Company)
"Party"	means an original party to this Debenture or any person which becomes a party by execution and delivery of a Deed of Accession
"Real Property"	means: (a) any freehold, leasehold or immovable property (including the freehold and leasehold property in England and Wales specified in Schedule 2 (Details of Real Property)); and (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property, and includes all Related Rights
"Receiver"	means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment
"Related Rights"	means, in relation to any asset: (a) the proceeds of sale of any part of that asset; (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset; (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and (d) any moneys and proceeds paid or payable in respect of that asset
"Secured Parties"	means the Security Trustee, the Secured Lenders and any Receiver
"Security Trustee"	means on the date of this Debenture, the Original Security Trustee or any successor security trustee appointed under the terms of the Security Trust Deed

"Security Trust Deed"	means the security trust deed dated on or around the date hereof between the Security Trustee and the Original Secured Lenders
"Shares"	means all of the shares in the capital of any limited liability company incorporated in England and Wales, in each case held by, to the order or on behalf of a Company from time to time
"Specific Contracts"	means any contract or agreement that may from time to time be agreed between the Security Trustee and a Company to be a Specific Contract
"Subscription Agreement"	means the subscription agreement entered into on or around the date of this Debenture between, inter alios, (1) the Investors (as defined therein); (2) Project Steel Topco Limited; (3) Midco; (4) Project Steel Midco 2 Limited; (5) Project Steel Bidco Limited and (6) the Subscribers (as defined therein) as from time to time amended or supplemented or novated.
"Tangible Moveable Property"	means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of a Company's stock in trade or work in progress) and all Related Rights.

1.2 **Interpretation**

In this Debenture or, as applicable:

(a) the rules of interpretation contained in clauses 1.2 to and including 1.3 of the Security Trust Deed shall apply to the construction of this Debenture;

(b) any reference to the **"Security Trustee"**, a **"Company"** or the **"Secured Lenders"** shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests;

(c) in relation to any Company which becomes a Party upon the execution and delivery of a Deed of Accession (a) where any assets are identified by reference to a schedule this includes assets identified in any corresponding or analogous schedule to the Deed of Accession and (b) provisions which apply by reference to the date or execution of this Debenture shall apply by reference to the date or execution of such Deed of Accession;

(d) references to any Security **"created... by this Debenture"** are deemed to include such Security created, constituted, given, made or extended by, under or pursuant to this Debenture, or by, under or pursuant, to any Deed of Accession; and

(e) references in this Debenture to any clause or Schedule shall be to a clause or schedule contained in this Debenture.

1.3 **Deed**

It is intended that this Debenture takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2. **PAYMENT OF SECURED OBLIGATIONS**{ TC "2 PAYMENT OF SECURED OBLIGATIONS" \l 1 }

2.1 **Covenant to pay**

Each Company, as primary obligor and not merely as surety, covenant with the Security Trustee (as trustee for the Secured Lenders) that it will pay, discharge and perform the Secured Obligations on demand and in the manner provided in the Loan Documents.

2.2 **Default Interest**

If any Company fails to pay any sum on the due date or for so long as a Default Period is continuing, the Interest shall bear Interest until paid at a rate (as well as before Judgement or Liquidation) of three percent per annum higher than the prevailing Interest Rate. Any such Interest shall be calculated on a daily basis compounded every three months and payable on demand.

3. **FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE**{ TC "3 FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE" \l 1 }

3.1 **Fixed charges**

Each Company hereby charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of first fixed charge (which so far as it relates to land in England and Wales vested in a Company at the date of this Debenture shall be a charge by way of legal mortgage) all that Company's right, title and interest from time to time in and to each of the following assets (subject in each case to obtaining any necessary consent to such mortgage or fixed charge from any third party) in each case both present and future:

3.1.1 the Real Property;

3.1.2 the Tangible Moveable Property;

3.1.3 the Accounts;

3.1.4 the Charged Intellectual Property;

3.1.5 any goodwill and rights in relation to the uncalled capital of that Company;

3.1.6 the Investments and all Related Rights;

3.1.7 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise); and

3.1.8 all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture and all Related Rights.

3.2 **Assignments**

Each Company hereby assigns with full title guarantee to the Security Trustee as trustee for the Secured Lenders as security for the payment and discharge of the Secured Obligations, subject to a proviso for re-assignment on redemption, all that Company's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to that assignment from any third party) in each case both present and future:

3.2.1 the proceeds of any Insurance Policy and all Related Rights;

3.2.2 all rights and claims in relation to any Assigned Account; and

3.2.3 each of the Specific Contracts,

3.3 **Floating charge**

3.3.1 Each Company hereby charges with full title guarantee in favour of the Security Trustee as trustee for the Secured Lenders as security for the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of that Company, other than any asset which is situated in England and Wales and which is validly and effectively charged under the laws of England and Wales by way of fixed security created under this Debenture in favour of the Security Trustee as security for the Secured Obligations.

3.3.2 The floating charge created by this **clause 3.3** shall be deferred in point of priority to all fixed security validly and effectively created by each Company under this Debenture.

3.3.3 Paragraph 14 of Schedule 81 to the Insolvency Act 1986 applies to the floating charge created pursuant to this **clause 3.3**.

4. **CRYSTALLISATION OF FLOATING CHARGE{** TC "4 CRYSTALLISATION OF FLOATING CHARGE" \l 1 **}**

4.1 **Crystallisation: by notice**

The Security Trustee may at any time by notice in writing to the relevant Company convert the floating charge created by **clause 3.3** (*Floating charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

4.1.1 an Event of Default has occurred; or

4.1.2 the Security Trustee reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or

4.1.3 the Security Trustee reasonably considers that it is necessary in order to protect the priority of the security.

4.2 **Crystallisation: automatic**

Notwithstanding **clause 4.1** (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

4.2.1 a Company creates or attempts to create any Security over any of the Charged Property; or

4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property which is not discharged within 2 Business Days; or

4.2.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of a Company or an administrator is appointed to a Company; or

4.2.4 any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a Company or files such a notice with the court.

5. PERFECTION OF SECURITY{ TC "5 PERFECTION OF SECURITY" \l 1 }

5.1 Notices of assignment and charge

Each Company shall deliver (or procure delivery) to the Security Trustee and the obligor or debtor specified by the Security Trustee:

5.1.1 in respect of each Insurance Policy assigned pursuant to **clause 3.2** (*Assignments*), a notice of assignment substantially in the form set out in **Schedule 4** (*Form of Notice of Assignment of Insurance Policy*) duly executed by it promptly upon request by the Security Trustee or upon a Company entering into a new Insurance Policy;

5.1.2 in respect of each Assigned Account assigned pursuant to **clause 3.2** (*Assignments*), a notice of assignment substantially in the form set out in **Schedule 5** (*Form of Notice of Assignment of Account*) duly executed by it promptly upon an Account being designated as an Assigned Account;

5.1.3 in respect of each Specific Contract assigned pursuant to **clause 3.2** (*Assignments*), a notice of assignment substantially in the form set out in **Schedule 6** (*Notice of Assignment of Specific Contract*) duly executed by it promptly upon a contract or agreement being designated as a Specific Contract; and

5.1.4 in respect of all leases relating to Real Property mortgaged or charged pursuant to **clause 3.1** (*Fixed charges*), a notice of charge substantially in the form set out in **Schedule 7** (*Form of Notice of Charge*) promptly upon request by the Security Trustee or promptly upon a Company entering into a lease relating to Real Property,

and in each case the relevant Company shall use all reasonable endeavours to procure that each notice is acknowledged promptly by the obligor or debtor specified by the Security Trustee.

5.2 Notices of charge: Accounts

Each Company shall, if requested by the Security Trustee from time to time in respect of any Account, promptly deliver to the Security Trustee (or procure delivery of) a notice of charge (in form and substance reasonably satisfactory to the Security Trustee) duly executed by or on behalf of that Company and shall use reasonable endeavours to ensure that such notice is acknowledged by the relevant bank or financial institution with which that Account is opened or maintained.

5.3 Real Property: delivery of documents of title

5.3.1 Each Company shall, promptly upon the request of the Security Trustee in respect of any Real Property specified in Schedule 2 (Details of Real Property) deliver to the Security Trustee (or procure delivery of), and the Security Trustee shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to such property.

5.3.2 Each Company shall, promptly upon request following the acquisition by that Company of any interest in any other freehold, leasehold or other immovable property, deliver (or procure delivery) to the Security Trustee of, and the Security Trustee shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to such property.

5.4 Further advances

5.4.1 Subject to the terms of the Loan Note Instrument, each Noteholder is under an obligation to make further advances to the Companies and that obligation will be deemed to be incorporated into this Debenture as if set out in this Debenture.

5.4.2 Each Company consents to an application being made to the Chief Land Registrar to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Charged Property.

5.5 **Application to the Land Registry**

Each Company consents to an application being made to enter a restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property.

5.6 **Delivery of share certificates**

Each Company shall:

5.6.1 promptly upon request by the Security Trustee or promptly after any subsequent date on which any Shares are issued or transferred to it, deposit with the Security Trustee (or procure the deposit of) all certificates or other documents of title to such Shares, together with stock transfer forms executed in blank by or on behalf of the relevant Company in relation to such Shares; and

5.6.2 promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares, notify the Security Trustee of that occurrence and, if so requested by the Security Trustee, procure the delivery to the Security Trustee of (a) all certificates or other documents of title representing such items and (b) such stock transfer forms or other instruments of transfer (executed in blank on behalf of the relevant Company) in respect thereof as the Security Trustee may request.

5.7 **Registration of Intellectual Property**

Without prejudice to the generality of any other clause in this Debenture, each Company shall at any time or times, if requested by the Security Trustee, promptly and at its own expense, execute all such documents and do all acts that the Security Trustee may reasonably require to record the interest of the Security Trustee in any registers in the world relating to any registered Charged Intellectual Property.

6. **REPRESENTATIONS{** TC "6 REPRESENTATIONS" \l 1 **}**

Each Company makes the representations and warranties set out in this **clause 6** to the Security Trustee on the date of this Debenture and each representation and warranty (with the exception of clause 6.5 (*Commercial Benefit*) shall be deemed to be repeated on each day upon which any monies comprised in the Secured Obligations fall due for payment or are paid.

6.1 **Status**

It is a limited liability company, duly incorporated and validly existing under the laws of England and Wales.

6.2 **Binding obligations**

Subject to the completion of any perfection requirements contemplated by this Debenture:

6.2.1 the obligations expressed to be assumed by it in this Debenture are legal, valid, binding and enforceable obligations; and

6.2.2 (without limiting the foregoing paragraph), this Debenture create the security interests which it purports to create and those security interests are valid and effective.

6.3 **Non-conflict**

The entry into and performance by it of this Debenture and the granting of the Security contemplated thereby do not and will not conflict with:

6.3.1 any law or regulation applicable to it;

6.3.2 the constitutional documents of any member of the Group; or

6.3.3 any agreement or instrument binding upon it or any member of the Group or any of its or any members of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument breach of which would reasonably be expected to have a material and adverse effect on the interests of the Secured Parties and the Loan Documents.

6.4 **Power and authority**

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, this Debenture.

6.5 **Commercial Benefit**

It enters into this Debenture in good faith and for the purposes of the promotion of the success of its business and has given due consideration to the terms and conditions of the documents evidencing or securing the secured obligations.

6.6 **Event of Default**

No Event of Default has occurred or is continuing or might reasonably be expected to result from the execution of this Debenture.

7. **FURTHER ASSURANCE{** TC "7 FURTHER ASSURANCE" \l 1 **}**

7.1 **Further assurance: general**

The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in this Debenture.

7.2 **Necessary action**

Each Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection, confirmation or maintenance of any security conferred or intended to be conferred on the Security Trustee by or pursuant to this Debenture.

7.3 **Consent of third parties**

Each Company shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Security Trustee) as soon as possible any consents necessary, to enable the assets of that Company to be the subject of an effective fixed charge or assignment pursuant to **clause 3** (*Fixed Charges, Assignments and Floating Charge*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and that Company shall promptly deliver a copy of each consent to the Security Trustee.

7.4 **Implied covenants for title**

The obligations of each Company under this Debenture shall be in addition to the covenants for title deemed to be included in this Debenture by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

8. NEGATIVE PLEDGE AND DISPOSALS{ TC "8 NEGATIVE PLEDGE AND DISPOSALS" \l 1 }

8.1 Security

No Company shall, at any time during the subsistence of this Debenture, create or permit to subsist any Security over all or any part of the Charged Property.

8.2 No disposal of interests

No Company shall (and shall not agree to) at any time during the subsistence of this Debenture, except as permitted by this **clause 8**:

8.2.1 execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Charged Property; or

8.2.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property; or

8.2.3 (a) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of the Charged Property or (b) allow or grant any person any licence or right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the value of any of the Charged Property or the ability of the Security Trustee to exercise any of the Collateral Rights; or

8.2.4 assign or otherwise dispose of any interest in any Account and no right, title or interest in relation to any Account maintained with the Security Trustee, or the credit balance standing to any such Account shall be capable of assignment or other disposal.

9. SHARES AND INVESTMENTS{ TC "9 SHARES AND INVESTMENTS" \l 1 }

9.1 Shares: before an Event of Default

Prior to the occurrence of an Event of Default, each Company shall:

9.1.1 pay all dividends, interest and other monies arising from the Shares into an Account; and

9.1.2 exercise all voting rights in relation to the Shares provided that no Company shall exercise such voting rights in any manner, or otherwise agree to any (a) variation of the rights attaching to or conferred by any of the Shares or (b) increase in the issued share capital of any company whose Shares are charged pursuant to this Debenture, which in the opinion of the Security Trustee would prejudice the value of, or the ability of the Security Trustee to realise, the security created by this Debenture.

9.2 Shares: after an Event of Default

Upon the occurrence of an Event of Default, the Security Trustee may at its discretion (in the name of the relevant Company or otherwise and without any further consent or authority from any Company):

9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Shares;

9.2.2 apply all dividends, interest and other monies arising from the Shares in accordance with **clause 18** (*Application of Moneys*);

9.2.3 transfer the Shares into the name of such nominee(s) of the Security Trustee as it shall require; and

9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to any company whose shares or other securities are included in the Charged Property, to concur or participate in:

9.2.4.1 the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such event);

9.2.4.2 the release, modification or variation of any rights or liabilities attaching to such shares or securities; and

9.2.4.3 the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in such manner and on such terms as the Security Trustee may think fit, and the proceeds of any such action shall form part of the Charged Property.

9.3 **Investments and Shares: payment of calls**

Each Company shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and Shares, and in any case of default by a Company in such payment, the Security Trustee may, if it thinks fit, make such payment on behalf of that Company in which case any sums paid by the Security Trustee shall be reimbursed by that Company to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate and in accordance with **clause 2.2** (*Default Interest*).

9.4 **Investments: delivery of documents of title**

Each Company shall, promptly on the request of the Security Trustee, deliver (or procure delivery) to the Security Trustee, and the Security Trustee shall be entitled to retain, all of the Investments and any certificates and other documents of title representing the Investments to which that Company (or its nominee(s)) is or becomes entitled together with any other document which the Security Trustee may reasonably request (in such form and executed as the Security Trustee may reasonably require) with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

9.5 **Investments: exercise of rights**

No Company shall exercise any of its rights and powers in relation to any of the Investments in any manner which, in the reasonable opinion of the Security Trustee, would prejudice the value of, or the ability of the Security Trustee to realise, the security created by this Debenture.

10. **ACCOUNTS{** TC "10 ACCOUNTS" \l 1 **}**

10.1 **Accounts: notification and variation**

Each Company, during the subsistence of this Debenture:

10.1.1 shall promptly deliver to the Security Trustee upon request, details of each Account maintained by it with any bank or financial institution; and

10.1.2 shall not, without the Security Trustee's prior written consent, such consent not to be unreasonably withheld or delayed (save where there would be in the Security Trustee's reasonable opinion a materially adverse effect on the security created under this Debenture), permit or agree to any variation of the rights attaching to any Account or close any Account.

10.2 Accounts: operation before an Event of Default

Prior to the occurrence of an Event of Default, each Company shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account (other than an Assigned Account).

10.3 Accounts: operation after an Event of Default

After the occurrence of an Event of Default, no Company shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Security Trustee.

10.4 Assigned Accounts

10.4.1 No Company shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account except with the prior consent of the Security Trustee.

10.4.2 The Security Trustee shall, upon the occurrence of an Event of Default, be entitled without notice to exercise from time to time all rights, powers and remedies held by it as assignee of the Assigned Accounts and to:

10.4.2.1 demand and receive all and any monies due under or arising out of each Assigned Account; and

10.4.2.2 exercise all such rights as the relevant Company was then entitled to exercise in relation to such Assigned Account or might, but for the terms of this Debenture, exercise.

10.5 Accounts: application of monies

Upon the occurrence of an Event of Default, the Security Trustee shall be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with **clause 18** (*Application of Monies*).

11. MONETARY CLAIMS{ TC "11 MONETARY CLAIMS" \l 1 **}**

11.1 Dealing with Monetary Claims

No Company shall, at any time during the subsistence of the Debenture, without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed, save where there would be, in the Security Trustee's reasonable opinion, a material adverse effect on the security created under this Debenture):

11.1.1 deal with the Monetary Claims except by getting in and realising them in a prudent manner (on behalf of the Security Trustee) and paying the proceeds of those Monetary Claims into the Accounts or as the Security Trustee may require (and such proceeds shall be held upon trust by the relevant Company for the Security Trustee on behalf of the Secured Lenders prior to such payment in); or

11.1.2 factor or discount any of the Monetary Claims or enter into any agreement for such factoring or discounting.

11.2 Release of Monetary Claims: before an Event of Default

Prior to the occurrence of an Event of Default, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Debenture), upon such proceeds being credited to an Account (other than an Assigned Account), be released from the fixed charge created pursuant to **clause 3.1** (*Fixed charges*) and each Company shall be entitled to withdraw such proceeds from such

Account provided that such proceeds shall continue to be subject to the floating charge created pursuant to **clause 3.3** (*Floating charge*) and the terms of this Debenture.

11.3 **Release of Monetary Claims: after an Event of Default**

After the occurrence of an Event of Default and except with the prior written consent of the Security Trustee, no Company shall not be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

12. **INSURANCES{** TC "12 INSURANCES" \l 1 **}**

12.1 **Insurance: undertakings**

Each Company shall at all times during the subsistence of this Debenture:

12.1.1 keep the Charged Property insured against those risks and to the extent as is usual for companies carrying on the same or substantially similar business;

12.1.2 cause each insurance policy or policies relating to the Charged Property to note the interests of the Security Trustee; and

12.1.3 if required by the Security Trustee (but subject to the provisions of any lease of the Charged Property), deposit all Insurance Policies relating to the Charged Property with the Security Trustee.

12.2 **Insurance: default**

If a Company defaults in complying with **clause 12.1** (*Insurance: undertakings*), the Security Trustee may effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all moneys reasonably expended by the Security Trustee in doing so shall be reimbursed by that Company to the Security Trustee on demand and shall carry interest from the date of payment by the Security Trustee until reimbursed at the rate specified in **clause 2.2** (*Default Interest*).

12.3 **Application of insurance proceeds**

All moneys received under any Insurance Policies relating to the Charged Property shall:

12.3.1 prior to the occurrence of an Event of Default, be retained or applied by the relevant Company; and

12.3.2 after the occurrence of an Event of Default, be held by each Company on trust for the Security Trustee pending payment to the Security Trustee for application in accordance with **clause 18** (*Application of Monies*) and each Company waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Property.

13. **REAL PROPERTY{** TC "13 REAL PROPERTY" \l 1 **}**

13.1 **Property: notification**

Each Company shall immediately notify the Security Trustee of any contract, conveyance, transfer or other disposition for the acquisition by that Company (or its nominee(s)) of any Real Property.

13.2 **Lease covenants**

Each Company shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of the Charged Property is at any time subject:

13.2.1 pay the rents (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or (if the lessee) on the lessee; and

13.2.2 not do any act or thing whereby any lease or other document which gives any right to occupy any part of the Charged Property becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term.

13.3 **General property undertakings**

Each Company shall:

13.3.1 repair and keep in good and substantial repair and condition all the Real Property at any time forming part of the Charged Property;

13.3.2 not at any time without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed, save where there would be, in the Security Trustee's reasonable opinion, a material adverse effect on the security created under this Debenture) sever or remove any of the fixtures forming part of the Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Charged Property (except for the purpose of any necessary repairs or replacement of it); and

13.3.3 comply with and observe and perform (a) all applicable requirements of all planning and environmental legislation, regulations and bye-laws relating to the Real Property, (b) any conditions attaching to any planning permissions relating to or affecting the Real Property and (c) any notices or other orders made by any planning, environmental or other public body in respect of all or any part of the Real Property.

13.4 **Entitlement to remedy**

If a Company fails to comply with any of the undertakings contained in this **clause 13**, the Security Trustee shall be entitled (with such agents, contractors and others as it sees fit), to do such things as may, in the reasonable opinion of the Security Trustee, be required to remedy such failure and all moneys spent by the Security Trustee in doing so shall be reimbursed by that Company to the Security Trustee on demand with interest from the date of payment by the Security Trustee until reimbursed in accordance with **clause 2.2** (*Default Interest*).

14. **ENFORCEMENT OF SECURITY**{ TC "14 ENFORCEMENT OF SECURITY" \l 1 }

14.1 **Enforcement**

At any time after the occurrence of an Event of Default, or if a Company requests the Security Trustee to exercise any of its powers under this Debenture with respect to it, or if a petition or application is presented for the making of an administration order in relation to a Company, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of a Company or files such a notice with the court, the security created by or pursuant to this Debenture is immediately enforceable and the Security Trustee may, without notice to any Company or prior authorisation from any court, in its absolute discretion:

14.1.1 enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property; and

14.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Act (as varied or extended by this Debenture) on mortgagees and by this Debenture on any Receiver or otherwise conferred by law on mortgagees or Receivers.

14.2 No liability as Mortgagee in possession

Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable.

14.3 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Debenture and the obligations of a Company hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the **"Regulations"**))the Security Trustee shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Investments and/or Shares, the market price of such Investments and/or Shares determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

14.4 Effect of moratorium

The Security Trustee shall not be entitled to exercise its rights under **clause 14.1** (*Enforcement*), **clause 16.1** (*Appointment and removal*) (other than **clause 16.1.5**) or **clause 4** (*Crystallisation of Floating Charge*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A 1 of the Insolvency Act 1986.

15. EXTENSION AND VARIATION OF THE ACT{ TC "15 EXTENSION AND VARIATION OF THE ACT" \l 1 }

15.1 Extension of powers

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

15.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Act shall not apply to this Debenture or to the exercise by the Security Trustee of its right to consolidate all or any of the security created by or pursuant to this Debenture with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to any Company on or at any time after the occurrence of an Event of Default.

15.3 Power of leasing

The statutory powers of leasing may be exercised by the Security Trustee at any time on or after the occurrence of an Event of Default and the Security Trustee and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Act.

15.4 **Transfer of Security**

15.4.1 At any time after the occurrence of an Event of Default, the Security Trustee may:

15.4.1.1 redeem any prior Security against any Charged Property; and/or

15.4.1.2 procure the transfer of any such Security to itself; and/or

15.4.1.3 settle and pass the accounts of the prior mortgagee or chargee; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the relevant Company.

15.4.2 Each Company shall pay to the Security Trustee immediately on demand the costs and expenses incurred by the Security Trustee in taking any action contemplated by **clause 15.4.1.1**, including the payment of any principal or interest.

15.5 **Suspense account**

If the security created by this Debenture is enforced at a time when no amount is due under the Loan Documents but at a time when amounts may or will become due, the Security Trustee (or any Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

16. **APPOINTMENT OF RECEIVER OR ADMINISTRATOR{** TC "16 APPOINTMENT OF RECEIVER OR ADMINISTRATOR" \l 1 **}**

16.1 **Appointment and removal**

After the occurrence of an Event of Default, or if a petition or application is presented for the making of an administration order in relation to a Company, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of a Company or files such a notice with the court or if requested to do so by a Company, the Security Trustee may by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the relevant Company:

16.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;

16.1.2 appoint two or more Receivers of separate parts of the Charged Property;

16.1.3 remove (so far as it is lawfully able) any Receiver so appointed;

16.1.4 appoint another person(s) as an additional or replacement Receiver(s); and

16.1.5 appoint one or more persons to be an administrator of that Company.

16.2 **Capacity of Receivers**

Each person appointed to be a Receiver pursuant to **clause 16.1** (*Appointment and removal*) shall be:

16.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver;

16.2.2 for all purposes shall be deemed to be the agent of the relevant Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee; and

16.2.3 entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Act).

16.3 **Statutory powers of appointment**

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Act (as extended by this Debenture) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of the Charged Property. Except as provided in **clause 14.4** (*Effect of moratorium*), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the Act) does not apply to this Debenture.

17. **POWERS OF RECEIVER{** TC "17 POWERS OF RECEIVER" \l 1 **}**

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

17.1 all the powers conferred by the Act on mortgagors and on mortgagees in possession and on receivers appointed under the Act;

17.2 all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);

17.3 all the powers and rights of an absolute owner and power to do or omit to do anything which the relevant Company itself could do or omit to do; and

17.4 the power to do all things (including bringing or defending proceedings in the name or on behalf of the relevant Company) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the relevant Company forming part of, or which when got in would be, Charged Property.

18. **APPLICATION OF MONEYS{** TC "18APPLICATION OF MONEYS" \l 1 **}**

All moneys received or recovered by the Security Trustee or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Act) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Trustee (notwithstanding any purported appropriation by any Company) in accordance with the Security Trust Deed.

19. **PROTECTION OF PURCHASERS{** TC "19 PROTECTION OF PURCHASERS" \l 1 **}**

19.1 **Consideration**

The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

19.2 **Protection of purchasers**

No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.

20. **POWER OF ATTORNEY**{ TC "20 POWER OF ATTORNEY" \l 1 }

20.1 **Appointment and powers**

Each Company by way of security irrevocably appoints the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

20.1.1 carrying out any obligation imposed on each Company by this Debenture (including the execution and delivery of any mortgages, deeds, charges, assignments or other security and any transfers of the Charged Property); and

20.1.2 enabling the Security Trustee and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or any mortgage or by law (including, after the occurrence of an Event of Default, the exercise of any right of a legal or beneficial owner of the Charged Property).

20.2 **Ratification**

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

21. **EFFECTIVENESS OF SECURITY**{ TC "21 EFFECTIVENESS OF SECURITY" \l 1 }

21.1 **Continuing security**

21.1.1 The security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Trustee.

21.1.2 No part of the security from time to time intended to be constituted by the Debenture will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

21.2 **Cumulative rights**

The security created by or pursuant to this Debenture and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Security Trustee or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Debenture.

21.3 **No prejudice**

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

21.4 **Remedies and waivers**

No failure on the part of the Security Trustee to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

21.5 **No liability**

None of the Security Trustee, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Debenture or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

21.6 **Partial invalidity**

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

21.7 **Waiver of defences**

The obligations of each Company under this Debenture will not 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 Debenture (without limitation and whether or not known to it or any Secured Party) including:

21.7.1 any time, waiver or consent granted to, or composition with, any person; or

21.7.2 the release of any person under the terms of any composition or arrangement with any creditor of any member of the Group; or

21.7.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any 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; or

21.7.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person; or

21.7.5 any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of a Loan Document or any other document or security or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed by Midco from time to time); or

21.7.6 any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document or any other document or security or of the Secured Obligations; or

21.7.7 any insolvency or similar proceedings.

21.8 **Immediate recourse**

Each Company waives any right it may have of first requiring any Secured Party (or any Security 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 a Company under this Debenture. This waiver applies irrespective of any law or any provision of this Debenture to the contrary.

21.9 **Deferral of rights**

Until such time as the Secured Obligations have been discharged in full, no Company will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture:

21.9.1 to be indemnified by any other Company;

21.9.2 to claim any contribution from any guarantor of any Company's obligations under this Debenture; and/or

21.9.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Loan Documents or of any other guarantee or security taken pursuant to, or in connection with, this Debenture by any Secured Party.

22. **INDEMNITY{** TC "22 INDEMNITY" \l 1 **}**

Each Company shall, within 3 Business Days of demand, indemnify the Security Trustee and every Receiver against any cost, loss or liability incurred by any of them as a result of:

22.1 the taking, holding, protection or enforcement of the Security constituted by (or purported to be constituted by) this Debenture,

22.2 the exercise of any of the rights, powers, discretions and remedies vested in the Security Trustee and each Receiver by this Debenture, or by law; and

22.3 any default by any Company in the performance of any of the obligations expressed to be assumed by it in the Loan Documents.

The Security Trustee may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 22 and shall have a lien on this Security and the proceeds of the enforcement of this Security for all monies payable to it.

23. **RELEASE OF SECURITY{** TC "23 RELEASE OF SECURITY" \l 1 **}**

23.1 **Redemption of security**

Upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to any Company or any other person under any of the Loan Documents, the Security Trustee shall, at the request and cost of a Company, release and cancel the security constituted by this Debenture and procure the reassignment to the relevant Company of the property and assets assigned to the Security Trustee pursuant to this Debenture, in each case subject to **clause 23.2** (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

23.2 **Avoidance of payments**

If the Security Trustee reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of a Company under, and the security constituted by, this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

24. **SET-OFF{** TC "24 SET-OFF" \l 1 **}**

Each Company authorises the Security Trustee (but the Security Trustee shall not be obliged to exercise such right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Trustee to a Company and apply any credit balance to which a Company is entitled on any account with the Security Trustee in accordance with **clause 18** (*Application of Monies*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

25. **SUBSEQUENT SECURITY INTERESTS{** TC "25 SUBSEQUENT SECURITY INTERESTS" \l 1 **}**

If the Security Trustee (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Debenture, all payments thereafter by or on behalf of a Company to the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of the relevant Company and not as having been applied in reduction of the Secured Obligations as at the time when the Security Trustee received such notice.

26. **ASSIGNMENT{** TC "26 ASSIGNMENT" \l 1 **}**

The Security Trustee may assign and transfer all or any of its rights and obligations under this Debenture. The Security Trustee shall be entitled to disclose such information concerning any Company and this Debenture as the Security Trustee considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

27. **MISCELLANEOUS PROVISIONS{** TC "28 MISCELLANEOUS PROVISIONS" \l 1 **}**

27.1 Each Company (other than Midco) by its execution of this Debenture or a Deed of Accession irrevocably appoints Midco to act on its behalf as its agent in relation to any Loan Document and irrevocably authorises:

27.1.1 Midco on behalf of such Company to supply to the Security Trustee all information concerning such Company contemplated by this Debenture and to complete and give all notices, requests and instructions, to execute on its behalf any Deed of Accession and any other Loan Document, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Company, notwithstanding that they may affect such Company, without (in any case) further reference to or the consent of such Company;

27.1.2 the Security Trustee to give or make to Midco (and not to such Company) any notice, demand or other communication concerning such Company pursuant to the Loan Documents;

and in each case such Company shall be bound as though such Company itself had given the information, notices, requests and instructions or executed or made the Deed of Accession, such other Loan Documents or such agreements, or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

27.2 A company which is required to become a Company by or pursuant to the provisions of the Loan Documents, or which the Security Trustee agrees may become a Company, (a "New Company") shall deliver to the Security Trustee a Deed of Accession, duly executed by the New Company and by Midco (for itself and as agent for each other Company), and shall become a Party when such Deed of Accession has been executed by the Security Trustee and delivered.

28. **NOTICES{** TC "28 NOTICES" \l 1 **}**

The provisions of clause 11 (*Notices*) of the Loan Note Instrument shall apply to this Debenture (mutatis mutandis).

29. **DISCRETION AND DELEGATION{** TC "29 DISCRETION AND DELEGATION" \l 1 **}**

29.1 **Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Debenture by the Security Trustee or any Receiver may, subject to the terms and conditions of the Security Trust Deed, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

29.2 **Delegation**

Each of the Security Trustee and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Security Trustee or the Receiver itself.

30. **COUNTERPARTS{** TC "30 COUNTERPARTS" \l 1 **}**

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

31. **GOVERNING LAW{** TC "31 GOVERNING LAW" \l 1 **}**

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

32. **JURISDICTION{** TC "32 JURISDICTION" \l 1 **}**

32.1 **English courts**

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

32.2 **Convenient forum**

The parties to this Debenture agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

32.3 **Exclusive jurisdiction**

This **clause 32** is for the benefit of the Security Trustee only. As a result and notwithstanding **clause 32.1** (*English courts*), it does not prevent the Security Trustee from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Trustee may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed on behalf of the Security Trustee and executed as a deed by each Company and is delivered by it on the date specified above.

~~1~~1 SCHEDULE 1{ TC SCHEDULES \L 4 \N }

Companies{ TC "1 Companies" \l 3 }

Name of Company	Registration Number
Project Steel Midco 1 Limited	(11726678)
Project Steel Midco 2 Limited	(11727784)
Project Steel Bidco Limited	(11728627)
Utility Bidder Holdings Limited	(11438707)
Utility Bidder Limited	(06954978)

~~2~~2 SCHEDULE 2

Details of Real Property{ TC "2 Details of Real Property" \l 3 }

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~~3~~3 SCHEDULE 3

Details of Intellectual Property{ TC "3 Details of Intellectual Property" \l 3 }

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44 SCHEDULE 4

Form of Notice of Assignment of Insurance Policy{ TC "4Form of Notice of Assignment of Insurance Policy" \l 3 }

To: [Insurer]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned to [ ] (the **"Security Trustee"**) pursuant to a debenture entered into by us in favour of the Security Trustee dated [•] 2010 (subject to a provision for reassignment) all our right, title and interest in and to the proceeds of [insert description and number of relevant insurance policy] (the **"Insurance Policy"**.)

With effect from the date of your receipt of this notice we instruct you to:

1. make all payments and claims under or arising from the Insurance Policy (in accordance with the terms of that Insurance Policy) to us until such time as you receive notice from the Security Trustee instructing you otherwise (**"Payment Notice"**). Upon receipt of a Payment Notice we instruct you to comply with all payment instructions in respect of any claims and payments under or arising from the Insurance Policy as set out in such Payment Notice;

2. note the interest of the Security Trustee on the Insurance Policy; and

3. disclose to the Security Trustee, without further approval from us, such information regarding the Insurance Policy as the Security Trustee may from time to time request and to send it copies of all notices issued by you under the Insurance Policy.

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

Yours faithfully,

....
for and on behalf of
[*Company*]

To: [ ]

Date: [•]

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, title and interests and benefits referred to in such notice and that we will comply with the terms of that notice.

We further confirm that no amendment or termination of the Insurance Policy shall be effective unless we have given the Security Trustee thirty days written notice of such amendment or termination.

For and on behalf of [*Insurer*]

By: ....

~~5~~5 SCHEDULE 5

{ TC "5 Form of Notice of Assignment of Account"\l3 }Form of Notice of Assignment of Account

To: [Account Bank]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned and charged to [•] (the **"Security Trustee"**) pursuant to a debenture entered into by us in favour of the Security Trustee dated [•] 20[•] all of our right, title and interest in and to account number[•], account name[•] (including any renewal or redesignation of such account) and all monies standing to the credit of that account from time to time (the **"Account"**). [*Insert details of Assigned Accounts only. This notice does not apply to Accounts which are not Assigned Accounts.*]

With effect from the date of your receipt of this notice:

1. any existing payment instructions affecting the Account are to be terminated and all payments and communications in respect of the Account should be made to the Security Trustee or to its order (with a copy to us). We are not entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Account except in accordance with [•] and until you receive written notice to the contrary from the Security Trustee; and

2. we are not entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Account except in accordance with [•] and until you receive written notice to the contrary from the Security Trustee.

Please accept this notice by signing the enclosed acknowledgement and returning it to the Security Trustee at [•] marked for the attention of [•].

Yours faithfully,

....

for and on behalf of
[*Company*]

To: [ ]

Date: [•]

At the request of the Security Trustee and [*Company*] we acknowledge receipt of the notice of assignment and charge, on the terms attached, in respect of the Account (as described in those terms). We confirm that:

1. the balance standing to the Account at today's date is[•], no fees or periodic charges are payable in respect of the Account and there are no restrictions on (a) the payment of the credit balance on the Account (except, in the case of a time deposit, the expiry of the relevant period) or (b) the assignment of the Account to the Security Trustee or any third party;

2. we have not received notice of any previous assignments of, charges over or trusts in respect of, the Account and we will not, without the Security Trustee's consent (a) exercise any right of combination, consolidation or set-off which we may have in respect of the Account or (b) amend or vary any rights attaching to the Account; and

3. we will act only in accordance with the instructions given by persons authorised by the Security Trustee and we shall send all statements and other notices given by us relating to the Account to the Security Trustee.

For and on behalf of [*Account Bank*]

By: ....

~~6~~6 SCHEDULE 6

Form of Notice of Assignment of Specific Contract{ TC "6 Form of Notice of Assignment of Specific Contract" \l 3 }

To: [Counterparty]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned to [•] (**"Security Trustee"**)pursuant to a debenture entered into by us in favour of the Security Trustee dated [•] (the **"Debenture"**)all our right, title and interest in and to [*insert details of contract*] (the **"Contract"**) including all moneys which may be payable to us in respect of the Contract.

With effect from the date of your receipt of this notice:

1. all payments by you to us under or arising from the Contract should be made to us until such time as you receive notice from the Security Trustee instructing you otherwise ("Payment Notice"). Upon receipt of a Payment Notice we instruct you to comply with all payment instructions in respect of any payments to be made under or arising from the Contract as set out in the Payment Notice;

2. upon your receipt of a Payment Notice from the Security Trustee:

   (a) all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Trustee;

   (b) all rights to compel performance of the Contract are exercisable by the Security Trustee although the Company shall remain liable to perform all the obligations assumed by it under the Contract; and

   (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Security Trustee to the exclusion of the Company and no changes may be made to the terms of the Contract otherwise than as provided for in [•];

3. you are authorised and instructed, without requiring further approval from us, to provide the Security Trustee with such information relating to the Contract as it may from time to time request and to send it copies of all notices issued by you under the Contract to the Security Trustee as well as to us; and

4. these instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Trustee.

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

Yours faithfully,

....

for and on behalf of
[*Company*]

To: [ ]

Date: [•]

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice.

We further confirm that no amendment, waiver or release of any of such rights, interests and benefits arising under the Contract shall be effective without the prior written consent of the Security Trustee, unless it is of a minor technical or non-operational nature or in any way which could not be reasonably expected materially and adversely to affect the interests of the Security Trustee.

For and on behalf of [*Counterparty*]

By: ....

~~7~~7 SCHEDULE 7

{ TC "7 Form of Notice of Charge"\l3 }Form of Notice of Charge

To: [*Landlord*]

Date: [•]

PURSUANT TO the lease of which particulars appear in paragraph 1 below, NOTICE IS HEREBY GIVEN that the disposition, of which particulars appear in paragraph 2 below, has taken place.

1.	LEASE		
1.1	Date:		
1.2	Term:		
1.3	Parties:	(1)	
		(2)	
1.4	Demised Premises:		
2.	DISPOSITION:		Charge contained in a Debenture
2.1	Date:		[ ]
2.2	Parties:	(1)	[*Company*] as the Company
		(2)	[ ] as the Security Trustee
2.3	Name and Address of the Security Trustee:		[*Bank*] [*Address*]

NOTES: 1. *[The registration fee is enclosed.]*

2. *It is requested that notice be given to the Security Trustee of any breach of covenant by the tenant under the Lease.*

3. *This Notice is sent in duplicate and it is requested that one copy is signed as provided below and returned to the Security Trustee.*

Signed ....
[*Company*]

RECEIVED a notice of which this is a duplicate

Signed ....
[*Landlord*]

Date:

SCHEDULE 8

{ TC "8 Form of Deed of Accession"\l3 }Form of Deed of Accesion

This Deed is made on [*date*] between:

(1) ***[name of acceding company]***, [a company incorporated in England and Wales with company number [ ]] (the "**New Company**");

(2) **[*full name of Midco*]**, [a company incorporated in England and Wales with company number [ ]] for itself and as agent for and on behalf of each of the other Company defined as such in the Debenture referred to below, ("**Midco**"); and

(3) **[*name of Security Trustee*]**, [a company incorporated in England and Wales with company number [ ]] , in its capacity as security trustee for the Secured Lenders (the "**Security Trustee**").

1. **INTERPRETATION**

1.1 In this Deed, the "**Debenture**" means a debenture dated [*date*] and made between, amongst others, Midco, each of the other Companies and the Security Trustee as amended, novated, supplemented, extended, or restated, from time to time.

1.2 Unless a contrary indication appears:

1.2.1 each term used in this Deed which is defined in the Debenture or the definition of which is incorporated by reference into the Debenture shall have the same meaning as applies in the Debenture; and

1.2.2 the principles of construction set out or referred to in clause 1.2 (*Interpretation*) of the Debenture shall apply also (where relevant) to this Deed.

2. **REPRESENTATIONS**

The New Company warrants and represents to the Security Trustee that:

2.1.1 it is a [[wholly owned] subsidiary of Midco]/ [member of the Group]]; and

2.1.2 it has given due consideration to the terms and conditions of the Loan Documents (including the Debenture and this Deed) and has satisfied itself that there are reasonable grounds for believing that by executed this deed the New Company will derive commercial benefit and that it enters into this Deed in good faith and for the purposes of the promotion of the success of its business.

3. **AGREEMENT TO ACCEDE**

The New Company agrees to accede and become a party to and to be bound by the terms of the Debenture as a Company with effect from the date of this Deed (the "**Effective Date**").

4. **EFFECT OF ACCESSION**

On and after the Effective Date, the Debenture shall be read and construed for all purposes as if the New Company had been an original party to it in the capacity of Company (but so that the Security created consequent on such accession shall be created on the Effective Date).

5. **SECURITY**

5.1 **Security over all assets**

5.1.1 The New Company grants to the Security Trustee in relation to its assets and undertaking the same Security as is set out in clause 3 (*Fixed charges, Assignments and Floating Charge*) of the Debenture.

5.1.2 The New Company agrees and confirms that such Security (a) shall be effective and binding upon it and its assets and undertaking and (b) shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other Party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any Security contained in the Debenture or in any other Deed of Accession.

[*The following Clause 5.2 and the relevant sub clauses apply where the New Company own assets which are being identified by Schedule for specific charge. The relevant Schedules to be incorporated should follow the form of the corresponding schedules in the Debenture.*]

5.2 **[Specific Security** - Without limiting the generality of Clause 5.1 (*Security over all assets*) or of the Debenture, the New Company, as a continuing security for the payment, discharge and performance of the Secured Obligations charges in favour of the Security Trustee:

5.2.1 [by way of first legal mortgage, all its Property, identified in Part I Schedule 1 (*Details of Secured Property*) to this Deed];

5.2.2 [by way of first fixed charge, all the Shares listed in Part II Schedule 1 (*Details of Secured Property*) to this Deed];

5.2.3 [by way of first fixed charge, all of its Insurances listed in Part III Schedule 1 (*Details of Secured Property*) to this Deed, to the extent not effectively assigned under clause 5.2];

[and as a continuing security for the payment, discharge and performance of the Secured Obligations assigns and agrees to assign in favour of the Security Trustee all of its right, title and interest (if any) in and to each of the Insurances including those listed in Part III of Schedule 1 (*Details of Secured* Property) and the contracts and agreements specified in Part IV Schedule 1 (*Details of Secured Property*) to this Deed, each of which is deemed to be included in the definition of "Specific Contracts" and "Insurances" for the purposes of the Debenture.]

6. AGREEMENT AND CONSENT BY EACH COMPANY

Midco, for itself and as agent for and on behalf of all other Companies under the Debenture, agrees and consents to all matters provided for in this Deed.

7. CONSTRUCTION

The Debenture shall continue in full force and effect but amended with effect from the Effective Date in the manner and to the extent provided in this Deed; and the Debenture and this Deed shall be read as one and so that references in the Debenture to "**this Deed**", and similar phrases shall be deemed to include this Deed.

8. THIS DEED

8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.

8.2 The New Company has entered into this Deed in consideration of the Secured Parties (or some of them) making or continuing to make financing available to Midco or any other member of the Group on the terms agreed in the Loan Documents.

8.3 The Agent and the Parent designate this Deed as a Loan Document.

8.4 This Deed and every counterpart is the property of the Security Trustee.

This Deed is made and delivered as a deed on the date stated above.

[*insert schedules as appropriate*]

[*insert execution provision as appropriate*]

SIGNATURES

The Companies

EXECUTED as a **DEED**
by Project Steel Midco 1 Limited [redacted]

Director: [redacted]

Witness name:

Witness signature: Elizabeth Tindall

Witness address: VERSHEDS SUTHERLAND
NTERNATIONAL) LLP
VERSHEDS HOUSE
GREAT BRIDGEWATER STREET
NCHESTER M1 5ES

EXECUTED as a **DEED**
by Project Steel Midco 2 Limited [redacted]

Director:

Witness name: Elizabeth Tindall

Witness signature: [redacted]

Witness address: EVERSHEDS SUTHERLAND
(INTERNATIONAL) LLP
EVERSHEDS HOUSE
70 GREAT BRIDGEWATER STREET
MANCHESTER M1 5ES

EXECUTED as a **DEED**
by Project Steel Bidco Limited [redacted]

Director:

Witness name: Elizabeth Tindall

Witness signature: [redacted]

Witness address: EVERSHEDS SUTHERLAND
(INTERNATIONAL) LLP
EVERSHEDS HOUSE
70 GREAT BRIDGEWATER STREET
MANCHESTER M1 5ES

EXECUTED as a **DEED**
by Utility Bidder Holdings Limited

Director: [redacted]

Witness name: Elizabeth Tindall

Witness signature: [redacted]

Witness address: EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP
EVERSHEDS HOUSE
70 GREAT BRIDGEWATER STREET
MANCHESTER M1 5ES

EXECUTED as a **DEED**
by Utility Bidder Limited

Director: [redacted]

Witness name: Elizabeth Tindall

Witness signature: [redacted]

Witness address: EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP
EVERSHEDS HOUSE
70 GREAT BRIDGEWATER STREET
MANCHESTER M1 5ES

The Security Trustee

EXECUTED as a **DEED**)
by)
as attorney of **Sovereign Capital Partners LLP**) [redacted]

In the presence of:

Witness name: Elizabeth Tindall

Witness signature: [redacted]

Witness address: EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP
EVERSHEDS HOUSE
70 GREAT BRIDGEWATER STREET
MANCHESTER M1 5ES

Witness occupation: Solicitor