



Registration of a Charge

Company name: **UNIQUE PIECES LIMITED**

Company number: **11934555**

Received for Electronic Filing: **24/09/2020**



X9E8ZPP9

Details of Charge

Date of creation: **17/09/2020**

Charge code: **1193 4555 0001**

Persons entitled: **MIZRAHI TEFAHOT BANK LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **LEAH BESSER**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11934555

Charge code: 1193 4555 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th September 2020 and created by UNIQUE PIECES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th September 2020 .

Given at Companies House, Cardiff on 25th September 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

Ref: ST001 – Debenture.DOC

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Dated 17.9. 2020

UNIQUE PIECES LIMITED

to

MIZRAHI TEFAHOT BANK LIMITED

DEBENTURE

Registered at the Companies' Registry on

the _____ day of _____ 20____.

**LEGAL MORTGAGE AND FIXED AND FLOATING CHARGE OVER LAND, BOOK DEBTS
AND PROCEEDS, SECURITIES, INTELLECTUAL PROPERTY, INSURANCE, GOOD WILL
AND UNCALLED CAPITAL FOR COMPANIES**

UNIQUE PIECES LIMITED

IMPORTANT NOTICE: we recommend that you consult your solicitor or other independent legal adviser before accepting this document

THIS DEBENTURE is made and entered into as a deed on 17.9.2020

BETWEEN:

- (1) **MIZRAHI TEFAHOT BANK LIMITED** of Ramat Siv (31), Petach Tikva (the "**Bank**"); and
- (2) **UNIQUE PIECES LIMITED**, a company incorporated under the laws of England and Wales under company number **11934555** whose registered office is at 201 Haverstock Hill, Belsize Park, Fkgb, London, NW3 4QG, and with an address for service at Habitahon 4, Petha Tikva, Israel (the "**Company**").

NOW THIS DEED WITNESSES as follows:

1. Covenant to Pay

The Company covenants that it will on demand pay to the Bank without deduction, set-off or counterclaim and discharge all monies and liabilities as defined below.

2. Monies and Liabilities

- 2.1 The words "**monies and liabilities**" mean all present and future monies obligations and liabilities due owing or incurred by the Borrower, the Company or any of their respective Affiliates to the Bank whether actual or contingent or by way of future advances and on any account and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature including but without prejudice to the generality of the foregoing interest, default interest, discount commission and other lawful costs, charges and expenses (both before and after judgement) however incurred by the Bank in relation to this Debenture or to such monies, obligations or liabilities on a full indemnity basis with such interest or default interest being calculated and compounded from time to time according to the then current practice of the Bank as conclusively determined by the Bank in the currency in respect of which demand has been made or any amount is owed.
- 2.2 The monies and liabilities shall include those undertaken by the Borrower or the Company under a different company name or style to that stated in this Debenture and the Company's liability under this Debenture shall continue and this Debenture shall be available to the Bank despite any change in the name or business of the Borrower or the Company or in their respective constitutions (whether by amalgamation, consolidation, reconstruction or otherwise).

3. Continuing Security

The security created by this Debenture is continuing and extends to the ultimate balance of the monies and liabilities, regardless of any intermediate payment or discharge in whole or in part, and shall remain in full force and effect until released by the Bank or otherwise determined under this Debenture.

4. Charges

4.1 The Company with full title guarantee charges in favour of the Bank as continuing security for the payment or discharge of the monies and liabilities:

- 4.1.1 by way of first legal mortgage, all and every interest in or over the freehold, leasehold or other immovable property now belonging to the Company including (but not limited to) the property described in Schedule 1 including all buildings fixtures and fittings on such property subject only to the encumbrances (if any) referred to in the Schedule 2;
- 4.1.2 by way of first fixed charge, all estates and interests both present and future of the Company in any freehold, leasehold or other immovable property including all buildings, fixtures and fittings on such property not effectively mortgaged under Clause 4.1.1;
- 4.1.3 by way of first fixed charge, the benefit of all rights licenses guarantees rent deposits contracts deeds undertakings and warranties relating to the property referred to in Clauses 4.1.1 and 4.1.2;
- 4.1.4 by way of first fixed charge, all plant, machinery, vehicles, computers and other equipment of the Company both present and future, including spare parts and replacements, whether or not located on or forming part of the freehold, leasehold or other immovable property described in Clauses 4.1.1 and 4.1.2;
- 4.1.5 by way of first fixed charge, all book debts both present or future due owing or incurred to the Company (together with all security for and all indemnities in respect of such book debts or other rights enabling the Company to enforce the same) and their proceeds (the "**Restricted Debts**") but excluding such debts (if any) and their proceeds as the Bank may from time to time now or after the date of this Debenture have agreed in writing with the Company shall not be subject to this fixed charge (the "**Unrestricted Debts**");
- 4.1.6 by way of first fixed charge, all other debts both present or future due owing or incurred to the Company (together with all security for and all indemnities in respect of such debts or other rights enabling the Company to enforce the same);
- 4.1.7 by way of first fixed charge, all moneys of the Company from time to time standing to the credit of any account with any person and the debts represented by them;
- 4.1.8 by way of first fixed charge, all stocks shares bonds or other securities and investments (certificated and uncertificated) both present or future belonging to or held in any account or by any nominee on behalf of the Company together with all dividends, income and other rights relating to them;

- 4.1.9 by way of first fixed charge, all rights in intellectual property (including, but not limited to, contract rights in patents, inventions, copyrights, design rights, trademarks, service marks, database rights, confidential information, know-how, domain names and business names) both present or future owned or held by the Company;
 - 4.1.10 by way of first fixed charge, all present and future contracts and policies of insurance in which the Company now or after the date of this Debenture has an interest and their proceeds;
 - 4.1.11 by way of first fixed charge, all goodwill and uncalled capital for the time being of the Company;
 - 4.1.12 by way of first fixed charge, the benefit of all licences, consents and authorisations held or utilised by the Company both present and future;
 - 4.1.13 by way of first fixed charge, all its rights in respect of each agreement described in Schedule 3 (the "**Relevant Agreements**") and all other agreements, instruments and rights relating to the assets, property and undertaking of the Company which are, or are expressed to be, subject to the security created by, or pursuant to, this Debenture, to the extent not effectively assigned under Clause 4.1.15;
 - 4.1.14 by way of first fixed charge, the benefit of any present or future interest rate swap, currency swap, cap or collar arrangement, future, option, forward rate agreement or other derivative instrument (however described) or any other agreement both present or future with any person for protecting or hedging any obligation or liability of the Company to any person;
 - 4.1.15 by way of absolute assignment, all the Company's interest and benefit in any Relevant Agreement and in any contract and in any collateral warranties with trade contractors or professionals relating to the freehold, leasehold and other immovable property described in Clause 4.1.1 and 4.1.2; and
 - 4.1.16 by way of first floating charge, all the undertaking, assets and rights of the Company (both present and future and of whatever nature) not otherwise effectively mortgaged, charged or assigned to the Bank by way of fixed mortgage, charge or assignment under Clauses 4.1.1 to 4.1.15 (inclusive).
- 4.2 The property described in Clauses 4.1.1 to 4.1.16 (inclusive) is referred to in this Debenture as the "**Charged Property**".
- 4.3 The Bank may at any time by notice in writing to the Company convert the floating charge created by Clause 4.1.16 into a fixed charge over all or any part of the property and assets which for the time being are the subject of such floating charge if this Debenture has become enforceable, and in the event the Company charges, pledges or otherwise encumbers (whether by way of fixed or floating security) any of the Charged Property which is subject to the floating charge created by Clause 4.1.16 or attempts to do so without the prior consent in writing of the Bank or any person levies or attempts to levy any distress, execution, sequestration or other process against any of the Charged Property, the floating charge created by this Debenture over the assets the subject of such event shall automatically without notice operate as a fixed charge instantly such event occurs.

4.4 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Debenture and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986.

4.5 In respect of any part of or interest in the Charged Property title to which is registered at HM Land Registry the Company applies to the Chief Land Registrar to enter the following restriction on the register of the title to such property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent by the proprietor for the time being of the charge dated [DATE] in favour of Mizrahi Tefahot Bank Limited referred to in the charges register."

5. Representations and Warranties

The Company represents and warrants, as continuing representations and warranties which are deemed to be repeated during the continuance of the security created by this Debenture, that:

- 5.1 it is a limited liability company, duly incorporated and validly existing under the laws of England and Wales and has power to carry on its business as it is now being conducted and to own property and other assets;
- 5.2 the execution, delivery and performance of this Debenture is within the corporate powers of the Company, has been duly authorised by all necessary corporate and other action and does not and will not conflict with or constitute a breach of (i) any law or regulation applicable to it, (ii) the Memorandum and Articles of Association or other constitutive documents of the Company or (iii) any agreement or instrument binding on the Company;
- 5.3 the obligations and liabilities expressed to be assumed by the Company under this Debenture are legal, valid, binding and enforceable obligations of the Company;
- 5.4 all authorisations, consents, approvals, resolutions, licences, exemptions, filings or registrations required or desirable under any applicable law or regulation (i) to enable it lawfully to carry on its business and to enter into, exercise its rights and comply with its obligations in this Debenture, and (ii) to make this Debenture admissible in evidence in its jurisdiction of incorporation have been obtained or effected and are in full force and effect;
- 5.5 it is absolutely, solely and beneficially entitled to the Charged Property, the rights of the Company in respect of the Charged Property are free from any mortgage, charge, pledge, lien or other encumbrance (other than those created by this Debenture or any prior charge listed in Schedule 2) and the Company has not assigned, transferred or otherwise disposed of the Charged Property (other than by this Debenture); and
- 5.6 this Debenture creates the security interests it purports to create and is not liable to be avoided or otherwise set aside on the winding-up or administration of the Company or otherwise.

6. Restrictions

The Company shall not except with the prior written consent of the Bank or as expressly permitted by this Debenture:

- 6.1 convey, assign, sell, lease, transfer or otherwise dispose of, by one or more transactions or series of transactions (whether related or not), the whole or any part of the property charged to the Bank by way of legal mortgage or fixed charge or assignment or enter into any agreement to do so;
- 6.2 create, purport to create or permit to subsist any mortgage, charge, lien, pledge or other encumbrance over the whole or any part of the property charged to the Bank by way of legal mortgage or fixed charge or assignment;
- 6.3 release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, the property charged to the Bank by way of legal mortgage fixed charge or assignment;
- 6.4 deal with all or any of the Unrestricted Debts or the other property for the time being charged to the Bank by way of floating charge otherwise than in the ordinary course of getting in and realising the same (which course shall not include or extend to the selling or assigning or in any other way factoring or discounting of any of such debts or securities) and prior to any conversion of such floating charge to a fixed charge;
- 6.5 create or permit to subsist over all or any of the Unrestricted Debts or the other property for the time being charged to the Bank by way of floating charge any mortgage, charge, lien, pledge or other security ranking in priority to or *pari passu* with this Debenture;
- 6.6 part with, sell or dispose of, all or (except in the ordinary course of the Company's business and for the purpose of carrying on the same) any of the Unrestricted Debts or the other property for the time being charged to the Bank by way of floating charge; or
- 6.7 otherwise agree to any disposition or variation of the rights attaching to the Charged Property.

7. Special Account

7.1 The Company shall:

- 7.1.1 get in and realise in the ordinary course of its business (which shall not extend to selling or assigning or in any other way factoring or discounting the same) all monies and claims deriving from the property charged to the Bank by way of legal mortgage, fixed charge or assignment including but not limited to the Restricted Debts and hold the proceeds of such getting in and realisation (until payment to the Special Account as provided below) upon trust for the Bank;
- 7.1.2 pay the proceeds of such getting in and realisation into such separate and denominated account with the Bank or with such other bank as the Bank may require (the "Special Account");
- 7.1.3 not hold more than €150,000 ("**Permitted Funds**") in the aggregate in any bank, financial institution or third party (including, without limitation, Payoneer) prior to the opening of the account with the Bank in accordance with clause 7.2.1. Save as otherwise permitted by

the Bank, any Permitted Funds shall only be used for payment of VAT and payments for importing goods to Europe;

7.1.4 save as permitted under the terms of this Debenture, not be entitled to otherwise deal with all monies and claims deriving from the property charged to the Bank by way of legal mortgage, fixed charge or assignment and in particular shall not assign, charge, factor or discount the same prior to the discharge of this Debenture except with the prior consent of the Bank; and

7.1.5 if called upon to do so by the Bank, execute a legal assignment of such property to the Bank in such terms as the Bank may require and give such notice of such assignment to the debtors from whom the monies and claims are due, owing or incurred and take any such other steps as the Bank may require to perfect such legal assignment.

7.2 The Company shall:

7.2.1 On or before 31 December 2020, open an account with the Bank's London branch and shall pay the proceeds of all such getting in and realisation described in Clause 7.1 into such account; and

7.2.2 On or before 31 December 2020, shall close any other bank account of the Company and not have any bank account (or account with any other financial institution) other than the bank account described in Clause 7.2.1.

8. Undertakings Relating to the Charged Property

Until this Debenture is discharged the Company shall:

8.1 conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature, or mode of conduct, of that business and keep or cause to be kept proper books of account relating to such business;

8.2 keep all buildings and other tangible Charged Property in good and substantial repair and in good working order, provided that the Bank may (but without being under any duty to do so) itself repair such buildings and other tangible Charged Property (and the Company shall forthwith reimburse the Bank for all costs incurred by the Bank in doing so) and may for that purpose enter upon any land of the Company without being deemed to have gone into possession of such land;

8.3 insure and keep insured all buildings and other insurable Charged Property with such insurer and against fire and such other risks and in such amounts and otherwise upon such terms as the Bank may require (and failing such requirement in accordance with the practice in respect of assets of the same type from time to time current among prudent companies engaged in business similar to the Company), provided that the Bank may (but without being under any duty to do so) itself insure and keep insured any of the buildings and other insurable tangible Charged Property which the Company has in this Clause 8.3 covenanted to insure and the Company shall be liable to the Bank for the premiums and any other expenses incurred by the Bank in so doing;

8.4 pay all premiums and other monies necessary for effecting and maintaining such insurances within one week of the same becoming due, provided that the Bank may (but without being under any duty to do so) itself pay such premiums and other monies and the Company shall be liable to the

Bank for the expenses incurred by the Bank in so doing and ensure that every insurance policy contains a first loss payee clause and a standard mortgagee protection clause, by which such insurance will not be invalidated, vitiated or avoided as against a mortgagee in the event of any misrepresentation, act, neglect or failure to disclose on the part of the insured;

8.5 procure that the interest of the Bank is noted upon all policies of such insurance and (if the Bank so requires) effect such insurance in the joint names of the Company and the Bank and (if the Bank so requires) produce to, or deposit with, the Bank all such policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies;

8.6 procure that all sums at any time payable under any of such policies of insurance are paid to the Bank (and unless paid directly to the Bank by the insurers then the Company shall be trustee of any such sum for the benefit of the Bank and shall account to the Bank accordingly). Subject to Clause 19, such sums shall at the option of the Bank be applied in making good or recouping all expenditures in respect of the loss or damage for which such sums are received or in or towards the discharge or reduction of any of the monies and liabilities;

8.7 not without the prior written consent of the Bank pull down or remove the whole or any part of any buildings forming part of the land charged by this Debenture or sever or unfix or remove any of the fixtures to such buildings (except for the purpose of effecting necessary repairs or improvements provided in each case that the relevant plans have first been approved by the Bank in writing);

8.8 not without the prior written consent of the Bank remove any of the tangible Charged Property and whenever any such property is destroyed or damaged or deteriorates forthwith repair and make good the same or, if it is impossible to repair cost effectively, replace the same, provided that in the case of tangible Charged Property subject to a fixed charge the prior written consent of the Bank has been obtained;

8.9 comply and procure compliance by any occupier of the Charged Property with all applicable laws or regulations relating to the pollution or protection of the environment, harm to or the protection of human health, the conditions of the workplace and any emission or substance capable of causing harm to any living organism or the environment (all such matters being together "**Environmental Matters**") applicable to the Company or its Subsidiaries or their respective businesses or to the Charged Property and with any licence or approval relating to Environmental Matters and obtain and maintain in full force and effect all such licences and approvals as are necessary or desirable or obtained by prudent companies with similar assets or carrying on similar businesses and promptly on receipt provide the Bank with copies of all such licences and approvals and of any amendments to them. The Bank or its agents shall have power at reasonable times at the expense of the Company to enter on and inspect any of the Charged Property for compliance with this covenant;

8.10 promptly on becoming aware of the same notify the Bank in writing of:

8.10.1 any indication that any of the Charged Property is or might be identified as contaminated land within the meaning of Part IIA of the Environmental Protection Act 1990;

8.10.2 any claim, notice of violation, prosecution, official warning, abatement or other order relating to Environmental Matters or requiring compliance with any environmental law or regulation or with any licence or approval relating to Environmental Matters which is pending or threatened against the Company or any of its Subsidiaries or any of their respective officers in their capacity as such or against any of the Charged Property or its

occupier or of any requirement to make any investment or expenditure or to take or desist from taking action which might have a material adverse effect on the Company or any of its Subsidiaries or on any of the Charged Property;

- 8.10.3 the existence or recent existence of any Environmental Matters at any of the properties occupied by the Company or any of its Subsidiaries which may give rise to any environmental liability and take or procure the taking of all necessary action to remedy or remove or prevent the incursion of such Environmental Matters in a manner that complies with all environmental laws or regulations;
- 8.10.4 any facts or circumstances entitling any environmental licence or approval to be revoked suspended amended or not renewed and of any requirement to make any investment or expenditure or to take or desist from taking any action where this might have a similar effect; and
- 8.10.5 full details of any inspections investigations audits tests or other analyses concerning Environmental Matters relating to the Company or any of its Subsidiaries or to any of the Charged Property;
- 8.11 punctually pay and indemnify the Bank and any Receiver against all existing and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever (whether imposed by agreement, statute or otherwise and whether in the nature of capital or revenue or otherwise) now or at any time during the continuance of this Debenture payable in respect of the Charged Property or any part of it or by its owner or occupier. If any such sums are paid by the Bank or by any such Receiver the Company shall reimburse the Bank or such Receiver for such sums on demand with interest;
- 8.12 permit the Bank, its officers, employees and agents free access at all reasonable times to view the state and condition of the Charged Property without becoming liable to account as a mortgagee in possession;
- 8.13 provide the Bank, its employees, professional advisers and agents with all such information respecting the Company's business as the Bank may from time to time require;
- 8.14 within 7 days after becoming aware of it, give full particulars to the Bank of any notice, order, direction, designation, resolution or proposal having specific application to the land charged by this Debenture or to the locality in which it is situate given or made whether by any private individual, or by any planning authority, any authority possessing power of compulsory acquisition or other public body or authority whatsoever and (if the Bank so requires) forthwith and at the cost of the Company take all reasonable and necessary steps to comply with any such notice, order, direction, designation or resolution and make or join with the Bank in making such appeals, objections or representations in respect of any such proposal as the Bank may desire;
- 8.15 observe and perform all covenants, stipulations and conditions to which the land charged by this Debenture is now or in the future may be subjected and (if the Bank so requires) produce to the Bank evidence sufficient to satisfy the Bank that such covenants, stipulations and conditions have been observed and performed and (but without limitation) as regards any lease under which all or any part of such land is held duly and punctually pay all rents becoming due or to become due under such lease and perform and observe all the covenants and conditions by the tenant in such lease;

- 8.16 not without the prior written consent of the Bank grant or agree to grant any licence, lease or tenancy affecting all or any part of the land charged by this Debenture nor exercise the powers of leasing or agreeing to lease or of accepting or agreeing to accept surrenders conferred by sections 99 and 100 of the Act nor in any other way dispose or agree to dispose of or create any legal or equitable estate or interest in the land charged by this Debenture or any part of it;
- 8.17 procure that no person shall be registered under the Land Registration Act 2002 as proprietor of the land charged by this Debenture or any part of it, nor create or permit to arise any unregistered interest over such land which overrides first registration or which overrides a registered disposition under Schedule 1 or Schedule 3 respectively of the Land Registration Act 2002, nor permit any person to become entitled to any proprietary right or interest which might affect the value of such land and the Company shall be liable for the costs incurred by the Bank in lodging from time to time restrictions or notices against the registration of the title to all or any of such land;
- 8.18 not without the prior written consent of the Bank make any application for planning permission whether for operational development or for change of use, make any application for listed building consent or other consent relating to the use or development of land, enter into any agreement or undertaking under section 106 of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or section 38 of the Highways Act 1980 or any similar act, or carry out or permit or suffer to be carried out on the land charged by this Debenture any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of such land;
- 8.19 procure that no person shall be or become entitled to any proprietary right or interest in respect of all or any part of the Charged Property;
- 8.20 not without the prior written consent of the Bank form or acquire any Subsidiary or transfer sell lease or dispose of any Charged Property to any connected person (as defined by section 249 of the Insolvency Act 1986) save on terms previously approved in writing by the Bank;
- 8.21 not do or cause or permit to be done anything which may in any way depreciate jeopardise or otherwise prejudice the value to the Bank of the security created by this Debenture and not (without the prior written consent of the Bank) incur any expenditure or liabilities of an exceptional or unusual nature;
- 8.22 not without the prior written consent of the Bank redeem or purchase its own shares nor pay an abnormal amount by way of dividend;
- 8.23 inform the Bank immediately on contracting to purchase any estate or interest in any freehold, leasehold or other land and to supply the Bank with such details of the purchase as the Bank may from time to time require including any encumbrances on the land;
- 8.24 subject to any prior charge made known to the Bank deposit with the Bank and permit the Bank during the continuance of this Debenture to hold and retain the following:
- 8.24.1 all deeds and documents of title relating to all freehold leasehold or other land from time to time belonging to the Company;
- 8.24.2 all stock and share certificates and documents of title relating to the securities charged under this Debenture and such instruments of transfer signed by the Company with the remainder in blank and other documents as the Bank may from time to time require for perfecting its title to such securities (duly executed by or signed on behalf of the registered

holder) or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser;

8.24.3 all assurance policies from time to time effected by the Company on the lives of key officers and employees; and

8.24.4 all such documents relating to the Charged Property as the Bank may from time to time require;

8.25 if required by the Bank procure that each Subsidiary of the Company shall guarantee to the Bank payment of the monies and liabilities and charge all its undertaking property and assets to secure the same in such manner as the Bank may from time to time require;

8.26 immediately notify the Bank in writing of any encumbrance on any Charged Property in which the Company acquires a beneficial interest after the date of this Debenture or any change in its rights arising out of or in connection with Charged Property; and

8.27 immediately notify the Bank in writing of the occurrence of any breach, non-compliance, non-performance, non-observance or default (however described) under any document or agreement under which any of the monies and liabilities arises or which records their terms or of the occurrence of any event which with the lapse of time giving of notice or the making of any determination would or may constitute any such breach non-compliance non-performance non-observance or default (however described).

9. Securities

9.1 Until this Debenture is discharged the Company shall:

9.1.1 at any time after this Debenture has become enforceable at the request of the Bank promptly procure the registration of the transfer of the securities charged under it to the Bank (or its nominees as the Bank may require) the entry of the Bank (or its nominees as the Bank may require) in the register of members of the relevant company as the holder or holders of the securities and the issue of new share certificates in respect of the securities to the Bank (or its nominees as the Bank may require);

9.1.2 upon the accrual, offer, issue or receipt of any additional shares deliver or pay to the Bank or procure the delivery or payment to the Bank of all such additional shares or the stock or share certificates or other documents of title to or representing them, together with such duly executed transfers or assignments with the name of the transferee, date and consideration left blank as the Bank may require;

9.1.3 until the earlier of the date upon which this Debenture has become enforceable or the securities are registered in the name of the Bank (or its nominees) be entitled to:

(a) receive and retain all dividends, interest and other income deriving from and received by it in respect of the securities charged under this Debenture; and

- (b) exercise all voting and other rights and powers attached to such securities if doing so does not adversely affect the securities and if not otherwise inconsistent with the Debenture.

- 9.2 While this Debenture is enforceable, all dividends, interest and other income forming part of the securities charged under it shall, unless otherwise agreed between the Bank and the Company, be paid without any set-off or deduction whatsoever to an interest bearing suspense account in the name of the Bank and shall be retained by the Bank until applied as provided in this Debenture as part of the securities and any such monies which may be received by the Company shall, pending such payment, be held in trust for the Bank.
- 9.3 The Bank shall not have any duty as to any securities and shall incur no liability for any action or inaction it takes in respect to such securities.

10. Application of Monies

At any time before this Debenture is discharged (and whether or not it shall have become enforceable) the Bank may if and whenever and so often as it shall think fit apply the whole or any part of the monies from time to time standing to the credit of the Special Account or any other account of the Company with the Bank in or towards the discharge of all or any of the monies and liabilities and may pay the same to the credit of any other nominated account (including an account opened by the Bank for the purpose) as security for any contingent or future liability of the Company or the Borrower to the Bank.

11. Independence of this Debenture

This Debenture shall be in addition to and independent of every other security including any other negotiable instruments, mortgages, charges, guarantees, indemnities and any other securities whatsoever which the Bank may at any time hold from the Company, the Borrower or any other person, and shall not merge with or otherwise affect such other security or any contractual legal or equitable rights of the Bank.

12. Enforcement

- 12.1 The security created by this Debenture shall become immediately enforceable upon and at any time after the making of a demand upon the Company or the Borrower for payment of all or part of the monies and liabilities or upon any breach, non-compliance, non-performance, non-observance or default (however described) under any document or agreement under which any of the monies and liabilities arises or which records their terms. After the security created by this Debenture has become enforceable, the Bank may in its discretion enforce all or any part of such security in any manner it sees fit.
- 12.2 The powers of sale and other powers conferred by section 101 of the Act shall arise on, and be exercisable at any time after, the date of this Debenture free from the restrictions contained in sections 103 and 109 of the Act (which shall not apply to this Debenture) and at any time thereafter (whether or not any breach, non-compliance, non-performance, non-observance or default (however described) is continuing) or at any time if requested by the Company in writing the Bank may appoint by deed or by writing under hand of a duly authorised officer of the Bank or in the

case of an administrator by notice of appointment in the prescribed form or, in either case, in any other manner permitted by law, any one or more person or persons to be:

12.2.1 a Receiver (which expression shall where the context so admits include any person substituted as Receiver under the power contained in this Debenture) of all or any of the Charged Property; or

12.2.2 an administrator or administrators of the Company,

in each case in accordance with and to the extent permitted by applicable laws and may from time to time by deed or by writing under hand of a duly authorised officer of the Bank (and subject to any requirement for an order of the court in the case of an administrative receiver) remove any person appointed to be the Receiver and may in like manner appoint another in its place.

- 12.3 In addition, to the fullest extent permitted by law, any right, power or discretion conferred by this Debenture (either expressly or impliedly) or by law upon a Receiver of the Charged Property or any of it may after the security created by this Debenture has become enforceable be exercised by the Bank without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 12.4 The consideration for any sale or other disposal of the Charged Property by the Bank or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by the Bank) consist of cash, shares, or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).
- 12.5 No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Bank or any Receiver to exercise any of the powers conferred by this Debenture has arisen or not or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.
- 12.6 The Bank shall not, nor shall the Receiver be liable to, account as mortgagee in possession in respect of all or any of the Charged Property nor be liable for any loss upon realisation or (in the absence of gross negligence or wilful default) for any neglect or default of any nature whatsoever in connection with all or any of the Charged Property for which a mortgagee in possession might as such be liable and all costs charges and expenses incurred by the Bank or the Receiver (including the costs of any proceedings in relation to this Debenture or to the monies and liabilities) shall be paid by the Company on a full indemnity basis.
- 12.7 The powers of leasing, letting, entering into agreements for leases or lettings and accepting and agreeing to accept surrenders of leases conferred by sections 99 and 100 of the Act shall be exercisable by the Bank at any time after the security created by this Debenture has become enforceable and whether or not the Bank shall then be in possession of the premises proposed to be leased, so as to authorise the Bank to make a lease or agreement for lease at a premium and for any length of time and generally without any restriction on the kinds of leases and agreements for lease that the Bank may make and generally without the necessity for the Bank to comply with any restrictions imposed by or the other provisions of sections 99 and 100 of the Act.
- 12.8 Section 93 of the Act shall not apply to this Debenture or to any security given to the Bank pursuant to this Debenture.
- 12.9 The Bank may redeem at any time any encumbrance having priority to the charges created by this Debenture or procure the transfer of such encumbrance to itself and may settle and pass the

accounts of the encumbrancer and any account so settled and passed shall be conclusive and binding on the Company and all monies paid by the Bank to the encumbrancer in accordance with such accounts shall as from such payment be due from the Company to the Bank on current account and shall bear interest and be secured as part of the monies and liabilities.

- 12.10 To the extent that the Charged Property constitutes "**financial collateral**" and this Debenture and the obligations of the Borrower under it constitute a "**security financial collateral arrangement**" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003) each Receiver and the Bank shall have the right after the security created by this Debenture has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the monies and liabilities.
- 12.11 For the purpose of Clause 12.10 above, the value of the financial collateral appropriated shall be such amount as the Receiver or Bank reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

13. Receiver

- 13.1 The power to appoint a Receiver conferred by this Debenture shall be in addition to all statutory and other powers of the Bank under the Act and the power to appoint a receiver conferred by this Debenture or by statute shall be and remain exercisable by the Bank notwithstanding any prior appointment in respect of all or any part of the Charged Property.
- 13.2 The Receiver shall be the agent of the Company and the Company shall be solely responsible for its acts, omissions, defaults and remuneration.
- 13.3 If at any time any two or more persons appointed by the Bank hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all powers and discretions conferred on Receivers by this Debenture individually and to the exclusion of the other or others of them.

14. Powers of the Receiver

Every Receiver shall (subject to any limitations or restrictions expressed in the instrument appointing it) have power in the name of the Company:

- 14.1 to exercise all powers provided for in the Act in the same way as if the Receiver had been duly appointed under the Act and, in the case of a Receiver who is an administrative receiver, in addition the powers conferred by section 29 of and Schedule 1 to the Insolvency Act 1986;
- 14.2 to take possession of collect and get in the Charged Property in respect of which it is appointed or any part of it and for that purpose to make such demands and take any proceedings as it thinks fit;
- 14.3 to carry on manage develop reconstruct amalgamate or diversify or concur in carrying on managing developing reconstructing amalgamating or diversifying the business of the Company;
- 14.4 without the restrictions imposed by section 103 of the Act or the need to observe any of the provisions of sections 99 and 100 of the Act;

- 14.4.1 to sell and assign all or any of the Charged Property in respect of which the Receiver is appointed in such manner and generally on such terms and conditions and for such consideration as it thinks fit,
- 14.4.2 to let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as it thinks fit with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of the Company or otherwise and for that purpose may execute any deed, receipt or other document and so that covenants and contractual obligations may be granted and assumed in the name of and so as to bind the Company (or other estate owner) if the Receiver shall consider it necessary or expedient so to do;
- 14.4.3 plant, machinery, fixtures, fittings and equipment may be severed and sold separately from the premises containing them; and
- 14.4.4 the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Company;
- 14.5 without any further consent by or notice to the Company, to exercise on behalf of the Company all the powers and provisions conferred on a landlord or a tenant by the Landlord and Tenant Acts 1927 to 1988, the Rent Acts 1974 to 1985, the Agricultural Holdings Acts 1986 to 2000 or any other legislation from time to time in force relating to rents or agriculture in respect of any part of the Charged Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;
- 14.6 to make any arrangement or compromise between the Company and any other person including the Bank as it thinks fit;
- 14.7 to make, effect and complete such improvements, development and works of repair to the buildings, land and other tangible Charged Property as it thinks fit and to apply for and obtain any planning or other permissions, approvals, consents or licenses as may be necessary;
- 14.8 to make calls conditionally or unconditionally on the members of the Company in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are by the Articles of Association or other constitutive documents of the Company conferred on its directors in respect of calls authorised to be made by them;
- 14.9 to engage and pay for the services of such lawyers, accountants, valuers, surveyors and other professional advisers (including its own firm) and to appoint managers, officers, employees, contractors and agents for the purposes of exercising any power referred to in this Clause 14 upon on such terms and for such periods as it thinks fit;
- 14.10 if it thinks fit, but without prejudice to the indemnity contained in Clause 17, to effect with any insurer any policy or policies of insurance either in lieu or satisfaction of or in addition to such indemnity;
- 14.11 for any of the purposes authorised by this Clause 14, to raise money by borrowing from the Bank or from any other person on the security of all or any of the Charged Property in respect of which the Receiver is appointed upon such terms (including if the Bank shall consent terms under which such security ranks in priority to all or any of the charges created by this Debenture) as it thinks fit;

- 14.12 to make such elections for value added tax as it thinks fit;
- 14.13 to dispose of any chattels and produce found on the Charged Property as agent for the Company and without prejudice to any obligation to account for the proceeds of any such chattels or produce and the Receiver shall be indemnified by the Company against any liability arising from such disposal;
- 14.14 to do all such other acts and things as it may consider to be incidental or conducive to any of the matters or powers referred to in this Clause 14 or which the Receiver lawfully may or can do as agent for the Company;
- 14.15 to exercise in relation to the Charged Property all powers, authorities and things which it could exercise if it were the absolute beneficial owner of the Charged Property; and
- 14.16 to exercise any of the above powers on behalf of the Company or on its own behalf or in the case of the powers contained in Clause 14.8 on behalf of the directors of the Company.

15. Application of Proceeds

All money received by the Bank or by any Receiver in the exercise of any powers conferred by this Debenture other than insurance proceeds shall, subject to claims having priority to the security created by this Debenture, be applied after the discharge of the remuneration and expenses of the Receiver in or towards satisfaction of such of the monies and liabilities and in such order as the Bank in its absolute discretion may from time to time conclusively determine (save that the Bank may credit the same to a suspense account for so long and in such manner as the Bank may from time to time determine and the Receiver may retain the same for such period as it and the Bank consider expedient).

16. Power of Attorney

The Company by way of security irrevocably appoints the Bank and the persons deriving title under it and separately any Receiver to be its attorney in its name and on its behalf and as its act and deed or otherwise to execute and complete any documents which the Bank may require for perfecting its title to or for vesting the Charged Property both present and future in the Bank or its nominees or in any purchaser and otherwise generally to sign, seal, execute, deliver and otherwise perfect any such legal or other mortgage, charge or assignment referred to in Clause 20 and all such deeds and documents and to do all such acts and things as may be required for the full exercise of the powers conferred by this Debenture including any sale, lease, disposition, realisation or getting in of the Charged Property and including (without prejudice to the generality of the foregoing) the insertion in Schedule 1 of the title number and details of any land now or in the future vested in the Company the title to which is or shall become registered at H.M. Land Registry and the insertion in Schedule 2 of any encumbrances on any such land. The Company covenants with the Bank and separately with any such Receiver to ratify and confirm any deed, document, act and thing and all transactions which any such attorney may lawfully execute or do.

17. Indemnity

- 17.1 The Company agrees as a primary obligor to indemnify the Bank immediately on demand against any loss, cost or liability suffered by the Bank if all or part of the monies and liabilities or any actual or purported agreement, arrangement or instruction relating to all or part of the monies and liabilities or purporting to create or evidence any indebtedness or other liability of the Borrower to the Bank is or becomes invalid, unenforceable or illegal, irrespective of whether the reason for such invalidity, unenforceability or illegality was or ought to have been known to the Bank. The amount of such loss shall be the amount which the Bank would otherwise have been entitled to recover from the Borrower.
- 17.2 The Company agrees on demand by the Bank to indemnify and hold harmless the Bank and the Receiver from and against all actions, claims, losses, expenses, demands and liabilities whether arising out of contract, tort, equity or in any other way incurred or which may at any time be incurred by it or by any manager, agent, officer, employee or contractor for whose liability, act or omission it may be answerable for anything done or omitted to be done in the exercise or purported exercise of their powers under the provisions of this Debenture, but only insofar as the stated liabilities do not arise out of or as a result of the gross negligence or wilful default of the Bank and the Receiver or any such representative of them. The Company shall pay interest on sums demanded under this indemnity.

18. Currency Indemnity

If any payment due from the Company under this Debenture is made or is satisfied in a currency (the "Other Currency") other than the currency in which the relevant payment is due (the "Contractual Currency"), then to the extent that the payment (when converted into the Contractual Currency at the rate of exchange on the date of payment or, in the case of the winding-up, administration or insolvency of the Company, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such winding-up, administration or insolvency) actually received by the Bank falls short of the amount expressed to be due under the terms of this Debenture, the Company shall, as a separate and independent obligation, indemnify the Bank against the amount of such shortfall. For the purpose of this Clause 18, "rate of exchange" means the rate at which the Bank is able on the relevant date to purchase the Contractual Currency with the Other Currency and shall take into account any premium and other costs of exchange.

19. Suspense Account

All monies received recovered or realised by the Bank under this Debenture (including the proceeds of any conversion pursuant to Clause 18) may in the discretion of the Bank be credited to any interest bearing suspense or realisations account and may be held in such account for so long as the Bank may think fit pending the application from time to time of such monies and accrued interest on them in or towards the discharge of any of the monies and liabilities.

20. Further Assurance

- 20.1 The Company shall at any time if and when required by the Bank, at the Company's expense, execute such further legal or other mortgages, fixed or floating charges or assignments in favour of the Bank or such other deeds and documents and do all such other things as the Bank shall from

time to time require in respect of over all or any of the Charged Property both present and future including but not limited to assets specified in any notice converting the floating charge into a fixed charge, all freehold, leasehold and other land present and future, the securities and the book and other debts, revenues and claims of the Company and all rights and remedies relating to them both present and future (including any vendor's lien) to secure the monies and liabilities or to facilitate the realisation of the Charged Property or the exercise of the powers conferred on the Bank or a Receiver appointed by it such further mortgages, charges or assignments to be prepared by or on behalf of the Bank at the cost of the Company and to contain immediate power of sale without notice and a clause excluding section 93 of the Act and the restrictions contained in section 103 of the Act and such other clauses for the benefit of the Bank as the Bank may require.

- 20.2 The Company shall, from time to time on demand of the Bank and at the Company's cost, affix to such items of the Charged Property or endorse or cause to be endorsed on such documents as are referred to in Clauses 8.24 and 20.1 as the Bank shall in each case stipulate, labels, signs or memoranda in such form as the Bank shall require referring or drawing attention to the security constituted by or pursuant to this Debenture.

21. The Company's Accounts

- 21.1 If the Bank receives, or is deemed to be affected by, notice of any subsequent encumbrance or other interest affecting any of the Charged Property and/or the proceeds of sale of any of the Charged Property, the Bank may open a new account for the Company. If the Bank does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Bank will be treated as having been credited to the new account and will not operate to reduce any amount for which this Debenture is security.
- 21.2 The Bank shall be entitled (both before and after demand under this Debenture) to set off the liability of the Company to the Bank under this Debenture against any credit balance on any account of the Company with the Bank in whatever currency (whether current or otherwise or subject to notice or not and wherever located with any branch or Subsidiary of the Bank).
- 21.3 Notwithstanding any term to the contrary in relation to any deposit or credit balance on any account of the Company with the Bank, no such deposit or credit balance shall be repayable by the Bank to the Company until all liability of the Company to the Bank under this Debenture has been discharged.
- 21.4 If the Company has more than one account wherever located with any branch or Subsidiary of the Bank in whatever currency whether current or otherwise and subject to notice or not for the Company, the Bank may at any time, without prior notice to the Company and without discharging or prejudicing or in any other way affecting the obligations and liabilities of the Company under this Debenture, forthwith combine any such account with, or transfer all or any part of any balance outstanding to the credit of any such account to, any other such account whether or not in debit.

22. Discharge

- 22.1 Upon the Company irrevocably and unconditionally paying and duly discharging all the monies and liabilities the Bank shall, in the absence of any express written agreement between the

Company and the Bank to the contrary, at the request and cost of the Company discharge the security created by this Debenture.

22.2 Any settlement, discharge or release between the Company and the Bank shall be conditional upon no security or payment to the Bank by the Company or any other person being avoided or reduced by virtue of any provisions or enactment relating to bankruptcy, administration or liquidation from to time in force. Subject to any limit in the total amount recoverable under the security created by this Debenture, the Bank shall be entitled:

22.2.1 in the event of such avoidance or reduction, to recover the value or amount of any such security or payment from the Company subsequently as if such settlement discharge or release had not occurred; and

22.2.2 to retain any security held by it for the Company's liability until it is satisfied that it will not have to make any repayment under such law.

23. Costs of Execution, Administration and Enforcement

The Company shall on demand pay on a full indemnity basis all costs, charges and expenses in any way incurred by the Bank or any Receiver in relation to the execution, administration, perfection, stamping, registration and enforcement of this Debenture and the security created by it (including the costs of any proceedings in relation to this Debenture or the monies and liabilities) and until so paid shall carry interest from the date of being incurred by the Bank, or as the case may be, the Receiver.

24. Service of Demand

Any demand or notice under this Debenture or any writ or other originating process may be made or given by any manager or officer of the Bank by letter addressed to the Company and delivered to the Company or sent by first class post or fax or other comparable means of communication to or left at the registered address of the Company or to the address last notified in writing to the Bank or in the case of fax the fax number notified to or last known to the Bank and if sent by post shall be deemed to have been made or given at noon London time on the third day after the day the letter was posted and shall be effective notwithstanding that it be undelivered or be returned undelivered and in the case of fax or comparable means of communication during business hours of the Company then on the day of transmission, otherwise on the next following business day. Any communication to be given by the Company under this Debenture shall be in writing and left at or posted to the Bank at the address to which this Debenture was delivered and shall be deemed for the purposes of this Debenture to have been given only upon actual receipt by the Bank.

25. Clawback

If the Bank considers that an amount paid by the Borrower or the Company in respect of the monies and liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

26. Benefit of this Debenture

- 26.1 This Debenture shall bind and enure to the benefit of the Company and the Bank and their respective successors.
- 26.2 The Bank may assign or transfer all or any part of its rights and/or obligations under this Debenture without the consent of the Company. The Company shall enter into any documents specified by the Bank to be necessary to give effect to such assignment or transfer.
- 26.3 The Company may not assign or transfer all or any part of its rights and/or obligations under this Debenture.
- 26.4 The Bank may disclose to a potential assignee or transferee or to any other person who may propose entering into contractual relations with the Bank in relation to this Debenture such information about the Company or the Charged Property as the Bank considers appropriate.

27. Liability of the Company and Bank's protections

- 27.1 The liability of the Company under and the security created by or pursuant to this Debenture in respect of any of the monies and liabilities shall not be reduced, discharged, prejudiced or otherwise adversely affected by:
- 27.1.1 any intermediate payment, settlement of account or discharge in whole or in part of the monies and liabilities;
- 27.1.2 any variation, extension, restatement, replacement discharge, compromise, dealing with, exchange or renewal of any credit or facilities to the Borrower or any right or remedy that the Bank may now or after the date of this Debenture have from or against the Borrower, the Company or any other person in connection with the monies and liabilities;
- 27.1.3 any act or omission by the Bank or any other person in taking up, perfecting or enforcing any security, indemnity, or guarantee from or against the Borrower, the Company or any other person;
- 27.1.4 any termination, amendment, variation, novation, replacement or supplement of or to any of the monies and liabilities including, without limitation, any change in the purpose of, any increase in or extension of the monies and liabilities and any addition of new monies and liabilities;
- 27.1.5 any grant of time, indulgence, waiver or concession to the Borrower, the Company or any other person;
- 27.1.6 any insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, the Company or any other person;

- 27.1.7 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or security held from, the Borrower, the Company or any other person in connection with the monies and liabilities;
- 27.1.8 any claim or enforcement of payment from the Borrower, the Company or any other person;
- 27.1.9 the Bank obtaining or refusing, neglecting or otherwise failing to obtain, perfect, enforce or claim any other guarantee, security or right (whether contemporaneously with this Debenture or otherwise) from or against any person or over any asset 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;
- 27.1.10 the renewal by the Bank of any bill, promissory note or other negotiable instrument or security; or
- 27.1.11 any other act or omission that would not have discharged or affected the liability of the Company had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Company or otherwise reduce or extinguish its liability under this Debenture.
- 27.2 The Company waives any right it may have to require the Bank:
 - 27.2.1 to take any action or obtain judgment in any court against the Borrower or any other person;
 - 27.1.2 to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person; or
 - 27.1.3 to make demand, enforce or seek to enforce any claim, right or remedy against the Borrower or any other person,before taking steps to enforce any of its rights or remedies under this Debenture.
- 27.3 The Company warrants to the Bank that it has not taken or received, and shall not take, exercise or receive the benefit of any Benefits from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Company under this Debenture but:
 - 27.3.1 if any of the Benefits is taken, exercised or received by the Company, those Benefits and all monies at any time received or held in respect of those Benefits shall be held by the Company on trust for the Bank for application in or towards the discharge of the monies and liabilities under this Debenture; and
 - 27.3.2 on demand by the Bank, the Company shall promptly transfer, assign or pay to the Bank all Benefits and all monies from time to time held on trust by the Company under this Clause 27.3.
- 27.4 The Bank may exercise its rights under this Debenture:
 - 27.4.1 before making any demand on the Borrower or the Borrower's estate or any other person or enforcing any other security or any guarantee for the monies and liabilities; and

27.4.2 for the payment of the ultimate balance after resorting to other means of payment, or for the balance due at any time notwithstanding that the Bank has not resorted to other means of payment (in which case the Company shall not be entitled to any benefit from such other means of payment so long as the monies and liabilities remain outstanding).

28. Company held liable as guarantor

28.1 If and to the extent that the Company shall be held liable as a guarantor or shall be deemed to be a guarantor, the Company hereby agrees that the Bank will be entitled:

28.1.1 to institute lawful proceedings for enforcement of the security created by this Debenture and/or collection of the monies and liabilities secured by this Debenture after the Bank shall have demanded payment of the monies and liabilities secured by this Debenture first from the Borrower or at least concurrently from the Borrower and from the Company;

28.1.2 to cease, change, increase, decrease or renew any credit or other banking service that was and/or shall be given to the Borrower, subject to the provisions of other documents that were and/or shall be signed by the Company and/or by the Borrower;

28.1.3 to grant an extension of time or similar discount in connection with payment of the above amounts;

28.1.4 to replace, renew, release, amend, refrain from exercising or enforcing any security or guarantees that the Bank holds or shall hold, whether it received them or shall receive them from the Borrower or from any other person; or

28.1.5 to compromise with the Borrower or with any other person; and

the Company hereby agrees that the taking of any of the said actions by the Bank shall not confer thereon any right to modify or cancel its undertakings vis-à-vis the Bank, all subject to the provisions of Clause 28.3 below.

28.2 No waiver, extension or neglect in receipt or non-receipt of any security and/or guarantee of which the Bank shall have given written notice to the Company prior to the Company's signing of this Debenture and/or expiration and/or release thereof for whatever reason, shall prejudice or derogate from the Company's guarantee, nor be deemed as any violation of a right of the Company, even if it is caused damage due thereto, unless caused as a result of the Bank's negligence, in which case the Company will be exempt from fulfilling its guarantee only up to the amount of the damage caused thereto due to expiration or release of the security or the guarantee, as the case may be.

28.3 If:

28.3.1 the monies and liabilities secured by this Debenture are secured also by a pledge of an asset of the Borrower, the Company shall be entitled to request of the Bank, in advance and in writing at least 30 days before payment of the monies and liabilities secured by this Debenture by the Company, the transfer of the pledge of the said asset of the Borrower in favour of the Company, after the Company fulfils its guarantee according to this Debenture, and after all of the credit that was and/or shall be provided by the Bank to the

Borrower is repaid. If the same does not prejudice the rights of the Bank, then subject to the Bank's prior written consent before payment of the monies and liabilities secured by this Debenture by the Company, the Bank shall take the actions required on its part in order that the transfer shall be valid for all intents and purposes, provided that the drafting of the transfer documents, and all of the reasonable costs entailed by the transfer, apply to and are paid by the Company;

28.3.2 the monies and liabilities secured by this Debenture are secured by a pledge of an asset that does not belong to the Borrower, the provisions of Clause 28.3.1 shall not apply; and

28.4 The Company, having paid the monies and liabilities secured by this Debenture, in whole or in part, will not be entitled to recover from the other guarantors for credit of the Borrower, if any, and/or the Borrower, other than after all of the credit that was and/or shall be provided by the Bank to the Borrower shall have been repaid and subject to the Bank's prior written approval.

29. Miscellaneous

29.1 The rights and remedies of the Bank provided in this Debenture are in addition to and not in substitution for any rights or remedies provided by law, contract or otherwise.

29.2 No failure to exercise, nor any delay in exercising, on the part of the Bank any right or remedy under this Debenture (each a "**right**") shall impair or waive such right, nor shall any single or partial exercise of any right prevent its further or other exercise or the exercise of any other right.

29.3 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, this shall not affect or impair the legality, validity or enforceability of the remaining provisions of this Debenture nor the legality, validity or enforceability of such provision under the law of any other jurisdiction.

29.4 All payments to be made by the Company to the Bank under this Debenture shall be made free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, conditions or restrictions of whatever nature. If the Company is obliged by law to make any such deduction or withholding from any such payment, the amount due from the Company in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Bank receives an amount equal to the amount it would have received had no such deduction or withholding been required to be made.

29.5 A certificate of a manager or officer of the Bank as to the amount for the time being of the monies and liabilities and of any interest and costs shall (apart from obvious mistakes) be for all purposes conclusive against the Company.

29.6 This Debenture will remain the property of the Bank after any release or settlement of the Company's liability to the Bank.

29.7 This Debenture may be executed in any number of counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same agreement.

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

- 29.9 This Debenture shall remain in effect and binding on the Company notwithstanding any amalgamation or merger that may be effected by the Bank with any other company and notwithstanding any reconstruction by the Bank involving the formation of and transfer of the whole or any of its undertakings and assets to a new company and notwithstanding the sale or transfer of all or any part of its undertakings and assets to another company and whether or not the company with which the Bank amalgamates or merges or the company to which it transfers all or part of its undertakings and assets either on a reconstruction or sale or transfer as aforesaid shall differ in its objects, character or constitution from the Bank.
- 29.10 This Debenture may not be varied save by a document signed by or on behalf of the Company and the Bank.
- 29.11 The terms of any agreement relating to the monies and liabilities and of any side letter between the parties to this Debenture are incorporated in this Debenture to the extent required to ensure that any purported disposition or agreement to dispose of the freehold, leasehold or other immovable property contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 29.12 The Company confirms its understanding and acknowledges that the Bank has not and will not offer to provide nor shall it provide the Company with financial advice.

30. Interpretation

- 30.1 Unless the context otherwise requires, any reference in this Debenture to:

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

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

the "**Bank**" includes its successors and assigns;

"**Benefits**" means any security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise;

the "**Borrower**" means Continental Brands Ltd., a company incorporated under the laws of the State of Israel, registered with the Israeli Registrar of Companies under number 516060373 and having its registered address at Hapereg 172, Bnei Re'em, Israel, 7984000;

the "**Company**" includes every person liable under this Debenture and any receiver administrator and liquidator of the Company;

this "**Debenture**" or any other agreement or instrument is a reference to this Debenture or other agreement or instrument as amended, novated, supplemented, extended or restated;

"**guarantee**" means any guarantee, letter of credit, bond, indemnity 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;

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary.

a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality);

"Receiver" means a receiver or receiver and manager or administrative receiver appointed by the Bank under this Debenture or pursuant to any statute;

"Relevant Agreement" means each agreement specified in Schedule 3;

"security" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;

"Subsidiary" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting capital or similar right of ownership and **"control"** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

the singular includes the plural and vice versa and words importing any gender shall include any other gender;

statutory provisions include reference to any modification or re-enactment of those provisions for the time being in force; and

the winding-up, administration or dissolution of a company includes any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or any jurisdiction in which such company carries on business.

30.2 Headings and titles included in this Debenture are for convenience only and do not affect its interpretation.

31. Governing Law and Jurisdiction

31.1 This Debenture shall be governed by English law.

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

31.3 It is agreed that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

31.4 This Clause 31 is for the benefit of the Bank only. As a result, the Bank shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction (including

without limitation the courts of the State of Israel). To the extent allowed by law, the Bank may take concurrent proceedings in any number of jurisdictions.

31.5 The Company hereby irrevocably waives and agrees not to assert, by way of motion, as a defence, or otherwise, in every action or proceeding arising out of or based on this Debenture and brought in any such court, any claim that:

31.5.1 the Company is not subject personally to the jurisdiction of the above named courts;

31.5.2 the Company's property is exempt or immune from attachment or execution;

31.5.3 the action or proceeding is brought in an inconvenient forum; or

31.5.4 the venue of the action or proceeding is improper.

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SCHEDULE 1

Scheduled Properties

Short description of the Property:

Title Numbers:

NA

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SCHEDULE 2

Prior Charges

NA

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SCHEDULE 3

Relevant Agreements

NA

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EXECUTED and delivered as a Deed on the date stated at the beginning of this document.

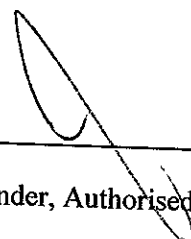
Company

Executed as a Deed

by **UNIQUE PIECES LIMITED**


acting by an authorised signatory

in the presence of:



Eli Hollander, Authorised Signatory

Witness signature:

.....

Witness name:

.....**HANI RUBIN**
BANK MANAGER
RAMAT SIV BRANCH

Witness address:

HASIVIM 2 DETACH TIKVA

.....

.....

Witness occupation:

.....**HANI RUBIN**
BANK MANAGER
RAMAT SIV BRANCH

Ref: ST001 – Debenture.DOC

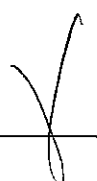

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Bank

Executed as a Deed

for and on behalf of

Mizrahi Tefahot Bank Limited by:



Authorised Signatory

Nir Eikman Nadav Hila

Authorised Signatory