

# MR04

## Statement of satisfaction in full or in part of a charge

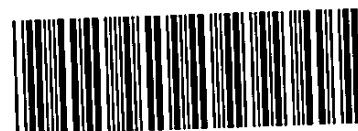


Companies House

You can use the WebFiling service to file this form online.  
Please go to [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

☒ **What this form is for**  
You may use this form to register  
a statement of satisfaction in full  
or in part of a mortgage or charge  
against a company.

☐ **What this form is NOT for**  
You may not use this form to  
register a statement of satisfaction  
in full or in part of a mortgage  
charge against an LLP. Use  
LL MR04.



JNI 03/12/2014 #151  
COMPANIES HOUSE

### 1 Company details

Company number N 1 0 6 0 8 3 2

Company name in full Smyths Toys NI Limited

→ Filing in this form  
Please complete in typescript or in  
bold black capitals.

All fields are mandatory unless  
specified or indicated by \*

### 2 Charge creation

When was the charge created?

- Before 06/04/2013. Complete Part A and Part C
- On or after 06/04/2013. Complete Part B and Part C

Charge 1

## Part A Charges created before 06/04/2013

### A1 Charge creation date

Please give the date of creation of the charge.

Charge creation date 2 7 0 3 2 0 1 2

### A2 Charge number

Please give the charge number. This can be found on the certificate.

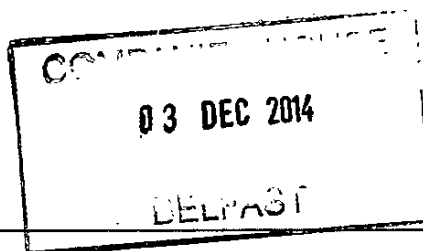
Charge number\* 1

### A3 Description of instrument (if any)

Please give a description of the instrument (if any) by which the charge is  
created or evidenced.

Instrument description Mortgage debenture of Smyths Toys NI Limited in favour of the  
Bank dated 27 March 2012 comprising, inter alia, fixed and floating  
charges over all the assets of Smyths Toys NI Limited

Continuation page  
Please use a continuation page if  
you need to enter more details.



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Statement of satisfaction in full or in part of a charge

**A4**

**Short particulars of the property or undertaking charged**

Please give the short particulars of the property or undertaking charged.

Short particulars

See attached.

**Continuation page**

Please use a continuation page if you need to enter more details.

**Part B**

**Charges created on or after 06/04/2013**

**B1**

**Charge code**

Please give the charge code. This can be found on the certificate.

Charge code ①

-     -

**① Charge code**

This is the unique reference code allocated by the registrar.

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Statement of satisfaction in full or in part of a charge

**Part C To be completed for all charges****C1 Satisfaction**

I confirm that the debt for the charge as described has been paid or satisfied.  
Please tick the appropriate box.

☒ In full  
☐ In part

**C2 Details of the person delivering this statement and their interest in the charge**

Please give the name of the person delivering this statement

Name Smyths Toys NI Limited

Please give the address of the person delivering this statement

Building name/number C/O Johnston Kennedy DFK

Street 10 Pilots View

Post town Belfast

County/Region Co. Antrim

Postcode B T 3 9 L E

Please give the person's interest in the charge (e.g. chargor/chargee etc).

Person's interest in the charge Chargee

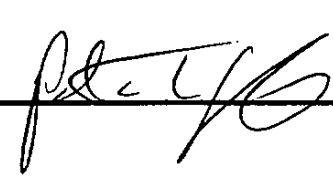
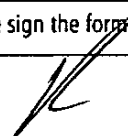
**C3 Signature**

Please sign the form here.

Signature

Signature

X



X

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Statement of satisfaction in full or in part of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Richard Windrum**

Company name **PricewaterhouseCoopers**

Address **One Spencer Dock**

**North Wall Quay**

Post town **Dublin 1**

County/Region

Postcode

Country **Ireland**

DX

Telephone **00353 1792 6000**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.

**Part A Charges created before 06/04/2013**

- ☐ You have given the charge date.  
☐ You have given the charge number (if appropriate)  
☐ You have completed the Description of instrument and Short particulars in Sections A3 and A4.

- ☐ **Part B Charges created on or after 06/04/2013**  
 You have given the charge code.

**Part C To be completed for all charges**

- ☐ You have ticked the appropriate box in Section C1.  
 You have given the details of the person delivering this statement in Section C2.  
☐ You have signed the form.

**Important information**

Please note that all information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

**For companies registered in England and Wales:**  
 The Registrar of Companies, Companies House,  
 Crown Way, Cardiff, Wales, CF14 3UZ.  
 DX 33050 Cardiff.

**For companies registered in Scotland:**  
 The Registrar of Companies, Companies House,  
 Fourth floor, Edinburgh Quay 2,  
 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
 DX ED235 Edinburgh 1  
 or LP - 4 Edinburgh 2 (Legal Post).

**For companies registered in Northern Ireland:**  
 The Registrar of Companies, Companies House,  
 Second Floor, The Linenhall, 32-38 Linenhall Street,  
 Belfast, Northern Ireland, BT2 8BG.  
 DX 481 N.R. Belfast 1.

**Further information**

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

## Short particulars of all the property mortgaged or charged

	Please give the short particulars of the property mortgaged or charged.	Continuation page Please use a continuation page if you need to enter more details.
Short particulars	<p>The Company:</p> <p>(1) Charges by way of first fixed charge all freehold and leasehold property of the Company (other than land in Scotland) both present and future together with all buildings, fixtures (including trade fixtures), fixed plant and machinery from time to time thereon (other than future freehold and leasehold property acquired by the Company subject to an existing fixed charge in which case the charge shall be a subsequent fixed charge) and all liens, charges, options, agreements, rights and interest in or over land both present and future vested in the Company or to which the Company may be entitled.</p> <p>(2) Charges by way of first fixed charge all plant, machinery and other chattels now or hereafter owned by it, and its interest in all plant, machinery and other chattels held by it under any lease, licence, hire or rental contract or other arrangement (excluding any forming part of its stock in trade or work in progress) together with the benefit of all hiring, leasing or rental contracts in respect of any such plant, machinery or chattels hired, leased or rented by it to any other person, and any guarantees, indemnities and Security (as defined in the Debenture and referred to in section 4 above) for the performance of such person's obligations now or hereafter held or enjoyed by it in relation thereto.</p> <p>(3) Charges by way of first fixed charge all monies, whether principal or interest, accrued or accruing, now or at any time hereafter deposited in or otherwise standing to the credit of each Account (as defined in the Debenture and referred to below) and any other present or future account of the Company with the Bank or any other bank, financial institution or other person, the debts thereby represented, and all other rights and benefits in connection therewith.</p> <p>(4) Charges by way of first fixed charge (except to the extent the subject of a valid fixed security under any other provision of the Debenture), all rental income together with the benefit of all guarantees, indemnities, security and other rights of any nature now or hereafter held or enjoyed by it in relation thereto.</p> <p>(5) Charges by way of first fixed charge all book and other debts and monetary claims both present and future (including bank deposits and credit balances) due or owing to the Company and the full benefit of all rights relating thereto including (without limitation) all guarantees and securities therefor, indemnities in respect thereof, negotiable instruments, legal and equitable charges, reservation of proprietary rights, rights of tracing and unpaid vendors' liens and other rights enabling the Company to enforce any such debts or claims.</p> <p>(6) Charges by way of first fixed charge:</p> <p>(i) all stocks, shares, securities and other interests which are now or may at any time hereafter be owned by the Company or in which the Company may otherwise be interested including (without limitation) loan capital, indebtedness or liabilities on any account or in any manner owing to the Company both present and future by any Company which now is or may hereafter become a subsidiary of the Company;</p> <p>(ii) the full benefit of all stocks, shares and securities which, or the certificates of which, are now or may at any time hereafter be lodged with the Bank or held by the Bank or its agents or transferred to or registered in the name of the Bank or its agents or their respective nominees;</p> <p>(iii) all rights in respect of or incidental to the Charged Property as described in the Debenture and referred to at 6(i) and 6(ii) above (the Secured Assets described in the Debenture and referred to at 6(i), 6(ii) and 6(iii) above being called "the Securities"); and</p> <p>(iv) all stocks, shares, securities, rights, moneys or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise to or in respect of any of the Securities (as referred to above) including all dividends, interest and other income payable in connection therewith (the Secured Assets described in the Debenture and referred to at 6(i) to 6(iv) above).</p> <p>(7) Charges by way of first fixed charge:</p> <p>(i) the benefit of all statutory or regulatory licences, permissions, consents or authorisations held by it in connection with its business or the use of any Security Asset and any right to payment of compensation thereunder;</p> <p>(ii) all sums, realised or recovered by any liquidator or administrator of the Company pursuant to Part VI of the Insolvency (Northern Ireland) Order 1989;</p>	

(iii) all trade names, brand names, registered and unregistered trade or service marks to which the Company is or may hereafter become entitled and all copyrights, patents, inventions and fees, royalties and other rights of every kind deriving from copyrights, patents or inventions now or at any time hereafter belonging to the Company;

(iv) its goodwill; and

(v) its uncalled capital.

(8) Assigns absolutely by way of assignment of security, the benefit of and its whole present and future rights and claims under or in respect of all Insurances including without limitation, all rights to submit, negotiate and settle claims, and all monies now or hereafter payable thereunder, including return of premiums.

(9) Assigns absolutely by way of assignment, all Rental Income, and the benefit of all guarantees, indemnities and security now or hereafter held or enjoyed by it in relation thereto.

(10) Assigns absolutely by way of assignment, the benefit of and its whole present and future rights under the any hedging agreements.

(11) Charges by way of first floating charge, its whole undertaking, property, rights and assets, present and future, except to the extent they are effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under or pursuant to the Debenture (including any such property rights or assets comprised in a charge which is reconverted under Clause 4.5 of the Debenture (which states that where a floating charge has crystallised in accordance with the terms of the Debenture, it may be reconverted into a floating charge by written notice given at any time by the Bank to the Company, in respect of the Security Assets specified in such notice), or any other mortgage, fixed charge or assignment in favour of the Bank.

(12) The Company shall not create or permit to subsist any Security on any of its Security Assets other than Permitted Security.

(13) The Bank may at any time by written notice to the Company convert the floating charge created by the Debenture and referred to at paragraph (11) above into a fixed charge as regards all or any part of the Floating Charge Assets (as defined in the Debenture and referred to below) specified in such notice (and if no Floating Charge Assets are so specified, such notice shall take effect in respect of all the Floating Charge Assets):

(i) if the Bank considers such Floating Charge Assets to be in danger of being seized or sold under any distress, attachment, execution, diligence or other process levied or threatened, or otherwise to be in jeopardy and whether or not an Enforcement Event (as defined in the Debenture and referred to below) has occurred; or

(ii) upon the occurrence of an Enforcement Event.

(14) If, without the Bank's prior written consent:

(i) any Floating Charge Assets are made or become subject to any Security other than Permitted Security;

(ii) any person levies any distress, attachment, execution, diligence or other process against any Floating Charge Assets, or threatens or takes any steps to do so;

(iii) the Company disposes of any Floating Charge Assets otherwise than by way of sale in the ordinary course of its business for market value on an arms length basis and for consideration payable in cash on normal commercial terms or threatens or takes any steps to do so; or

(iv) an administrator is appointed to the Company or the Bank receives notice of intention to appoint an administrator,

then the floating charge created by the Debenture and referred to at paragraph (11) shall automatically and immediately, without any requirement for notice, be converted into a fixed charge in respect of such Floating Charge Assets.

"Account" means any account in the name of the Company held with the Account Bank (as defined in the Debenture and referred to below), and as at the date of the Debenture includes the Accounts more particularly described in Part 1 of Schedule 4 of the Debenture and referred to below.

"Account Bank" means the Bank or any other bank appointed by the Company and approved by the Bank.

"Enforcement Event" means any of the following events:

(a) a failure by the Company to pay or discharge any of the Secured Obligations when the same ought to be paid or discharged; or

(b) any event by virtue of which any of the Secured Obligations becomes due to be paid or discharged before the date on which it would otherwise be due to be paid or discharged.

**"Floating Charge Assets"** means any Security Asset which for the time being is the subject of the floating charge created by the Debenture and referred to at paragraph (11) above.

**"Insurances"** means all policies or contracts of insurance or assurance now or hereafter effected by the Company or on its behalf or in which it may have an interest.

**"Mortgaged Properties"** means all freehold or leasehold properties from time to time forming part of the Security Assets and includes the Specified Properties;

**"Occupational Lease"** means any occupational lease or licence or other right of occupation to which the Mortgaged Properties may be subject from time to time.

**"Occupational Tenant"** means a tenant, licensee or other occupier under any Occupational Lease.

**"Permitted Security"** shall have the meaning ascribed to it in the Facility Agreement.

**"Rental Income"** means the aggregate of all amounts payable to or for the benefit or account of the Company in connection with the letting or licensing of the Mortgaged Properties or any part of them, including (but not limited to):

(i) rent and/or licence fees (and any amount equivalent to it) payable whether variable or not and however or whenever described, reserved or made payable;

(b) sums received by the Company from any deposit held as security for performance of any tenant's obligations;

(c) any other moneys payable in respect of occupation and/or usage of the Property and every fixture and fitting in it and any and every fixture on it for display or advertisement, on licence or otherwise;

(d) any profits, damages, compensation, settlement or expenses for or representing loss of rent or interest on them awarded or agreed to be payable as a result of any proceedings taken or claim made for the same net of any costs, fees and expenses paid (and which have not been reimbursed to, and which are not recoverable by, the Company from any party) in furtherance of such proceedings so taken or claim so made;

(e) any moneys payable under any policy of insurance in respect of loss of rent or interest thereon;

(f) any sum payable or the value of any consideration to be given by or on behalf of any Occupational Tenant for the surrender or variation of any Occupational Lease;

(g) any sum payable by any guarantor of any Occupational Tenant; and

(h) any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same.

**"Security Assets"** means all or any part of or interest in the undertaking, property, rights and assets of the Company which now or at any time hereafter are or are expressed to be the subject of any Security created or purported to be created by or pursuant to the Debenture.

**"Specified Properties"** means the freehold or leasehold properties specified in Schedule 1 of the Debenture and referred to below.

#### SCHEDULE 1

None specified

#### SCHEDULE 4

##### Part 1: Accounts

None specified

# Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page  
Please use a continuation page if  
you need to enter more details

Short particulars

## Definitions

**"Account Bank"** means Allied Irish Banks plc or any other bank appointed by the Chargor and approved by the Bank,

**"Accounts"** means any account in the name of the Chargor held with the Account Bank, and as at the date of the Debenture includes the Accounts more particularly described in Part 1 of Schedule 4 of the Debenture,

**"Ancillary Rights"** means the benefit of all covenants, leases, tenancies, agreements, licences, rights, conditions or encumbrances relating to the Mortgaged Properties and all monies paid or payable thereunder,

**"Enforcement Event"** means any of the following events

- (a) a failure by the Obligors or any of them to pay or discharge any of the Secured Obligations when the same ought to be paid or discharged, or
- (b) any event by virtue of which any of the Secured Obligations becomes due to be paid or discharged before the date on which it would otherwise be due to be paid or discharged,

**"Facility Agreement"** means the Irish law governed facility agreement dated on or about the date hereof (as amended or replaced from time to time) between Smyths Toys HQ and the Bank in relation to a multi-option overdraft, documentary letter of credit facility on the terms set out therein (each defined term as defined within the Facility Agreement),

**"Fixtures"** means all fixtures and fittings and fixed plant and machinery from time to time in and upon the Mortgaged Properties,

**"Floating Charge Asset"** means any Security Asset which for the time being is the subject of the floating charge created by Clause 2 (*Floating Charge*),

**"Insurances"** means all policies or contracts of insurance or assurance now or hereafter effected by the Chargor or on its behalf or in which it may have an interest,

**"Mortgaged Properties"** means all freehold or leasehold properties from time to time forming part of the Security Assets and includes the Specified Properties,

**"Obligor"** shall have the meaning ascribed to it in the Facility Agreement,

**"Occupational Lease"** means any occupational lease or licence or other right of occupation to which the Mortgaged Properties may be subject from time to time,

**"Occupational Tenant"** means a tenant, licensee or other occupier under any Occupational Lease,

**"Pan Passu Agreement"** means the pan passu agreement dated on or about the date hereof (as amended or replaced from time to time) and entered into by the Bank, Barclays Bank Ireland Plc, Smyths Toys, Smyths Toys HQ, Smyths Toys NI, the Parent (each of the Parent, Smyths Toys, Smyths Toys HQ and Smyths Toys NI Limited as defined in the Debenture) and the Chargor and any other member of the Group, together with all agreements or other instruments supplemental thereto,

**"Permitted Security"** shall have the meaning ascribed to it in the Facility Agreement,

**"Premises"** means all buildings and erections from time to time forming part of the Mortgaged Properties,

**"Rental Income"** means the aggregate of all amounts payable to or for the benefit or account of the Chargor in connection with the letting or licensing of the Mortgaged Properties or any part of them, including (but not limited to)

- (a) rent and/or licence fees (and any amount equivalent to it) payable whether variable or not and however or whenever described, reserved or made payable,
- (b) sums received by the Chargor from any deposit held as security for performance of any tenant's obligations,
- (c) any other moneys payable in respect of occupation and/or usage of the Property and every fixture and fitting in it and any and every fixture on it for display or advertisement, on licence or otherwise,
- (d) any profits, damages, compensation, settlement or expenses for or representing loss of rent or interest on them awarded or agreed to be payable as a result of any proceedings taken or claim made for the same net of any costs, fees and expenses paid (and which have not been reimbursed to, and which are not recoverable by, the Chargor from any party) in furtherance of such proceedings so taken or claim so made,
- (e) any moneys payable under any policy of insurance in respect of loss of rent or interest thereon,
- (f) any sum payable or the value of any consideration to be given by or on behalf of any Occupational Tenant for the surrender or variation of any Occupational Lease,
- (g) any sum payable by any guarantor of any Occupational Tenant, and

any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same,



"Secured Obligations" means all or any monies, liabilities and obligations, whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise, which are now or may at any time hereafter (whether before or at any time after demand) be or become due in any manner by the Obligors to the Bank including interest, discount, commission and all lawful charges or expenses which the Bank may in the course of its business charge or incur in respect of any of those matters or for keeping any account of any Obligor and so that the interest shall be computed and compounded according to the usual rate and practice of the Bank as well as after as before any demand made or decree or judgement obtained under the Debenture or the Security, and all or any monies, liabilities and obligations due to the Bank under the Debenture,

"Security" shall have the meaning ascribed to it in the Facility Agreement,

"Security Assets" means all or any part of or interest in the undertaking, property, rights and assets of the Chargor which now or at any time hereafter are or are expressed to be the subject of any Security created or purported to be created by or pursuant to the Debenture,

"Specified Properties" means the freehold or leasehold properties specified in Part 1 of Schedule 1 of the Debenture

## **FIXED SECURITY**

In security for the payment and discharge of the Secured Obligations, the Chargor, with full title guarantee, creates the fixed Security set out in the following provisions of this Clause in favour of the Bank

### **Mortgages and charges**

#### **Land**

The Chargor charges

- (a) by way of first legal mortgage, all estates and interests in the Specified Properties and all other freehold or leasehold properties now or hereafter belonging to it together with the Premises and the Fixtures on and in them, and the Ancillary Rights pertaining to them,
- (b) by way of first legal charge (to the extent not effectively mortgaged under paragraph (a) above, or any other present or future mortgage in favour of the Bank), all estates and interests in all freehold or leasehold properties now or hereafter belonging to it together with the Premises and the Fixtures on and in them and the Ancillary Rights pertaining to them

#### **Plant, machinery and chattels**

The Chargor charges by way of first fixed charge, all plant, machinery and other chattels now or hereafter owned by it, and its interest in all plant, machinery and other chattels held by it under any lease, licence, hire or rental contract or other arrangement (excluding any forming part of its stock in trade or work in progress) together with the benefit of all hiring, leasing or rental contracts in respect of any such plant, machinery or chattels hired, leased or rented by it to any other person, and any guarantees, indemnities and Security for the performance of such person's obligations now or hereafter held or enjoyed by it in relation thereto

#### **Credit balances**

The Chargor charges by way of first fixed charge, all monies, whether principal or interest, accrued or accruing, now or at any time hereafter deposited in or otherwise standing to the credit of each Account and any other present or future account of the Chargor with the Bank or any other bank, financial institution or other person, the debts thereby represented, and all other rights and benefits in connection therewith

#### **Rental Income**

The Chargor charges by way of first fixed charge (except to the extent the subject of a valid fixed Security under any other provision of the Debenture), all Rental Income together with the benefit of all guarantees, indemnities, Security and other rights of any nature now or hereafter held or enjoyed by it in relation thereto

#### **Book Debts**

The Chargor charges by way of first fixed charge all book and other debts and monetary claims both present and future (including bank deposits and credit balances) due or owing to the Chargor and the full benefit of all rights relating thereto including (without limitation)

all guarantees and securities therefor, indemnities in respect thereof, negotiable instruments, legal and equitable charges, reservation of proprietary rights, rights of tracing and unpaid vendors' liens and other rights enabling the Chargor to enforce any such debts or claims,

#### **Stocks & Shares**

The Chargor charges by way of first fixed charge

- (i) all stocks, shares, securities and other interests which are now or may at any time hereafter be owned by the Chargor or in which the Chargor may otherwise be interested including (without limitation) loan capital, indebtedness or liabilities on any account or in any manner owing to the Chargor both present and future by any company which now is or may hereafter become a subsidiary of the Chargor,

- (ii) the full benefit of all stocks, shares and securities which, or the certificates of which, are now or may at any time hereafter be lodged with the Bank or held by the Bank or its agents or transferred to or registered in the name of the Bank or its agents or their respective nominees,
- (iii) all rights in respect of or incidental to the Charged Property described at (i) and (ii) above (the Secured Assets described at (i) to (iii) herein being hereinafter called "the Securities"), and
- (iv) all stocks, shares, securities, rights, moneys or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise to or in respect of any of the Securities including all dividends, interest and other income payable in connection therewith (the Secured Assets described at (i) to (iv))

#### 1 1 7 Miscellaneous

The Chargor charges by way of first fixed charge

- (a) the benefit of all statutory or regulatory licences, permissions, consents or authorisations held by it in connection with its business or the use of any Security Asset and any right to payment of compensation thereunder,
- (b) all sums, realised or recovered by any liquidator or administrator of the Chargor pursuant to Part VI of the Insolvency Act 1986,
- (c) all trade names, brand names, registered and unregistered trade or service marks to which the Chargor is or may hereafter become entitled and all copyrights, patents, inventions and fees, royalties and other rights of every kind deriving from copyrights, patents or inventions now or at any time hereafter belonging to the Chargor,
- (d) its goodwill, and
- (e) its uncalled capital

#### 1 2 Assignments

##### 1 2 1 Insurances

The Chargor assigns absolutely by way of security, the benefit of and its whole present and future rights and claims under or in respect of all Insurances including without limitation, all rights to submit, negotiate and settle claims, and all monies now or hereafter payable thereunder, including return of premiums

##### 1 2 2 Rental Income

The Chargor assigns absolutely by way of security, all Rental Income, and the benefit of all guarantees, indemnities and Security now or hereafter held or enjoyed by it in relation thereto

##### 1 2 3 Hedging Agreements

The Chargor assigns absolutely by way of security, the benefit of and its whole present and future rights under any hedging arrangements

### 2 FLOATING CHARGE

#### 2 1 Charge

In security for the payment and discharge of the Secured Obligations, the Chargor with full title guarantee charges by way of first floating charge, its whole undertaking, property, rights and assets, present and future, except to the extent they are effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under or pursuant to the Debenture (including any such property rights or assets comprised in a charge which is reconverted under Clause 2 5 (Reconversion)), or any other mortgage, fixed charge or assignment in favour of the Bank

#### 2 2 Crystallisation by notice

The Bank may at any time by written notice to the Chargor convert the floating charge created by Clause 2 1 (Charge) into a fixed charge as regards all or any part of the Floating Charge Assets specified in such notice (and if no Floating Charge Assets are so specified, such notice shall take effect in respect of all the Floating Charge Assets)

- (a) if the Bank considers such Floating Charge Assets to be in danger of being seized or sold under any distress, attachment, execution, diligence or other process levied or threatened, or otherwise to be in jeopardy and whether or not an Enforcement Event has occurred, or
- (b) upon the occurrence of an Enforcement Event

#### 2 3 Automatic crystallisation

If, without the Bank's prior written consent

- (a) any Floating Charge Assets are made or become subject to any Security other than Permitted Security,
- (b) any person levies any distress, attachment, execution, diligence or other process against any Floating Charge Assets, or threatens or takes any steps to do so,
- (c) the Chargor disposes of any Floating Charge Assets otherwise than by way of sale in the ordinary course of its business for market value on an arms length basis and for consideration payable in cash on normal commercial terms or threatens or takes any steps to do so, or

- (d) an administrator is appointed to the Chargor or the Bank receives notice of intention to appoint an administrator,

then the floating charge created by Clause 2 1 (*Charge*) shall automatically and immediately, without any requirement for notice, be converted into a fixed charge in respect of such Floating Charge Assets

#### **2 4 Future Floating Charge Assets**

Save as otherwise stated in any notice given under Clause 2 2 (*Crystallisation by notice*) or, unless such notice extends to all the Floating Charge Assets, any prospective Floating Charge Assets acquired by the Chargor after crystallisation has occurred under Clause 2 2 (*Crystallisation by notice*) or Clause 2 3 (*Automatic crystallisation*) shall become subject to the floating charge created by Clause 2 1 (*Charge*), so that such crystallisation shall be effective only as regards the Floating

Charge Assets in existence at the date of crystallisation

#### **2 5 Reconversion**

Where the floating charge created by Clause 2 1 (*Charge*) has crystallised under Clause 2 2 (*Crystallisation by notice*) or Clause 2 3 (*Automatic crystallisation*), it may be reconverted into a floating charge by written notice given at any time by the Bank to the Chargor, in respect of the Security Assets specified in such notice

#### **2 6 Priority**

2 6 1 Any present or future fixed Security created by the Chargor in favour of the Bank under or pursuant to this Deed, or otherwise, shall, save as the Bank may otherwise agree in writing at or after the time of its creation, rank and have priority before the floating charge created by Clause 2 1 (*Charge*)

2 6 2 Any Security created by the Chargor after the date of this Deed (except any Security in favour of the Bank) shall be expressed to be subject to this Deed and the Security, and shall rank and, subject to the terms of the Pan Passu Agreement, have priority after the Security

### **3 NEGATIVE PLEDGE**

The Chargor shall not create or permit to subsist and security on any of its Security Assets other than the Permitted Security

### **4 TACKING**

The Bank may, but shall not be obliged to, perform any obligation to make further advances to the Chargor under the Facility Agreement