

MR01

Particulars of a charge

COMPANIES HOUSE
FEE PAID
BELFAST



Companies House

A fee is payable with this form.
Please see 'How to pay' on the
last page.

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☐ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.companieshouse.gov.uk

Charge 0001

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by
court order extending the time for delivery.



You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. Do not send the original.

TUESDAY



J549QJJV

JNI

05/04/2016

#112

COMPANIES HOUSE

1 Company details

Company number N 1 6 2 8 5 8 5

Company name in full HSPORTS LIMITED

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

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 2 0 3 2 0 1 6

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name SPORTSDIRECT.COM RETAIL LIMITED

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

05 APR 2016

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Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

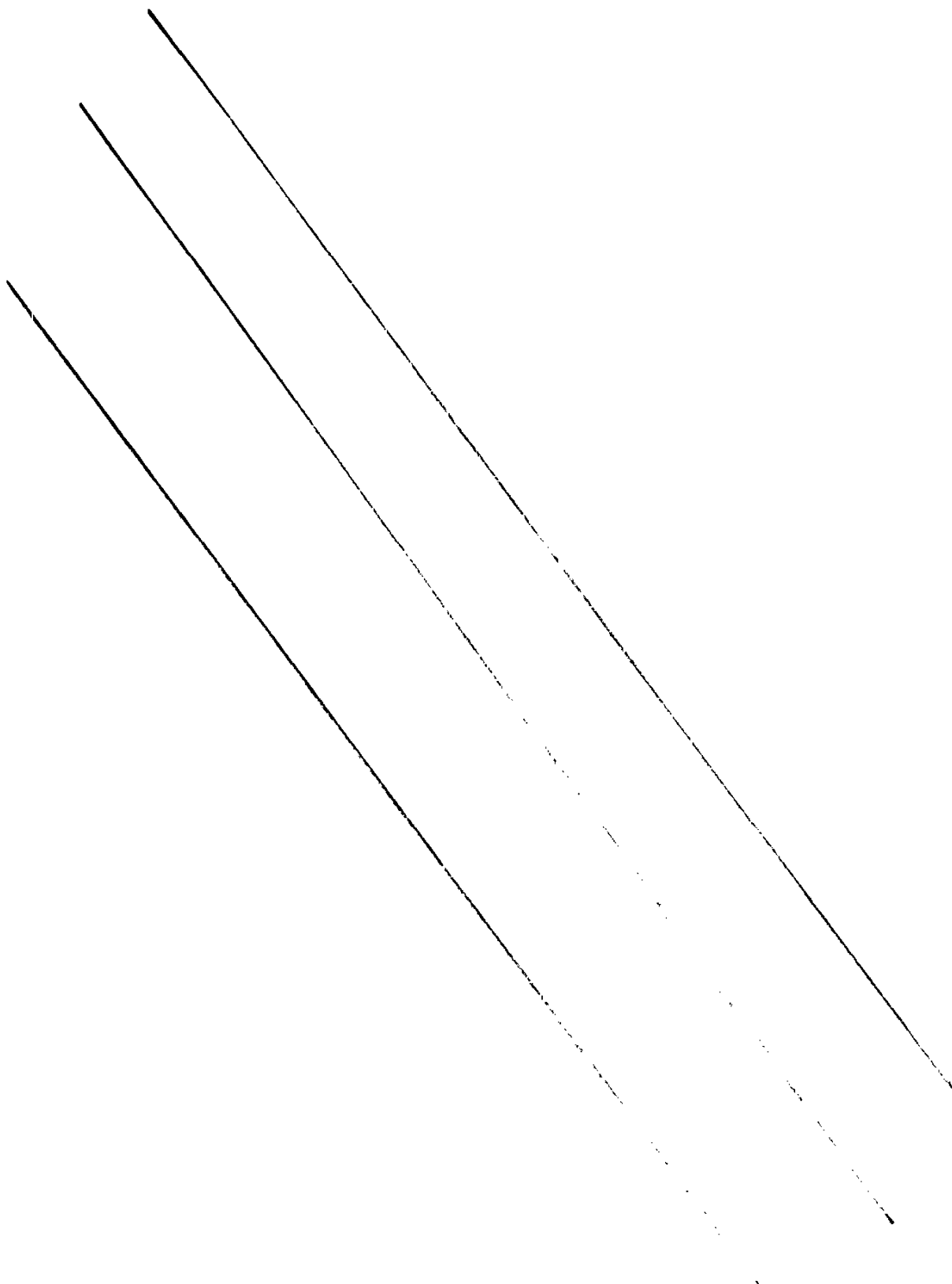
Signature

Signature

X *Shirley McQuinn* X
Canon McQuinn LLP

This form must be signed by a person with an interest in the charge.

TENTH SCHEDULE (Share Deliverables).....	60
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THIS DEBENTURE is dated 22 of March 2016

BETWEEN:

- (1) **HSPORTS LIMITED** a limited company incorporated in Northern Ireland (registered number NI628585) and registered address at A & L Goodbody Northern Ireland, 42-46 Fountain Street, Belfast, BT1 5EF (the "**Company**"); and
- (2) **SPORTSDIRECT.COM RETAIL LIMITED**, (registered number 03406347) having its registered office at Unit A, Brook Park East, Shirebrook, NG20 8RY, England (the "**Lender**").

RECITALS:

- (A) The Lender will make advances or will give loans or credit to Heatons (registered number 11229), the parent company of the Company, pursuant to a loan facility agreement dated on or about the date hereof as may be amended, varied, supplemented, or restated from time to time (the "**Facility Agreement**") in consideration of which the Company has agreed to grant security provided for under this deed (this "**Debenture**").
- (B) The Company is now, or may from time to time after the date of this Debenture become, indebted whether as principal, surety or otherwise to the Lender. It has been agreed between the Company and the Lender that all such indebtedness shall be secured, inter alia, by the Security
- (C) The Board of Directors of the Company is satisfied that it is in the best interests and for the benefit of the Company to enter into this Debenture.

THIS DEBENTURE WITNESSES as follows:

1. Definitions and Interpretation

- 1.1 In this Debenture (including the Recitals), the following terms and expressions shall, unless the context otherwise requires, have the following meanings:

"**1911 Act**" means the Conveyancing Act 1911;

"**Accounts**" means:

- (a) each other account specified in the Sixth Schedule; and
- (b) all other current, deposit or other accounts with any bank or financial institution in which the Company now or in the future has an interest (including any Special Account),

and, in each case, all monies now or at any time hereafter standing to the credit thereof and all entitlements to interest and other rights and benefits accruing or arising in connection with any such accounts or monies;

"**Account Bank**" means any bank or financial institution (other than the Lender) with which the Company maintains an Account;

"**Act**" means the Conveyancing and Law of Property Act 1881 (as amended);

"**Ancillary Rights**" means all covenants, agreements, charges, indentures, acknowledgements, undertakings, warranties, bonds, guarantees, indemnities, encumbrances

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and Authorisations (statutory or otherwise) held by the Company (or in respect of which the Company has the benefit) in connection with the use or the development of the Real Property including the full benefit of:

- (a) any covenant, agreement or undertaking for road making or the provision of services or for the payment of road charges or expenses incurred with or in connection with the provision of services or the like in respect of the Real Property and any indemnity against payment of any such charges or expenses;
- (b) any and every licence, warranty, covenant, agreement, guarantee or indemnity in respect of the construction, repair and maintenance of the Real Property or any property enjoyed in the Real Property the benefit of which is enjoyed by the Company;
- (c) any other covenant, agreement, undertaking, charge, right, remedy, indemnity, warranties or representations in relation to the Real Property;
- (d) any lease, tenancy or licence of all or any part of the Real Property including any guarantees or indemnities, security deposits or other security available to the Company in respect of any such leases or occupational leases and any licences or consents to assign or otherwise in relation to such leases, tenancies and licences and any rent payable thereout or charge thereon and any service charges, management charges, fines, insurance and other premiums and any other monies payable out of any lease, tenancy or licence (including all occupational tenancies) of any part of the Real Property, whether such lease, tenancy or licence or occupational tenancy is created prior to or subject to this Debenture;

"Authorisation" means an authorisation, consent, approval, resolution, permission, licence, exemption, filing, notarisation or registration;

"Claims" means all book and other debts and monetary claims constituting a part of or deriving from the Secured Assets;

"Companies Act" means the Companies Act 2006;

"Compensation Rights" all rights of the Company to be paid or receive compensation under any statute or enactment by reason of any compulsory acquisition or other exercise of compulsory or similar powers in relation to all or any part of the Real Property by any local or other authority or government agency or body or any refusal, withdrawal or modification of any planning permission or approval relative thereto or any control or limitation imposed upon or affecting the use of all or any part of the Real Property;

"Contract Party" means each party to a Material Contract other than the Company;

"Criminal Damage Compensation Claim" means a claim pursuant to the provisions of the Criminal Damage (Compensation) (Northern Ireland) Order 1977;

"Criminal Damage Compensation" means compensation payable pursuant to the provisions of the Criminal Damage (Compensation) (Northern Ireland) Order 1977;

"Default Rate" means the rate per annum determined by the Lender from time to time to be two per cent over the rate at which overnight or call deposits (or deposits for periods of such duration as the Lender may from time to time designate but having regard to the likely duration of the non-payment) in the relevant currency are offered to the Lender in the relevant inter-bank market for the currency in question at or about 11 a.m. in the relevant

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centre of the relevant inter-bank market on the business day immediately following the due date, the rate to be re-calculated on the same basis at the end of each such period until the sum in question is received by the Lender;

"Delegate" means any delegate, agent, manager, attorney or co-trustee appointed by the Lender or any Receiver;

"Environment" means the environment generally including all of its physical and ecological aspects including:

- (a) land including the sea bed and any natural or man-made structures;
- (b) water including rivers, lakes (man-made or natural), canals, the ocean (whether within or without territorial waters), ground waters and waters in drains and sewers; and
- (c) air including air within buildings and other natural and man-made structures above or below ground;

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law;

"Environmental Law" means any applicable law which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste;

"Environmental Permits" mean all and any permits, certificates, qualifications, specifications and other Authorisations including any conditions which attach to any of the foregoing and the filing of all notifications, reports and assessments required under Environmental Law for the operation of any business from or using any of the Secured Assets or the occupation or use of all or any of the freehold, leasehold or immovable property of the Company;

"Event of Default" means the occurrence of any of the following events:

- (a) any event, howsoever described, specified in this Debenture or in any other document or arrangement from time to time entered into by the Company and the Lender as an event upon the occurrence of which the Lender becomes entitled to call for early repayment of all or any part of the Secured Obligations or to call for the provision of full or partial cash collateral in respect of any of the Secured Obligations which are at such time contingent;
- (b) any failure by the Company to pay or repay on demand all or any part of the Secured Obligations which are so payable;
- (c) a breach by the Company of any of the terms and conditions of this Debenture or of any facility from the Lender or agreement with the Lender;
- (d) any statement, covenant, undertaking, representation or warranty from time to time given or made (or deemed to be given or made) to the Lender by the Company is or

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- (b) any letter of credit or bond or other documentary credit issued in the Company's favour; and
 - (c) any bill of exchange or other negotiable instrument held by the Company,
- but excluding any Material Contract;

"Planning Acts" means all legislation from time to time regulating the development, use, safety and control of property including (without limitation) the Planning (Northern Ireland) Order 1972, Planning (Northern Ireland) Order 1978, Planning (Northern Ireland) Order 1982 and Planning (Northern Ireland) Order 1991, the Planning (Amendment) (Northern Ireland) Order 2003, the Planning Reform (Northern Ireland) Order 2006, the Planning Act (Northern Ireland) 2011, the Building Regulations (Northern Ireland) Order 1979 (as amended) and the Building Regulations (Northern Ireland) 2000 (as amended) and any act or orders for the time being in force amending, replacing or modifying such orders and any other instrument, plan, regulation, permission and direction made or issued thereunder or deriving validity therefrom and any regulations issued pursuant thereto;

"Plant and Equipment" means:

- (a) the plant, machinery, equipment, goods, chattels and other assets specified in the Fifth Schedule (*Plant and Equipment*); and
- (b) all other plant, machinery, equipment, goods and chattels now or hereafter belonging to the Company together with all and any machines, equipment, goods, components, parts or other items whatsoever from time to time installed therein or used in replacement or by way of substitution for all or any part thereof, together with the full benefit of the insurances on the same;

"Prescribed Form" means the form of charge or mortgage as, in the opinion of the Lender, may be required at law to charge registered land or mortgage unregistered land);

"Prescribed Form Charge" means a charge in the Prescribed Form entered into or to be entered into by the Company in favour of the Lender;

"Real Property" means the Secured Premises and all that property referred to in clauses 4.1 (*Charge Over Lands*) and 4.2(a) (*Fixed Charges*) and any reference to "Real Property" shall include a reference to any part thereof;

"Receivables" means all present and future book debts and other debts, Rent, sales proceeds, revenues, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever) including:

- (a) the benefit of all rights, guarantees, encumbrances and remedies relating to any of the foregoing (including negotiable and non-negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid seller's liens and similar associated rights);
- (b) all things in action which may give rise to a debt, revenue or claim and all other rights and remedies of whatever nature in respect of the same; and
- (c) all proceeds of any of the foregoing,

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but excluding for the purposes of this definition, any debts or claims referred by, or in respect of, any monies standing to the credit of the Accounts of the Company;

"Receiver" means any one or more receivers and/or managers appointed by the Lender in respect of the Company or over all or any part of the Secured Assets;

"Related Company" means a company which is related within the meaning of section 4(5) of the Companies (Amendment) Act 1990;

"Related Rights" means, in relation to any Shares:

- (a) all dividends, distributions and other income paid or payable on the relevant Shares or any asset referred to in paragraph (b) below;
- (b) all rights, monies or property accruing or offered at any time in relation to the Shares whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
- (c) all rights relating to any Shares which are deposited with, or registered in the name of, any depository, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including rights against any such person); and
- (d) all other rights attaching or relating to any Shares and all cash or other securities or investments in the future deriving from the Shares or such rights;

"Relevant Company" means a company any share(s) in which are charged to, mortgaged in favour of, or assigned (whether at law or in equity) to, the Lender by or pursuant to this Debenture and **"Relevant Companies"** shall be construed accordingly;

"Rent" means the aggregate of present and future amounts payable to or for the benefit of the Company pursuant to the terms of the Leases from time to time as a fee for occupying the area demised and includes each of the following amounts:

- (a) all rentals, fees and other amounts payable by Lessees under the Leases;
- (b) any sum received from any rent deposit which is not refundable held as security for the performance of any Lessee's obligations;
- (c) any other monies payable to the Company in respect of occupation and/or usage of the Real Property and every fixture and fitting thereof, and any and every fixture thereon for display or advertisement on licence or otherwise;
- (d) any mesne profits, damages, compensation, settlement or expenses for, or in respect of, any period of occupation of the Real Property whether or not pursuant to a Lease or representing loss of rent or interest thereon awarded or agreed to be payable as a result of any proceedings taken or claims made for the same, net of any costs, fees and expenses paid or payable (and which have not been reimbursed to and which are not recoverable by the Company) in furtherance of such proceedings so taken or claims so made;
- (e) cost, fees and expenses deducted from the amounts referred to in paragraph (d) above to the extent that such costs, fee and expenses are subsequently recovered by the Company;

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- (f) any monies payable under any policy of insurance in respect of loss of rent or interest thereon;
- (g) any sum payable or the value of any consideration to be given by or on behalf of the tenant for the surrender or variation of any Lease;
- (h) any sum payable by any guarantor or indemnifier of any Lessee under any Lease which would qualify as Rent for the purpose of this definition; and
- (i) any interest payable on any sum referred to above;

"Secured Assets" means the undertaking and assets of the Company both present and future charged to, mortgaged in favour of, or assigned (whether at law or in equity) to, the Lender by or pursuant to this Debenture and any reference to **"Secured Assets"** shall include a reference to any part of them;

"Secured Obligations" means all monies, obligations and liabilities (including in respect of principal, interest, commission, discounts, fees, costs and expenses) which now are or hereafter may be or become due, owing or incurred by the Company to the Lender in any manner whatever (whether actual or contingent, whether solely or jointly or jointly and severally with one or more persons, in whatever style or name and whether as principal or as surety or in some other capacity, whether originally incurred by it or by some other person and whether originally due, owing or incurred by the Company to the Lender or some other person) including all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Company under or in connection with this Debenture and any reference to **"Secured Obligations"** shall include a reference to any part of them;

"Secured Premises" means the land described in the First Schedule (*Secured Premises*) and the land described in each Prescribed Form Charge, and includes any present or future estate, right, title and interest of the Company in such lands and to any buildings now erected or in the course of erection or thereafter to be erected thereon and all alterations and/or additions thereto and (to the extent that same are not otherwise subject to a fixed charge hereunder) to all fixtures (including trade fixtures) from time to time thereon and all fixed plant and machinery of the Company both present and future therein or thereon and every part thereof and includes all easements, rights and privileges, rights to production of documents and liquor licences attaching thereto and any reference to **"Secured Premises"** shall include a reference to any portion of them;

"Security" means the security from time to time constituted by or pursuant to (or intended to be constituted by or pursuant to) this Debenture and each and every part thereof;

"Security Period" means the period from the date hereof until the date upon which all of the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and the Lender shall have ceased to be under any commitment to advance any amounts to the Company or the date upon which all of the Security shall have been unconditionally and irrevocably released and discharged;

"Shares" means:

- (a) each of the shares and other securities specified in the Second Schedule (*Shares*); and
- (b) all other stocks, shares, debentures, bonds, securities and investments of any kind whatsoever (whether marketable or otherwise and whether in certificated, dematerialised or uncertificated form) owned by the Company or on its behalf and all

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other interests (including loan capital) of the Company both present and future in every company, firm, consortium or entity wheresoever situate;

"Special Accounts" means such separate and denominated account or accounts with the a bank or banks as may from time to time be specified in writing by the Lender as the account or accounts into which the proceeds of the getting in or the realisation of the Claims are to be paid; and

"Subsidiary" means any subsidiary undertaking within the meaning given to such expression by section 1162 of the Companies Act 2006;

1.2 Any reference in this Debenture to:

- (a) the **"Lender"**, the **"Company"** or any other person shall be construed as a reference to their respective (and any subsequent) successors, permitted assigns and permitted transferees;
- (b) **"assets"** shall be construed so as to include present and future assets, properties, revenues and rights of every description;
- (c) **"business day"** shall be construed as a reference to a day (other than a Saturday or a Sunday) on which banks are generally open for business in Dublin;
- (d) a **"clause"** or **"Schedule"** shall, unless otherwise stated, be construed as a reference to a clause or schedule hereof;
- (e) **"encumbrance"** shall be construed as reference to a mortgage, charge, pledge, lien, hypothecation, assignment or deposit by way of security or any other encumbrance or security interest of any kind (other than a lien arising in the ordinary course of business by operation of law) or any other type of preferential arrangement (including title transfer, defeasance and retention arrangements) having a similar effect;
- (f) **"including"** shall be construed as meaning including without limitation and **"include"** and **"includes"** shall be construed accordingly;
- (g) a **"person"** or **"persons"** include individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not;
- (h) **"tax"** shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or delay in paying any of the same);
- (i) **"value added tax"** shall have the meaning given in the Value-Added Tax Consolidation Act 2010 (and any subsequent re-enactment, modification or amendment thereof) and shall be construed so as to include any similar tax which may be imposed from time to time; and
- (j) the **"winding-up"**, **"dissolution"** or **"examinership"** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which a company or corporation is incorporated or any jurisdiction in which a company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, examinership, administration, arrangements, adjustment, protection or relief of debtors.

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- 1.3 Save where the contrary is indicated, any reference in this Debenture to:
- (a) any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment; and
 - (b) this Debenture or to any other agreement or document shall be construed as a reference to this Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, assigned, substituted, supplemented or otherwise modified from time to time (and so that any reference to this Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof).
- 1.4 Clause and schedule headings are for ease of reference only.
- 1.5 Words denoting the singular number shall include the plural number also and vice versa.
- 1.6 Not used.
- 1.7 Any reference in any Prescribed Form Charge to:
- (a) the **"Mortgage/Debenture [dated [•]]"** shall be construed as a reference to this Debenture;
 - (b) the **"Mortgage Conditions"** shall be construed as a reference to the terms, conditions, covenants and obligations as are set out in this Debenture;
 - (c) the **"Mortgaged Property"** shall be construed as a reference to that part of the Secured Premises as comprises registered land and which is described in such Prescribed Form Charge;
 - (d) the **"Mortgagor"** shall be construed as a reference to the Company;
 - (e) the **"Secured Liabilities"** shall be construed as a reference to Secured Obligations; and
 - (f) the **"Secured Party"** shall be construed as a reference to the Lender.
- 1.8 Any reference in this Debenture, or in any other document or agreement, to this Debenture shall be construed so as to include each Prescribed Form Charge.
- 1.9 This is a Finance Documents for the purposes of the Facility Agreement.
2. **Not Used**
3. **Covenant to Pay**
- 3.1 The Company hereby covenants that it shall, on demand by the Lender, discharge the Secured Obligations when due and undertakes to pay to the Lender when due every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by the Company in respect of the Secured Obligations.

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3.2 If any liability referred to in clause 3.1 becomes due (whether upon the making of a demand or otherwise) the Company shall pay interest on such sums (after as well as before judgment) from the date of demand until the date of payment calculated on a daily basis at the rate and in the manner agreed in writing between the Company and the Lender in respect thereof and, in the absence of such agreement, at the Default Rate.

3.3 This Debenture is created to secure further advances and section 17 of the Act shall not apply hereto.

4. Mortgage, Assignment and Charge

4.1 **Charge and Mortgage Over Lands:** As continuing security for the payment, performance and discharge of the Secured Obligations and as a legal mortgage of land, the Company as beneficial owner:

- (a) grants and demises unto the Lender all that the property more particularly set out in Part I of the First Schedule hereto to hold the same unto the Lender for the term of ten thousand years from the date hereof subject to the proviso for redemption hereinafter contained;
- (b) grants and demises all that the property more particularly set out in Part II of the First Schedule hereto to hold the same unto the Lender for the residue of the terms of years created by the respective leases short particulars of which are also set out in Part II of the First Schedule hereto less the last ten days thereof subject to the proviso for redemption hereinafter contained;
- (c) charges all that the property comprised in the above mentioned folios as are more particularly set out in Part III of the First Schedule hereto with payment to the Lender of the Secured Liabilities and hereby requests that the charge hereby created be registered as a burden on the said property subject to the proviso for redemption hereinafter contained and applies to the Registrar of Titles for the registration in the above-mentioned folios of the following restriction:-

"except under an Order of the Registrar no charge or other security interest is to be registered or noted without the consent of the Registered Owner for the time being of Charge No"

together in all cases (to the extent the same are not otherwise subject to an effective fixed security hereunder) all fixtures and fittings (including trade fixtures) and all fixed plant and machinery from time to time in or on such land or buildings with the payment performance and discharge of the Secured Liabilities

The charge created by this clause 4.1 is a first fixed charge.

4.2 **Fixed Charges:** The Company as beneficial owner, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby charges to the Lender by way of first fixed charge:

- (a) all its estate, right, title or interests in any freehold and leasehold land or buildings, both present and future, including the Secured Premises, vested in or held by or on behalf of the Company from time to time and/or the proceeds of sale thereof together in all cases (to the extent the same are not otherwise subject to an effective fixed security hereunder) with all fixtures and fittings (including trade fixtures) and all fixed plant and machinery from time to time in or on such land or buildings;

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- (b) other than to the extent already subject to an effective fixed security under this Debenture, all present and future Ancillary Rights and Compensation Rights;
- (c) all rights and claims to which the Company is now or may hereafter become entitled in relation to, or in connection with, the Secured Assets including those against any manufacturer, supplier, installer, builder, contractor, professional advisor or Lessee and any guarantor or surety for the obligations of any such person and, to the extent that any of the Secured Assets now or at any time hereafter are hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any guarantee, indemnity or security for the performance of the obligation of such person and any other rights and benefits relating thereto;
- (d) all of its present and future rights, title, interest and benefit in and to the Plant and Equipment;
- (e) all of its present and future rights, title, interest and benefit in and to the uncalled capital of the Company and all rights and claims to which the Company is now or may hereafter become entitled as a result of any calls made in relation thereto;
- (f) all of its present and future rights, title, interest and benefit in and to the Intellectual Property;
- (g) all of its present and future rights, title, interest and benefit in and to the Other Contracts;
- (h) to the extent not effectively assigned under clause 4.4(a), all of its present and future rights, title, interest and benefit in and to the Material Contracts;
- (i) all goodwill (including all brand names not otherwise subject to an effective fixed security under this Debenture) now or at any time hereafter belonging to the Company;
- (j) any beneficial interest, claim or entitlement the Company has in any pension fund or any asset of any pension fund now or at any time hereafter;
- (k) all Claims, both collected and uncollected, the proceeds of the same and all monies otherwise due and owing to the Company (but excluding, to the extent effectively charged to the Lender pursuant to clause 4.2(l), each Account maintained with the Lender);
- (l) all rights and claims to which the Company is now or may hereafter become entitled in relation to each Account maintained with the Lender;
- (m) all of its present and future rights, title, interest and benefit in and to the Secured Assets referred to in clause 4.4 (*Assignments*) to the extent that such Secured Assets are not effectively assigned by or otherwise subject to an effective fixed security under that clause.

To the extent that a fixed charge is not created under sub-clause (f) of this clause 4.2 over any of the Intellectual Property, the charge thereof purported to be effected by that sub-clause (f) shall operate as an absolute assignment of any and all damages, compensation, remuneration, profit, rent or income which the Company may now or at any time hereafter derive therefrom or be awarded or entitled to in respect thereof.

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4.3 **Investments:** The Company as beneficial owner, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby:

- (a) mortgages and charges and agrees to mortgage and charge in favour of the Lender, by way of first fixed charge, all of its respective rights, title, benefit and interest whatsoever, present and future, to or in or in respect of the Investments, but so that the Lender shall not in any circumstances incur any liability whatsoever in respect of any calls, instalments or otherwise in connection with the Investments; and
- (b) grants a lien to the Lender on the certificates and other documents of title relating to the Investments together with such further certificates which may from time to time be issued to the Company in respect of any conversion, bonus, redemption, option or otherwise relating to the Investments.

4.4 **Assignments:** The Company as beneficial owner, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) to the Lender by way of first fixed security all its present and future right, title, interest and benefit in and to:

- (a) the Material Contracts including all monies payable to the Company and any claims, awards and judgments in favour of, or receivable or received by, the Company under, in connection with, or pursuant to, any Material Contract;
- (b) all Licences and all rights of recovery and compensation which may be receivable by the Company on account of the revocation or non-renewal of any of the Licences;
- (c) the Leases;
- (d) all Insurances and all proceeds in respect of Insurances and all benefits of Insurances (including all claims relating to, and all returns of premium in respect of, Insurances);
- (e) each Account maintained with an Account Bank;
- (f) all other Receivables (not otherwise assigned hereunder); and
- (g) all Criminal Damage Compensation Claims and the proceeds thereof.

To the extent that any Secured Asset described in clauses 4.4(d) and 4.4(g) are not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Company to any proceeds of the Insurances and/or the Criminal Damage Compensation Claims.

4.5 **Floating Charge:** The Company as beneficial owner, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby charges to the Lender by way of first floating charge all of the Company's stock-in-trade, inventory and raw materials together with the whole of the Company's undertaking and property, assets and rights whatsoever and wheresoever both present and future not otherwise:

- (a) effectively charged or mortgaged to the Lender by way of fixed charge;
- (b) effectively assigned (whether at law or in equity) or mortgaged to the Lender; or
- (c) subject to an effective fixed security in favour of the Lender,

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AND the parties hereto confirm that the floating charge created hereunder is a qualifying floating charge for the purposes of paragraph 15 of Schedule B1 of the Insolvency (Northern Ireland) Order 1989.

4.6 Creation of Trust

To the extent that the Company's present and future right, title, interest and benefit in and to any Material Contract and/or any Other Contract is not effectively assigned or charged under this Debenture, the Company hereby acknowledges, declares and agrees that it shall:

- (a) hold all its present and future right, title, interest and benefit in and to such Material Contract and/or Other Contract (including all monies payable to the Company and any claims, awards and judgments in favour of, or receivable or received by, the Company under, in connection with, or pursuant to, such Material Contract and/or Other Contract) upon trust for the Lender absolutely; and
- (b) comply with any direction that may be given to it by or on behalf of the Lender from time to time with regards to the assertion, exercise or enjoyment of any rights under such Material Contract and/or Other Contract.

4.7 Continuing Obligations: Notwithstanding anything herein to the contrary:

- (a) the Company shall remain liable under any contracts (including the Material Contracts and the Other Contracts), agreements and other documents included in the Secured Assets (to the extent set forth therein) to perform all of its duties and obligations thereunder to the same extent as if this Debenture had not been executed;
- (b) the exercise by the Lender of any of the rights hereunder shall not release the Company from any of its duties or obligations under such contracts, agreements and other documents; and
- (c) the Lender shall not have any obligation or liability under any such contracts, agreements or other documents included in the Secured Assets by reason of this Debenture, nor shall the Lender be obligated to perform any of the obligations or duties of the Company thereunder or to take any action to collect or enforce any such contract, agreement or other document.

4.8 Trust of Reversion: The Company declares that in respect of all the Secured Premises which are held under leasehold tenure (if the mortgage takes effect by way of a term of years) the Company shall stand possessed of the leasehold reversion(s) immediately expectant on the term hereby granted in trust for the Lender (subject to any equity of redemption subsisting therein under these presents) and to dispose of as the Lender may direct.

4.9 Appointment of new trustee: The Company hereby authorises the Lender or any officer, manager or assistant manager for the time being of the Lender to appoint a new trustee or trustees of such reversion in the place of the Company as if such Company were incapable of acting in the trusts thereof hereby declared.

4.10 Power of attorney: The Company hereby irrevocably and by way of security appoints the Lender and separately the Lender's nominee the attorney of the Company in such Company's name and on such Company's behalf to assign the said reversion to the Lender or its assigns or as the Lender or its nominee may direct and to execute and do all deeds, documents and acts necessary or proper for that purpose.

- 4.11 **Attorns Tenant:** The Company hereby attorns tenant to the Lender of any part of the Secured Premises at the yearly rent of five pence (if demanded) provided always that the Lender may at any time without notice to any Company determine the tenancy hereby created and enter upon such Secured Premises but so that neither the receipt of the said rent nor the said tenancy shall render the Lender liable to account to any person as mortgagee in possession.

5. **Crystallisation Of Floating Charge**

- 5.1 The Lender may at any time:

- (a) after the Security has become enforceable; or
- (b) if it shall appear to the Lender that all or a substantial part of the Secured Assets are in danger of being seized or sold under any form of distress or execution levied or threatened or to be otherwise in jeopardy,

by notice in writing to the Company convert the Floating Charge with immediate effect into a fixed charge as regards any property or assets specified in the notice.

- 5.2 Notwithstanding clause 5.1 and without prejudice to any rule of law which may have a similar effect, the Floating Charge shall automatically be converted with immediate effect into a fixed charge as regards all or any part of the Floating Charge Property and without notice from the Lender to the Company on:

- (a) the appointment by any person of a receiver and/or manager to the Company or any of its assets;
- (b) the cessation by the Company of carrying on its business or trade;
- (c) the presentation of a petition for the compulsory winding-up of the Company;
- (d) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company;
- (e) the presentation of a petition to appoint an Examiner to the Company or where the protection of the court is sought by a Related Company;
- (f) the Registrar of Companies issuing a notice to the Company pursuant to either section 1000 or section 1001 of the Companies Act or section 11 or section 12 of the Companies (Amendment) Act 1982 as applicable;
- (g) the sale or disposal of all or a substantial part of the business or assets of the Company without the Lender's prior written consent;
- (h) the crystallisation, for any reason whatsoever, of any floating charge granted by the Company to any person; or
- (i) the creation or attempted creation of any encumbrance over all or any part of the Floating Charge Property without the prior consent in writing of the Lender or the levying or attempted levying by any person of any distress, execution, sequestration or other process against any of the Floating Charge Property.

- 5.3 The giving by the Lender of a notice under clause 5.1 above, or the occurrence of any event specified at clause 5.2, shall have the effect of immediately converting any floating charge over the Floating Charge Property into a first fixed charge in favour of the Lender and

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thereupon the Lender shall assume exclusive control of the Floating Charge Property and the Company shall not be permitted to deal with the Floating Charge Property otherwise than with, and subject to, the prior written consent of the Lender. Where such assets include Claims, the Company shall not be permitted to release, exchange, settle, compromise, set-off, grant time or indulgence, or otherwise deal with such Claims and all monies received by the Company in respect of such Claims shall be paid into a bank account of the Company as specified by the Lender and subject to a fixed charge and the Company shall not be permitted to make withdrawals or payments from such bank account without the prior written consent of the Lender.

- 5.4 Any asset acquired by the Company after the crystallisation of the Floating Charge which, but for such crystallisation, would be subject to a floating charge shall (unless the Lender confirms in writing to the contrary) be charged by way of first fixed charge. The Lender shall assume exclusive control of such assets and the Company shall not be permitted to deal with such assets otherwise than with and subject to the prior written consent of the Lender.

6. Negative Pledge

- 6.1 The Company undertakes that at no time during the Security Period shall it, other than:

- (a) by means of the Security;
- (b) in the Lender's favour; or
- (c) with the Lender's prior written consent,

create, purport to create, grant, extend or permit to subsist or arise any encumbrance on or over all or any part of the Secured Assets or any interest therein.

- 6.2 The Company undertakes that at no time during the Security Period shall it, except with the prior written consent of the Lender and except to the extent permitted by clause 6.3, sell, convey, transfer, assign or otherwise dispose of or alienate (or consent to any party disposing of or alienating) all or any part of the Secured Assets or agree to do any of the foregoing.
- 6.3 Notwithstanding clause 6.2 but subject always to clause 6.1, the Company may sell, transfer or otherwise dispose of or deal with all or any part of the Floating Charge Property in the ordinary and usual course of, and for the purposes of, the Company's business.
- 6.4 The Company undertakes that at no time during the Security Period shall it, except with the prior written consent of the Lender, enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts or enter into any other preferential arrangement having a similar effect.
- 6.5 The Company undertakes that at no time during the Security Period shall it do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or diminish, to an extent which in the opinion of the Lender is material, the value of any of the Secured Assets or the effectiveness of the Security.
- 6.6 The foregoing provisions of this clause 6 (*Negative Pledge*) shall not be construed as limiting any powers exercisable by any Receiver appointed by the Lender under or pursuant to this Debenture.

7. Perfection of Security and Further Assurance

7.1 The Company shall:

- (a) in respect of the Material Contracts:
 - (i) forthwith deliver to the Lender evidence satisfactory to the Lender that a notice in the form set out in Part I (*Form of Notice for Material Contracts*) of the Eighth Schedule (*Form of Notices and Acknowledgements*), duly executed by the Company or on its behalf, has been issued to each relevant Contract Party; and
 - (ii) procure that such notice is acknowledged, in the form set out in Part II (*Form of Acknowledgement for Material Contracts*) of the Eighth Schedule (*Form of Notices and Acknowledgements*), by each such relevant Contract Party;
- (b) in respect of the Insurances:
 - (i) forthwith deliver to the Lender evidence satisfactory to the Lender that a notice in the form set out in Part III (*Form of Notice for Insurances*) of the Eighth Schedule (*Form of Notices and Acknowledgements*), duly executed by the Company or on its behalf, has been issued to each relevant insurer; and
 - (ii) procure that such notice is acknowledged, in the form set out in Part IV (*Form of Acknowledgement for Insurances*) of the Eighth Schedule (*Form of Notices and Acknowledgements*), by the relevant insurer;
- (c) in respect of each Account with an Account Bank:
 - (i) forthwith deliver to the Lender evidence satisfactory to the Lender that a notice in the form set out in Part V (*Form of Notice for Account Bank*) of the Eighth Schedule (*Form of Notices and Acknowledgements*), duly executed by the Company or on its behalf, has been issued to each relevant Account Bank; and
 - (ii) procure that such notice is acknowledged, in the form set out in Part VI (*Form of Acknowledgement from the Account Bank*) of the Eighth Schedule (*Form of Notices and Acknowledgements*), by the Account Bank.

7.2 In addition, the Company shall from time to time, at the request of the Lender but at the cost of the Company, take whatever action the Lender or a Receiver may reasonably require for:

- (a) creating, perfecting, improving, maintaining or protecting security intended to be created by or pursuant to this Debenture;
- (b) after the Security has become enforceable, facilitating the realisation of any Secured Asset;
- (c) facilitating the exercise of any right, power or discretion exercisable by the Lender or a Receiver in respect of any Secured Asset;
- (d) vesting or enabling to vest title to any Secured Asset in the Lender or its nominee(s);
or

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- (e) creating and perfecting security in favour of the Lender (equivalent or similar to the security intended to be created by this Debenture) over any property or assets of the Company located in a jurisdiction outside Northern Ireland or for facilitating the realisation thereof,

including:

- (i) the re-execution of this Debenture;
- (ii) the execution of any legal or other assignment, transfer, mortgage, charge or encumbrance or other document in such form as the Lender may reasonably require;
- (iii) the giving of any notice, order or direction; and
- (iv) the making of any filing or registration.

7.3 The Company hereby irrevocably and unconditionally:

- (a) authorises the Lender and each legal advisor appointed by the Lender to do, at the cost and expense of the Company, all acts and sign on behalf of the Company all required documents and forms (whether physical or in electronic format) as the Lender and/or such advisor may consider necessary or desirable to procure compliance with the procedure under section 859 of the Companies Act; and
- (b) indemnifies and agrees to hold the Lender and each such legal advisor harmless against any loss or liability incurred by the Lender or any such legal advisor as a consequence of the Lender or any such legal advisor procuring compliance with the procedure under section 859 of the Companies Act in reliance on this clause.

7.4 The Company shall:

- (a) immediately notify the Lender of any (or any proposed) contract, conveyance, transfer or other disposition relating to the acquisition by the Company or any nominee on its behalf of any freehold, leasehold or other immovable property;
- (b) in the case of any such property the title to which (either before or after the acquisition thereof) is registered under the Land Registration Act (Northern Ireland) 1970 or any analogous statutes of any other jurisdiction, notify the Lender of the folio number(s) thereof;
- (c) contemporaneously with the making of the application to the Land Registry of Northern Ireland for the registration as registered owner thereof, request the Registrar to enter a notice of these presents as a burden on the folio;
- (d) at any time, if called upon to do so by the Lender, execute over all or any part of such property a charge, by way of legal mortgage, in favour of the Lender in such form as the Lender may require (including by way of a charge in the Prescribed Form); and
- (e) in the case of any leasehold property, use its best endeavours to obtain any requisite consent therefor from the lessor.

7.5 The Company shall, upon execution of this Debenture and further upon the acquisition by the Company or any nominee on its behalf of any interest in any freehold, leasehold or other

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immovable property, deposit with the Lender all deeds, certificates and other documents constituting or evidencing title to that property.

- 7.6 The Company shall immediately upon the execution of this Debenture (or becoming possessed thereof at any time hereafter) deposit with the Lender and permit the Lender during the continuance of the Security hereby created to hold and retain:
- (a) all deeds, bearer instruments, certificates, declarations of trust or other documents representing or evidencing ownership of the Investments or any part thereof;
 - (b) an instrument of transfer in the form set out in Part I (*Form of Transfer Instrument*) of the Tenth Schedule (*Share Deliverables*) in respect of the Shares duly executed by or on behalf of the Company but omitting the name of the transferee and the date together with a letter of authority from the Company in respect of such instruments of transfer in the form set out in Part II (*Form of Shareholder's Letter of Authority*) of the Tenth Schedule (*Share Deliverables*);
 - (c) a certified copy of the share register of the Relevant Company;
 - (d) an undated irrevocable proxy in respect of the Shares executed by the Company in favour of the Lender in the form set out in Part III (*Form of Irrevocable Proxy*) of the Tenth Schedule (*Share Deliverables*) and an irrevocable appointment in the form set out in Part IV (*Form of Irrevocable Appointment*) of the Tenth Schedule (*Share Deliverables*);
 - (e) an executed dividend mandate in the form set out in Part V (*Form of Dividend Mandate*) of the Tenth Schedule (*Share Deliverables*); and
 - (f) an undated irrevocable letter of resignation from each director and the Secretary of each Relevant Company executed by the relevant director/Secretary in the form set out in Part VI (*Form of Director/Secretary Resignation Letter*) of the Tenth Schedule (*Share Deliverables*) together with a letter of authorisation from such director/Secretary in the form set out in Part VII (*Form of Letter of Authority*) of the Tenth Schedule (*Share Deliverables*).
- 7.7 The Lender may at any time when the Security becomes enforceable, without notice to the Company, have all or any of the Shares registered in its name or in the name of, or otherwise have the same held by, one or more nominees on its behalf and the Company shall, if so requested by the Lender when the Security becomes enforceable, take all such action as is available to it to procure that the Lender or, as the case may be, its nominee(s) shall be registered as the owner thereof or shall otherwise acquire legal title thereto.
8. **Exercise of Rights in Respect of Shares**
- 8.1 Before the Security has become enforceable:
- (a) the Company may continue to exercise the voting rights, powers and other rights in respect of the Investments; and
 - (b) all dividends or other income or distributions paid or payable in relation to any Investments must be paid to the Company.

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PROVIDED THAT the Company's rights and powers relating to any of the Investments shall not be exercised in any manner which would:

- (i) result in any variation of the rights attaching to, or conferred by, the Investments or any part thereof;
- (ii) effect an amendment to any provision of the constitution of a Relevant Company;
- (iii) propose the liquidation, administration, examinership, merger or split-up of a Relevant Company;
- (iv) result in the Lender incurring any cost, expense or liability; or
- (v) in the opinion of the Lender, be inconsistent with, or prejudicial to, its security over the Investments or any part thereof.

8.2 At any time after the Security has become enforceable (and without any consent or authority on the part of the Company):

- (a) the Lender or its nominee may exercise or refrain from exercising:
 - (i) any voting rights;
 - (ii) any right to receive dividends or other income or distributions paid or payable in relation to any Investments; and
 - (iii) any other powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise,in each case, in the name of Company, the registered holder or otherwise and irrespective of any direction given by the Company;
- (b) the Company irrevocably appoints the Lender or its nominee as its proxy to exercise all voting rights in respect of those Shares that remain registered in the name of the Company; and
- (c) the Lender may date and/or otherwise complete any documentation deposited with it by the Company under clause 7.6.

8.3 The Company shall, if requested by the Lender, instruct any clearance system to transfer any Share held by it or for or on its behalf to an account of the Lender or its nominee with that clearance system.

8.4 The Company hereby irrevocably and unconditionally indemnifies and agrees to hold the Lender harmless against any loss or liability incurred by the Lender as a consequence of the Lender acting in respect of the Investments on the direction of the Company whether before or after the Security has become enforceable.

8.5 For the avoidance of doubt, the Lender is not obliged to:

- (i) perform or fulfil any obligation of the Company;
- (ii) make any payment;

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- (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Company; or
- (iv) present or file any claim or take any other action to collect or enforce the payment of any amount,

in respect of the Investments.

9. Collection of Claims and Related Matters

9.1 The Company shall at all times during the Security Period:

- (a) get in and realise the Claims in the ordinary and usual course of its business on behalf of the Lender and hold the proceeds of such getting and realisation thereof (until payment into the Special Account as hereinafter provided) upon trust for the Lender; and
- (b) unless the Lender otherwise agrees in writing (and then only on such terms and in the manner as the Lender may require):
 - (i) pay the proceeds of such getting in and realisation of the Claims into the Special Account(s) or as the Lender may require; and
 - (ii) not be entitled to withdraw or transfer from the Special Account(s) any monies standing to the credit thereof or direct any payment to be made therefrom to any person (and in the event that any Special Account is opened or maintained with a bank other than the Lender, the Company shall furnish to the Lender evidence satisfactory to the Lender that such other bank has been notified of, and has agreed to operate, such account in accordance with any procedures stipulated by the Lender and the Company shall comply with the notification requirements of clause 7.1(c)).

9.2 The Company shall at no time during the Security Period, without the prior written consent of the Lender, deal with the Claims otherwise than by getting in and realising the same (subject to the right of the Company to settle or compromise claims in the normal course of business) and making payment of the proceeds thereof in accordance with clause 9.1. Without prejudice to the generality of the foregoing, the Company shall not at any such time factor or discount any of the Claims or enter into any agreement for such factoring or discounting.

10. Statutory Consents

10.1 The Company hereby assents to the registration as burdens on the folio of any registered land of which it is the registered owner or, as applicable, the person entitled to be registered as registered owner as well as on the folio of any further registered lands of which it may from time to time become the registered owner or, as applicable, the person entitled to be registered as registered owner, of:

- (a) the first ranking fixed mortgage and charge created by this Debenture on the said land;
- (b) on crystallisation of the Floating Charge on the said land, such crystallised floating charge; and
- (c) the power of any Receiver appointed under this Debenture to charge the said land.

11. Representations

11.1 General

The Company makes the representations and warranties set out in this clause 11 (*Representations*) to the Lender in accordance with clause 11.14 (*Times when representations made*).

11.2 Status

- (a) It has been duly incorporated as a company and is validly existing under the laws of the jurisdiction of its incorporation.
- (b) It has the power to own its properties and assets and to carry on its business as currently conducted.

11.3 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Debenture and the transactions contemplated hereby.
- (b) It has the power to create any security constituted or to be constituted hereby and to perform its obligations hereunder.

11.4 Binding obligations

- (a) The obligations expressed to be assumed by it under this Debenture are legal, valid, binding and enforceable obligations.
- (b) Without limiting the generality of sub-clause (a) above, this Debenture creates the security interests which it purports to create and those security interests are valid and effective.

11.5 Non-conflict with other obligations

The entry into, performance by it of its obligations under, and the transactions contemplated by, this Debenture and the granting of the Security do not and shall not conflict with:

- (a) any law, rule or regulation to or by which it or any of its business, property or assets is subject or bound;
- (b) any judgment, order, injunction, determination, award or ruling of any court or arbitrator or any judicial, administrative or governmental authority to or by which it is subject or bound;
- (c) its constitution; or
- (d) any deed, agreement, franchise, concession, licence, treaty or other instrument to which it is a party or which may be binding upon it or which may materially affect its business or any of its properties or assets or constitute a default or termination event (however described) under any such agreement or instrument.

11.6 *Validity and admissibility in evidence*

- (a) All Authorisations required or desirable:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Debenture;
 - (ii) to create the security contemplated hereby; and
 - (iii) to make this Debenture admissible in evidence,

have been (or shall be within any prescribed period in the case of any registration or filing) obtained or effected and are in full force and effect and all necessary fees required in connection therewith have been (or, as the case may be, shall be) paid.

11.7 *Ownership of Secured Assets*

- (a) It is, and shall at all times during the Security Period be, the sole, lawful and beneficial owner of all of the Secured Assets charged, mortgaged or, as the case may be, assigned, by it hereunder, free from any encumbrance (other than an encumbrance permitted pursuant to clause 6.1).
- (b) Except as otherwise agreed in writing by the Lender, it has not sold or granted any rights of pre-emption over, or agreed to sell or grant any right of pre-emption over, or granted or agreed to grant any lease or tenancy of, or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to, all or any part of the Secured Assets.

11.8 *Security*

The Security has or shall have the ranking in priority which it is expressed to have in this Debenture and it is not subject to any prior ranking or *pari passu* ranking security.

11.9 *Insolvency*

It has not taken any corporate action nor have any other steps been taken or legal proceedings been started or, to the best of its knowledge and belief, threatened against it for its winding-up, liquidation, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, examiner, trustee or similar officer of any or all of its assets or revenues.

11.10 *Investments*

- (a) Save for any encumbrance permitted under clause 6.1, the Investments are duly authorised, validly issued and fully paid and are not subject to any claim, lien or option, or pre-emption rights.
- (b) No Relevant Company's constitution does or could restrict or inhibit any transfer of shares on creation or enforcement of the security created over the Investments pursuant to this Debenture and, to the extent that the Companies Act imposes any such restriction or inhibition, the constitution of each Relevant Company provides otherwise.

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11.11 *Environmental laws*

- (a) It is in compliance with all Environmental Law and it has obtained, and shall at all times during the subsistence of the Security obtain, and is in compliance with, all Environmental Permits.
- (b) There are no circumstances relating to any of the Secured Assets which have led, or could lead, to a competent authority or a third party taking any action or making a claim under any Environmental Law including the requirement to clean up any contaminated land or the revocation, suspension, variation or non-renewal of any Environmental Permits or to the Company having to take action to avert the possibility of any such action or claim where such action or claim could have an adverse effect on the value of any of the Secured Assets or on the ability of the Company to conduct any of its business or to perform its obligations under this Debenture.

11.12 *No adverse claims*

- (a) It has not received or acknowledged notice of any adverse claim by any person in respect of the Secured Assets or any interest in them.
- (b) There are no covenants, restrictions, agreements, stipulations or other matters whatsoever affecting the Security Assets which conflict with its present use or adversely affect the value, saleability or use of any Security Asset.
- (c) All material covenants, restrictions and stipulations affecting the Secured Assets have been observed and performed and no officer or servant of the Company has suffered or committed or caused any breach of any such material covenant, restriction or stipulation.

11.13 *Planning Acts*

Nothing has been done on or in relation to any of the Real Property which constitutes a "**development**" within the meaning of the Planning Acts without any requisite permission having been obtained and no situation exists in relation to any of the Real Property in respect of which a warning notice or an enforcement notice has been or may be made.

11.14 *Times when representations made*

The representations and warranties of the Company set out in this clause 11 (*Representations*) are made on the date of this Debenture, shall survive the execution of this Debenture and shall be correct and complied with in all respects and at all times during the continuance of the Security Period as if repeated therein by reference to the then existing circumstances.

12. **Insurances**

12.1 The Company shall at all times during the continuance of the Security Period:

- (a) comply with all obligations with respect to the insurance of the Secured Assets including any obligations imposed by the terms of any lease, agreement for lease or tenancy under which the Company derives its estate or interest therein and, at the request of the Lender, produce evidence satisfactory to the Lender of such compliance;

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- (b) notwithstanding and without prejudice to clause 12.1(a), cause all buildings, trade and other fixtures, fixed and other Plant and Equipment and other assets of an insurable nature forming part of the Secured Assets to be insured and kept insured:
 - (i) in an insurance office or with underwriters acceptable to the Lender;
 - (ii) against loss or damage by fire and all such other risks as are customarily insured against in relation to assets of such nature by prudent companies carrying on businesses comparable (having regard to the nature of the Company's business) to that of the Company and such other risks as may from time to time be specified in writing by the Lender at least to the full reinstatement or replacement value thereof (with adequate provision also being made for forward inflation, the cost of clearing the site and architects', engineers', surveyors' and other professional fees incidental thereto and loss of rents or prospective rents for a period of not less than three years) and including insurance against consequential loss and liability to third parties and employees; and
 - (iii) with an indorsement on the policy or policies relating thereto of a note of the interest of the Lender therein specified as co-insured with the Company and further specified as sole loss payee save that, in the case of third party liability insurances, the Lender does not require its interest to be noted as co-insured and sole loss payee but rather it should be noted as an indemnified party under the indemnity to principal clause;
- (c) if so requested by the Lender, ensure that each policy of insurance relating to the Secured Assets (or, as the case may be, each such policy as may be specified by the Lender) contains such one or more of the following provisions as may be specified by the Lender:
 - (i) a clause whereby the insurer agrees that the insurance effected shall not be invalidated or prejudiced so far as the Lender is concerned by any breach of the insuring conditions or any other act or omission unknown to or beyond the control of the Lender on the part of the Company or any tenant, lessee or licensee of any of the Secured Assets;
 - (ii) a waiver of all rights of subrogation against the Lender and the Company;
 - (iii) an undertaking by the insurer to notify the Lender promptly in writing if the premium or other monies payable under such policy are not paid when due and to refrain from cancelling such policy by reason only of the non-payment of such monies for a period of at least thirty days from the due date; and
 - (iv) a provision under which the proceeds of the insurance (other than third party liability insurance or employer's liability insurance) are payable to the Lender;
- (d) duly and punctually pay all premiums and other monies payable under all such policies of insurance and do all other things necessary to keep that policy in full force and effect and promptly upon request by the Lender produce to the Lender a copy or sufficient extract of every such policy together with the premium receipts or other evidence of the payment thereof;

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- (e) not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 12.1(b) above; and
 - (f) if so required by the Lender but subject to the provisions of any lease of any part of the Secured Assets, deposit all policies of insurance relating to the Secured Assets with the Lender or produce the same to the Lender for inspection.
- 12.2 If the Company fails to comply with any of the provisions of clause 12.1, the Lender may (but shall not be obliged to) effect or renew any such insurance as is mentioned in that clause either in its own name or in its name and that of the Company jointly or in the name of the Company with an indorsement of the Lender's interest but in so doing the Lender shall not be subject to the requirements contained in sections 19(1) and 23 of the Act. All monies expended by the Lender in so effecting or renewing any such insurance shall be reimbursed by the Company to the Lender on demand.
- 12.3 All monies received or receivable under any insurance and/or Criminal Damage Compensation Claim relating to the Secured Assets shall (subject to the rights and claims of any person having prior rights thereto or any lessor or landlord of any part of the Secured Assets) be applied in accordance with clause 21 (*Application of Monies*) or, if the Lender shall so require, in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed. If any such monies shall be received by the Company, it shall (subject to the rights and claims of any person as aforesaid) hold such monies upon trust for the Lender pending payment to the Lender for application in accordance with clause 21 (*Application of Monies*) or, as the case may be, for application by the Company in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed.
- 13. **General Covenants**
- 13.1 The Company hereby covenants with the Lender that at all times during the continuance of the Security Period it shall:
 - General*
 - (a) comply with its obligations under or in respect of, and the requirements of any law relating to or affecting, the Secured Assets or use of them;
 - (b) conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of, or mode of conduct of, that business;
 - (c) keep or cause to be kept proper books of account relating to such business and shall keep the said books of account and all other documents relating to the affairs of the Company at the Company's registered office or other place or places where the same ought to be kept;
 - (d) punctually pay, as the same become due, all debts and liabilities which, by virtue of the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally, would have priority to all or any part of the Security;
 - (e) without prejudice to the provisions of sub-clause (d) above, ensure that all value added tax liabilities, which if unpaid would or might with the service of any notice or otherwise have priority over the Security or require payment by the Lender, shall be paid and discharged when the same must be paid;

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- (f) perform and observe the covenants and conditions contained or comprised in any agreement from time to time made between any debtor of the Company and the Company and promptly inform the Lender of any event as soon as it becomes aware of same, or of the receipt of any notice which may adversely affect the fulfilment by the Company of any of its covenants or obligations hereunder or the Security;
- (g) furnish to the Lender from time to time, and at such intervals as the Lender may from time to time require, such information regarding the assets and liabilities of the Company and any Subsidiaries of the Company as the Lender may require including, without prejudice to the generality of the foregoing, details of all stock-in-trade from time to time of the Company, copies of all and any statements relating to all claims from time to time of the Company together with details of the debtors and copies of all and any invoices rendered in respect of such claims and details of all debts which would, on a liquidation of the Company, be paid in priority to all other unsecured debts of the Company;
- (h) pay, as and when the same must be paid, all taxes, rates, duties, charges, rent, assessments, fees and outgoings whatsoever and of any description which shall be assessed, charged or imposed upon or payable in respect of any of the Secured Assets (save to the extent that payment of the same is being contested in good faith);
- (i) give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;
- (j) permit any persons designated by the Lender and/or any Receiver to enter on its premises and inspect and examine any Secured Asset and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice;
- (k) obtain, promptly renew and comply with the terms of all Authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset;
- (l) not (without the prior consent in writing of the Lender) redeem or purchase its own shares or form, acquire, or dispose of any Subsidiary;
- (m) update and provide the Lender, at the Lender's request, with a copy of the Company's register of mortgages and charges;
- (n) promptly, on becoming aware of the same, give the Lender notice in writing of:
 - (i) any representation or warranty set out in this Debenture that is incorrect or misleading in any material respect when made or deemed repeated; and
 - (ii) any breach of any covenant set out in this Debenture;

Real Property, Plant and Equipment

- (o) observe and perform all covenants and stipulations from time to time affecting the Real Property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Lender:
 - (i) enter into any onerous or restrictive obligations affecting the Real Property;

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- (ii) create or permit to arise any overriding interest or any easement or right whatsoever in or on the Real Property which might adversely affect the value thereof;
- (iii) do or suffer to be done on the Real Property anything which is a "development" as defined in the Planning Acts as from time to time amended otherwise than in accordance with the provisions of the Planning Acts;
- (iv) do or suffer or omit to be done any act, matter or thing whereby any provision of law from time to time in force affecting the Real Property is infringed; nor
- (v) do or suffer to be done any act or thing whereby any fee farm grant or lease is likely to become liable to forfeiture or otherwise be unilaterally determined by the landlord;
- (p) keep all buildings, structures, fixtures and fittings (including trade fixtures and fittings), Plant and Equipment in good and substantial repair and in good working order and condition (fair wear and tear excepted) and not pull down or remove or materially alter or sell or otherwise dispose of any of the same without the prior consent in writing of the Lender except in the ordinary course of use, repair, maintenance or improvement and not do or omit to do anything which could reasonably be expected to result in any item of Plant and Equipment or any part thereof being confiscated, seized, requisitioned, taken in execution, impounded or otherwise taken out of the Company's control;
- (q) not (without the prior consent in writing of the Lender) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Real Property or any material part thereof;
- (r) notify the Lender of any notice received in relation to the Real Property which might reasonably be expected to adversely affect the value of the Real Property or the Security therein and, within thirty days after receipt by the Company of any application, requirement, order or notice served or given by any public or local or any other authority with respect to any Secured Asset (or any material part thereof), give written notice thereof to the Lender and also (within seven days after demand) produce the same or a copy thereof to the Lender and inform it of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;
- (s) use, operate, maintain and control each item of Plant and Equipment in a careful and proper manner and in accordance with all licences, agreements, manufacturer's recommendations (as originally drafted or as amended from time to time), statutes, laws, ordinances, and regulations relating to the use, operation, maintenance and control thereof and neither use nor knowingly permit any such items to be used for any unlawful purpose and ensure that any replacement or substitute parts are in good repair and working order and are free from any lien or other encumbrance whatsoever and are owned by the Company;
- (t) keep each item of Plant and Equipment at the location or locations (if any) from time to time approved in writing by the Lender;
- (u) if it has not already done so, in the case of any Plant and Equipment located on leasehold premises, obtain evidence in writing from any lessor of any such premises

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that he waives absolutely all and any rights he may have now or at any time in the future over any of such Plant and Equipment;

- (v) if so requested by the Lender, place and maintain on each item of Plant and Equipment, in a conspicuous place, an identification plaque as appears below and not conceal, alter or remove such plaque or permit it to be concealed altered or removed:

"NOTICE OF CHARGE

This machine and additions and ancillary equipment are subject to a first fixed charge in favour of [•].";

- (w)
 - (i) comply with all Environmental Law;
 - (ii) obtain, maintain and ensure compliance with all requisite Environmental Permits;
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law;
- (x) within seven days of the receipt of notice of the same, inform the Lender in writing of:
 - (i) any Environmental Claim against the Company which is current, pending or threatened; and
 - (ii) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against the Company;

Investments

- (y) not take or allow the taking of any action on its behalf which may result in the rights attaching to any of the Investments being altered or further shares in a Relevant Company being issued;
- (z) pay all calls and other payments due and payable in respect of the Shares and, if the Company fails to do so, the Lender may pay those calls or other payments on behalf of the Company;
- (aa) comply with all requests for information which is within its knowledge and which are made under any law or by any listing or other authority or any similar provision contained in any constitution relating to any of its Investments;
- (bb) if any Shares are in, or are converted into, uncertificated form, promptly notify the Lender and:
 - (i) act on any instructions given by the Lender, and give such directions as the Lender may require in order to protect and preserve the Security; and
 - (ii) transfer those Shares to an escrow account in respect of which it has named as escrow agent the Lender or any nominee or agent of the Lender notified to the Company or any other person approved in writing by the Lender;
- (cc) ensure that the Shares are, and at all times remain, free from any restriction on transfer to the Lender or its nominee(s) or to any buyer from the Lender pursuant to

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the exercise of any rights or remedies of the Lender under or pursuant to this Debenture without requiring the consent of the directors of any Relevant Company or any other condition (including rights in relation to pre-emption) to be obtained or met;

- (dd) notify the Lender immediately upon the appointment of any additional or replacement director or officer of a Relevant Company and it shall provide the Lender with a letter of resignation and letter of authority in the form set out in Part VI (*Form of Director/Secretary Resignation Letter*) and Part VII (*Form of Letter of Authority*) of the Tenth Schedule (*Share Deliverables*) immediately upon such appointment;

Intellectual Property

- (ee) preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business;
- (ff) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (gg) make registrations and pay all registration fees and taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;
- (hh) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the its right to use such property;
- (ii) not discontinue the use of the Intellectual Property or, without the prior written consent of the Lender, apply to amend any Intellectual Property;

Contracts

- (jj) diligently pursue any remedies available to it in respect of any breach of any Material Contract or Other Contract or in respect of any claim arising thereunder or in relation thereto; and
- (kk) not, without the prior written consent of the Lender, make or agree to make any amendment, waiver or release of, or determine or settle, any of the Material Contracts or Other Contracts or permit any breach or default thereof or thereunder to exist.

- 13.2 In the case of default by the Company in the performance of any of the covenants contained in clause 13.1 it shall be lawful for (but not obligatory upon) the Lender to do whatever may, in the Lender's opinion, be necessary to make good such default, and all sums expended by the Lender in that behalf shall be added to the monies hereby secured and bear interest accordingly.

14. When Security Becomes Enforceable

- 14.1 On the occurrence of an Event of Default, the Security shall become immediately enforceable and the Secured Obligations shall be due and payable.

- 14.2 At any time after the Security has become enforceable the Lender may, in its absolute discretion, without notice to the Company, without the restrictions contained in the Act and at the times, in the manner and on the terms it thinks fit:
- (a) enforce all or any part of the Security;
 - (b) take possession of and hold all or any part of the Secured Assets;
 - (c) without first appointing a Receiver, exercise:
 - (i) the power of sale;
 - (ii) all the powers or rights which may be exercisable by the registered holder of the Investments including those set out at clause 8 (*Exercise of Rights in Respect of Shares*);
 - (iii) all or any of the powers and rights conferred on mortgagees by the Act as varied or extended by this Debenture; and
 - (iv) all the powers, authorities and discretions conferred by this Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers; and/or
 - (d) apply or appropriate any sums which may be received by the Lender in respect of the Secured Assets in repayment of the Secured Obligations.
- 14.3 Without prejudice to the generality of the foregoing and notwithstanding anything contained in this Debenture:
- (a) the exercise by the Lender of the powers and rights conferred on it by virtue of the provisions of the Act and the 1911 Act shall not be subject to any restriction on such exercise contained in sections 17, 20 and 24(1) of the Act;
 - (b) the restrictions on taking possession of mortgaged property contained in sections 20 and 24 of the Act shall not apply to this Debenture.
15. **Power of Sale**
- 15.1 The restrictions on the power of sale contained in sections 19(1), 20, 21(4), 21(6) and 21(7) of the Act and section 5 of the 1911 Act shall not apply to this Debenture.
- 15.2 Notwithstanding anything to the contrary contained in the Act and the 1911 Act, the Lender reserves the right to consolidate mortgage securities without restriction.
16. **Power of Leasing**
- 16.1 The power of leasing conferred upon a mortgagor in possession by section 18 of the Act and the power of accepting the surrender of leases conferred upon a mortgagor in possession by section 3 of the 1911 Act and any other powers of leasing, surrendering or accepting surrenders of leases vested in the Company shall not be exercisable without the prior consent in writing of the Lender nor shall the Company, without the prior consent in writing of the Lender, confer on any person any contractual licence to occupy or any other right or interest in any freehold or leasehold or other immovable property hereby charged or grant any licence or consent to assign, undertake or part with possession or occupation thereof.

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- 16.2 In accordance with section 18 of the Act and section 3 of the 1911 Act, the Company hereby consents to the Lender, while in possession, or any Receiver or Delegate, leasing all or any part of the Secured Assets, including any part of the Secured Assets consisting of land.

17. **Appointment of Receiver**

- 17.1 The Lender may appoint any person to be a Receiver of all or any part of the Secured Assets:

- (a) at any time after the Security has become enforceable; or
- (b) if requested by the Company,

in either case without notice to the Company.

- 17.2 Such an appointment shall be in writing under the common seal of the Lender or under the hand of any officer or manager or any other nominated person of the Lender.

- 17.3 The Lender may, except as otherwise required by statute, remove any such Receiver and appoint another in his place or appoint another person to act jointly with any such Receiver.

- 17.4 Such an appointment over part only of the Secured Assets shall not preclude the Lender from making any subsequent appointment of the same or another Receiver over any part of the Secured Assets over which an appointment has not been previously made.

- 17.5 Where more than one Receiver is appointed they shall have the power to act severally unless the Lender shall in the appointment specify to the contrary.

- 17.6 A Receiver shall be deemed at all times and for all purposes to be the agent of the Company in respect of which he is appointed and the Company shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Lender.

- 17.7 Neither the Lender nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Secured Assets or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Secured Assets to which a mortgagee in possession might as such be liable.

- 17.8 The restrictions contained in sections 19(1) and 24(1) to (7) of the Act shall not apply to this Debenture.

18. **Powers of Receiver**

- 18.1 A Receiver shall have all the powers conferred from time to time on receivers by statute and, without prejudice to the generality thereof in the case of powers conferred by the Act, the 1911 Act and the Insolvency (Northern Ireland) Order 1989 and without the restrictions contained in the Act, the 1911 Act and the Insolvency (Northern Ireland) Order 1989, in addition, power on behalf and at the cost of the Company (notwithstanding liquidation of the Company) to do or omit to do anything which the Company could do or omit to do in relation to the Secured Assets.

- 18.2 Any restrictions on the powers of a receiver contained in the Act, including the restrictions contained in sections 19(1) and 24(1) to (7) of the Act, shall not apply to this Debenture.

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18.3 In particular (but without limitation) a Receiver shall have the power to do all or any of the following:

- (a) enter upon, take possession of, collect and get in all or any of the Secured Assets;
- (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Company or any part thereof or concur in so doing;
- (c) acquire and develop or demolish any property or other assets without being responsible for loss or damage;
- (d) sell (including by public auction or private contract), let, exchange, surrender or accept surrenders, grant licences, transfer, assign or otherwise dispose of, or deal with, all or any of the Secured Assets or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including conditions excluding or restricting the personal liability of the Receiver or the Lender) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Secured Assets in the name and on behalf of the Company or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind the Company if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; Plant and Equipment and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Company;
- (e) conduct investigations, sampling, site studies and testing in respect of all or any part of the Secured Assets and take any and all remedial and removal action as he thinks fit or as required by law;
- (f) make and effect such repairs, renewals, improvements or other alterations to the Secured Assets as he may think fit;
- (g) maintain, renew, take out or increase insurances of whatever type (including indemnity insurance) for such amounts and on such terms as he may think fit;
- (h) appoint managers, agents, officers and employees for the purposes specified in this Debenture or to guard or protect the Secured Assets at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same;
- (i) without any consent by, or notice to, the Company, exercise on behalf of the Company all the powers and provisions conferred on a landlord or a tenant by any legislation from time to time in force relating to rents or otherwise in respect of any part of the Secured Assets 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;
- (j) without any consent by, or notice to, the Company, exercise for and on behalf of the Company and in the name of the Company all powers and rights of the Company relevant to and necessary to effect the registration with the Property Registration Authority of the crystallisation of the Floating Charge and/or the appointment of a Receiver hereunder;

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- (k) raise or borrow any money (including money for the completion with or without modification of any building in the course of construction and any development or project in which the Company was engaged) from, or incur any other liability to, the Lender or others on such terms with or without security as he may think fit and so that any such security may be or include an encumbrance on the whole or any part of the Secured Assets ranking in priority to the Security or otherwise;
- (l) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Secured Assets or otherwise, arrange for companies to trade or cease to trade and to purchase, lease, licence or otherwise acquire all or any of the Secured Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;
- (m) transfer all or any part of the Secured Assets to any other company or body corporate, whether or not formed or acquired for that purpose;
- (n) make or require the directors of the Company to make calls, conditionally or unconditionally, on the members of the Company in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Company or the Receiver as may be thought fit) or otherwise;
- (o) exercise, in respect of the Investments, all voting or other powers or rights available to a registered holder thereof in such manner as he may think fit;
- (p) settle, adjust, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of the Company or the Secured Assets or in any way relating to the Security and bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings (including proceedings for the winding up of the Company) whatsoever whether civil or criminal in relation to the matters aforesaid,
- (q) enter into, complete, disclaim, compromise, abandon or disregard, determine or rectify all or any contracts or arrangements in any way relating to or affecting the Secured Assets and allow time for payment of any debts either with or without security as he shall think expedient;
- (r) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Company and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (s) apply for, seek, negotiate and renew (whether on the same or different terms) any Authorisation (including any planning permissions and retention of planning permission) necessary or desirable in the opinion of the Receiver for the purposes of or in connection with the Secured Assets or the conduct of the Company's business or trade;
- (t) sell, license or otherwise dispose of any Intellectual Property the subject of the Security in consideration of a royalty or other periodical payment;
- (u) delegate to any person or persons or company or fluctuating body of persons all or any of the powers exercisable by the Receiver under this Debenture and/or the Act (without the restrictions contained in the Act);

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- (v) generally, at his option, use the name of the Company and/or the Company's common seal in the exercise of all or any of the powers hereby conferred;
 - (w) exercise, or permit the Company or any nominees of the Company to exercise, any powers or rights incidental to the ownership of the Secured Assets in such manner as he may think fit;
 - (x) take any and all steps or other action (including legal proceedings) for the purposes of enforcing, protecting or preserving any contractual rights forming part of the Secured Assets; and
 - (y) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Security and use the name of the Company for all the above purposes.
- 18.4 Section 24(6) of the Act shall not apply to the commission and/or remuneration of a Receiver appointed pursuant to this Debenture. A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Lender (or, failing such agreement, to be fixed by the Lender).
19. **Delegation of Powers of the Lender**
- The Lender may, at any time and from time to time, delegate by power of attorney or in any other manner (including under the hand of any officer of the Lender) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Lender under this Debenture or under the Act without the restrictions contained in the Act in relation to the Secured Assets, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Lender may think fit, and the Lender shall not be in any way liable or responsible to the Company for any loss or damage arising from any act, default, omission, or misconduct on the part of any Delegate (or sub-delegate).
20. **Liability of the Lender in Possession**
- 20.1 If the Lender or any Receiver or Delegate appointed by the Lender shall enter into possession of the Secured Assets, the Lender may, from time to time at pleasure, go out of such possession.
- 20.2 The Lender shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Secured Assets or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to the Company for anything except the Lender's own actual receipts or be liable to the Company for any loss or damage arising from any realisation by the Lender of the Secured Assets or from any act, default or omission of the Lender in relation to the Secured Assets or from any exercise or non-exercise by the Lender of any power, authority or discretion conferred upon it in relation to the Secured Assets by or pursuant to this Debenture or by the Act unless such loss or damage shall be caused by the Lender's own fraud or gross negligence.
- 20.3 All the provisions of clause 20.2 shall apply in respect of the liability of any Receiver or Delegate in all respects as though every reference in clause 20.2 to the Lender were instead a reference to such Receiver or Delegate (as the case may be).
- 20.4 The Company shall indemnify the Lender and every Receiver and Delegate against all actions, claims, demands, losses, expenses or liabilities of whatever nature now or hereafter

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incurred by them or by any officer, agent or employee for whose liability act or omission they or any of them may be answerable for anything done or omitted in the exercise or purported exercise of the powers contained in this Debenture or occasioned by any breach by the Company of any of its covenants or other obligations to the Lender unless such loss or damage shall be caused by the Lender's, or the Receiver's or Delegate's, own fraud or wilful neglect or gross negligence.

21. Application of Monies

21.1 All monies arising from the exercise of the powers of enforcement of the Security shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:

- (a) in or towards payment of all costs, charges and expenses of, and incidental to, the appointment of any Receiver hereunder and his remuneration;
- (b) in payment and discharge of any liabilities incurred or payable by the Receiver, whether on his own account or on behalf of the Company, in the exercise of any of the powers of the Receiver including the costs of realisation of the Secured Assets in respect of which he was appointed;
- (c) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in clause 32 (*Costs and Expenses*) and interest thereon;
- (d) in or towards payment or discharge of the Secured Obligations in such order as the Lender in its absolute discretion may from time to time determine; and
- (e) in payment of any surplus to the Company or other persons entitled thereto.

21.2 All monies from time to time received by the Lender from the Company, or any person or persons or company liable to pay the same, or from any Receiver or otherwise on the realisation or enforcement of the Security may be applied by the Lender either as a whole or in such proportions as the Lender shall think fit to any account or item of account or any transaction to which the same may be applicable.

21.3 The provisions of clause 21.1 shall take effect as and by way of variation to the provisions of sections 21(3), 22 and 24(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein and as regards section 24(8) as if they related to a receiver of the Secured Assets and not merely a receiver of the income thereof.

22. Protection of Buyers

22.1 No buyer, mortgagor, mortgagee or other person or company dealing with a Receiver, the Lender or a Delegate shall be concerned to enquire whether the Security has become enforceable or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the Security or as to the propriety or regularity of any sale by or other dealing with such Receiver, the Lender or Delegate but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to buyers contained in sections 21 and 22 of the Act and section 5(1) of the 1911 Act shall apply to any person purchasing from or dealing with a Receiver, the Lender or a Delegate.

22.2 Without prejudice to the generality of clause 22.1 above, the production of this Debenture to the authority, body or other person liable to pay Compensations Rights or other payments to

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the Company shall be a sufficient authority to it or him to pay such compensation and/or other monies to the Lender.

22.3 The receipt of the Lender, any Receiver or Delegate shall be an absolute and conclusive discharge to a buyer and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Lender, any Receiver or Delegate.

22.4 In this clause 22 (*Protection of Buyers*) "buyer" includes any person acquiring for money or money's worth, any lease of, or encumbrance over, or any other interest or right whatsoever in relation to, the Secured Assets.

23. Power of Attorney

23.1 The Company hereby by way of security for the performance of its obligations under this Debenture irrevocably appoints the Lender, any Receiver and any Delegate and each of them jointly and also severally to be the attorney of the Company (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed and at its own cost:

- (a) to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which the Company may or ought to do under the covenants and provisions contained in this Debenture;
- (b) generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Debenture or by any statute or common law on the Lender or any Receiver or which may be required or which the Lender or any Receiver shall deem fit for carrying any sale, lease, charge, mortgage or dealing by the Lender or by any Receiver into effect or for giving to the Lender or any Receiver the full benefit of these presents; and
- (c) generally to use the name of the Company in the exercise of all or any of the powers, authorities or discretions conferred on the Lender or any Receiver.

23.2 The Company hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this clause 23 (*Power of Attorney*) and all money expended by any such attorney shall be deemed to be expenses incurred by the Lender hereunder.

23.3 The Lender, any Receiver or Delegate (as the case may be) shall, in connection with the exercise of the said power of attorney, be the agent of the Company and the Company shall be solely responsible for the acts and defaults of that person and liable on any contracts or engagements made or entered into by it except that the Company shall not be in any way responsible for any fraud, gross negligence or wilful default by that person.

24. Continuing Security

24.1 The Security:

- (a) shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations;
- (b) is in addition to, and shall not merge with, or otherwise prejudice or affect, any contractual or other right or remedy or any guarantee, lien, pledge, encumbrance, bill, note, mortgage or other security (whether created by the deposit of documents or

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otherwise) now or hereafter held by, or available to, the Lender for or in respect of the Secured Obligations or any other obligations whatsoever; and

- (c) shall not be in any way prejudiced or affected by any act, omission, matter or thing which, but for this clause 24.1(c), would reduce, release or prejudice any of its obligations under this Debenture including:
 - (i) any time, waiver, consent, indulgence or concession granted to, or composition with, the Company or any other person;
 - (ii) the exchange, variation or release of, or refusal or neglect to perfect or enforce, the Security or any rights which the Lender may now or hereafter have or any failure to realise the full value of any of the Secured Assets;
 - (iii) any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status or constitution of, the Company or any other person;
 - (iv) any amendment, extension, restatement (in each case, however fundamental and whatsoever nature) or replacement of any document or security including any change in the purpose of, any extension of, or any increase in, any facility or the addition of any new facility under any document or security;
 - (v) any unenforceability, illegality or invalidity of:
 - (A) the Secured Obligations; and
 - (B) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender;
 - (vi) any insolvency or similar proceedings; or
 - (vii) any act, event or omission which, but for this clause 24.1(c) would or might have discharged, or otherwise prejudiced or affected, the liability of the Company.

24.2 Until the Security has been released in accordance with the terms of this Debenture, the Company:

- (a) waives all rights of subrogation and indemnity against any Relevant Company;
- (b) waives any right it might have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Debenture against the Company; and
- (c) agrees not to:
 - (i) demand or accept or to negotiate, assign, charge or otherwise dispose of any monies, obligations or liabilities now or hereafter due or owing to it by any Relevant Company;
 - (ii) take any step to enforce any right against any Relevant Company for the same;

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- (iii) claim any set-off or counter claim against any Relevant Company or the Lender;
- (iv) claim or prove in competition with the Lender in the insolvency, bankruptcy or liquidation, examination or administration of any Relevant Company; or
- (v) have the benefit of, or share in, any payment or composition from the same or in any other security now or hereafter held by the Lender for any monies, obligations or liabilities of any Relevant Company.

If the Company acts in breach of this clause, anything so received and any benefit derived directly or indirectly by it therefrom shall be held in trust for the Lender as a continuing security for the Secured Obligations.

25. Avoidance of Payments

- 25.1 Any release, discharge or settlement between the Company and the Lender shall be conditional upon no security, disposition or payment to the Lender by the Company or any other person being void, set aside or ordered to be refunded pursuant to any enactment of law relating to bankruptcy, liquidation, administration, examinership or insolvency or for any other reason whatsoever, and if such condition shall not be fulfilled, the Lender shall be entitled to enforce this Debenture subsequently to the full extent of the Secured Obligations as if such release, discharge or settlement had not occurred and any such payment had not been made.
- 25.2 The Lender may, in its absolute discretion, retain the Security for a period of one week plus such statutory period within which such security, disposition or payment can be avoided, set aside or ordered to be refunded after the Secured Obligations have been paid or discharged in full, notwithstanding any release, discharge or settlement given or made by the Lender on, or as a consequence of, such termination of liability.

26. Proviso for Redemption

- 26.1 Subject to clause 25 (*Avoidance of Payments*), at the end of the Security Period, at the request and expense of the Company, the Lender shall (but subject to the rights and claims of any person having prior rights thereto) reassign the property and assets assigned to the Lender by or pursuant to this Debenture and release or otherwise discharge the Security.
- 26.2 Forthwith upon the release of this Debenture pursuant to clause 26.1, the Lender shall deliver to the Company those documents (or such relevant documents) deposited with the Lender under this Debenture.

27. Set-Off

- 27.1 Without prejudice to any other right of set-off or of combining accounts or any similar right to which the Lender may be entitled at law or in equity and, without prejudice to anything else herein contained, the Lender shall be entitled at any time without prior notice to the Company to:
- (a) set-off any obligation due, owing or incurred by the Company to the Lender whether actually or contingently against any obligation (whether or not matured) owed by the Lender to the Company regardless of place of payment, booking or branch;

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- (b) debit any account of the Company (whether sole or joint) with the Lender or any of its offices anywhere with all or any part of the Secured Obligations from time to time; and/or
- (c) combine or consolidate all or any accounts of the Company (whether sole or joint) with the Lender,

in all cases in whatever currency or currencies and whether or not any period, of any deposit or by reference to which interest thereon is calculated, has expired.

27.2 For these purposes the Lender shall be entitled:

- (a) to make any currency conversions or effect any transaction in currencies which it thinks fit, and to do so at such times and rates it thinks proper;
- (b) to break or determine the balance on any account in whole or in part (and any costs in connection with such breaking or determination shall form part of the Secured Obligations); and
- (c) to effect any transfers between, or entries on, any of the Company's accounts which the Lender considers proper.

28. Subsequent Charges and New Accounts

If the Lender shall at any time receive or be deemed to have received notice of any subsequent mortgage, charge or interest affecting the Secured Assets or any assignment or transfer thereof which is prohibited by the terms of this Debenture:

- (a) the Lender may open a new account or accounts for the Company in its books; and
- (b) if the Lender does not in fact open such new account, then unless it gives express written notice to the Company to the contrary, the Lender shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Company, all payments by or on behalf of the Company to the Lender shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

29. Suspense Account

29.1 All monies received by the Lender, a Receiver or Delegate under this Debenture:

- (a) may, at the discretion of the Lender, Receiver or Delegate (as the case may be), be credited to an interest-bearing suspense account;
- (b) may be held in that account for such period as the Lender, Receiver or Delegate (as the case may be) thinks fit.

29.2 If the Security is enforced at a time when no amount is due to the Lender but at a time when amounts may or shall become due, the Lender (or Receiver or Delegate) may pay the proceeds of any recoveries effected by it into such number of interest-bearing suspense accounts as it considers appropriate.

30. Currency Indemnity

30.1 If any sum due from the Company under this Debenture or any order or judgment given or made in relation hereto has to be converted from the currency (the "first currency") in which the same is payable hereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (a) making or filing a claim or proof against the Company;
- (b) obtaining or enforcing an order or judgment in any court or other tribunal; or
- (c) applying the same in satisfaction of any part of the Secured Obligations,

the Company agrees to indemnify and hold harmless the Lender from and against any loss suffered as a result of any discrepancy arising out of the conversion including:

- (i) the rate of exchange used to convert the sum in question from the first currency into the second currency; and
- (ii) the rate or rates of exchange at which the Lender is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof or for application in satisfaction of the Secured Obligations.

30.2 The rate or rates of exchange referred to in clause 30.1 shall be determined by the Lender in accordance with applicable market practice and the Lender's certificate as to the amount of any such rate shall be conclusive, save in the case of manifest error.

31. Certificate of the Lender Conclusive

A certificate signed by an officer of the Lender as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Company, be conclusive evidence as to the amount thereof.

32. Costs and Expenses

32.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax) incurred by the Lender or, as the case may be, any Receiver or Delegate:

- (a) in the negotiation, preparation and execution of this Debenture and the completion of the transactions contemplated herein;
- (b) in the exercise of any of the rights, remedies and powers conferred on the Lender or, as the case may be, any Receiver or Delegate, by this Debenture or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Lender in relation to the title to the whole or any part of the Secured Assets; and
- (c) as a consequence of holding the Security or any claims or proceedings in relation thereto or to any of the Secured Assets,

shall be reimbursed by the Company to the Lender on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the rate referred to in clause 3.2.

32.2 The Company shall pay all stamp, registration and other taxes to which this Debenture or any judgment in connection herewith is, or at any time may be, subject and shall indemnify the Lender against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax.

32.3 The cost of the Company complying with any of its obligations under this Debenture (including its obligations under clause **Error! Reference source not found.** (*Prescribed Form Charge over Registered Land*) and clause 7 (*Perfection of Security and Further Assurance*)) shall be borne by the Company.

33. **Payments Free Of Deduction**

All payments to be made under this Debenture shall be made free and clear of any deduction for, or on account of, tax unless the Company is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Company in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

34. **Financial Collateral**

34.1 To the extent that:

- (a) all or any part of the assets mortgaged, charged or otherwise secured under this Debenture constitute "financial collateral"; and
- (b) this Debenture and the obligations of the Company under this Debenture 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 (as amended) (the "**Regulations**"), the Lender shall have the right after the Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.

34.2 For the purpose of clause 34.1 above, the parties agree that the value of the financial collateral so appropriated shall be the market value of that financial collateral determined reasonably by the Lender by reference to a public index or by such other process as the Lender may select, including independent valuation. The parties further agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

35. **Severability**

If at any time any one or more of the provisions of this Debenture (or part of a provision of this Debenture) is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability;

- (a) in that jurisdiction of any other provision of this Debenture (including the remainder of a provision, where only part thereof is or has become illegal, invalid or unenforceable); or

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- (b) under the law of any other jurisdiction of that or any other provision of this Debenture.

36. Assignment

- 36.1 This Debenture shall be binding upon and inure to the benefit of each of the parties and their respective successors, permitted assigns and permitted transferees and references in this Debenture to any of them shall be construed accordingly.
- 36.2 The Company may not assign or transfer all or any of its rights, benefits or obligations under this Debenture. The Lender may, without the consent of the Company, assign all or any part of its rights, benefits or obligations under this Debenture.
- 36.3 The Lender may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Lender in relation to this Debenture such information about the Company and this Debenture as the Lender considers appropriate.

37. Variations, Waivers and Remedies

- 37.1 A variation of this Debenture is valid only if it is in writing and executed by or on behalf of each party.
- 37.2 A waiver of any right or remedy under this Debenture or by law, or any consent given under this Debenture, shall only be effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default.
- 37.3 No failure on the part of the Lender to exercise, nor any delay in exercising any right, remedy, power or privilege under this Debenture or any other document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 37.4 The rights, remedies, powers and privileges under this Debenture are cumulative and not exclusive of any such right, remedy, power or privilege that may otherwise be available to the Lender.

38. The Lender's Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Lender or any Receiver or Delegate may be exercised or made in its or his absolute or unfettered discretion without any obligation to give reasons therefore.

39. Safe Custody of Documents

- 39.1 The Lender hereby undertakes with the Company for the safe custody of such of the documents of title relating to the Secured Assets of which it retains possession or control.
- 39.2 The Company agrees that in the event of the loss or destruction of, or injury to, the documents of title relating to the Secured Assets, the Lender shall have no liability to the Company:
 - (a) if the loss, destruction or injury occurred:
 - (i) prior to actual receipt of the documents of title in question by the Lender from the Company or the Company's solicitor, or

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- (ii) after the documents of title in question have been given by the Lender to some other person at the written request of the Company and before the documents have been received back by the Lender; or
 - (b) for any damages suffered by the Company as a result of the loss or destruction of, or injury to, the documents of title in question where such damages:
 - (i) do not directly and naturally result from such loss, destruction or injury, or
 - (ii) relate to loss of profit or expected profit from the Company's business or from the development of the Secured Assets.
- 39.3 This clause 39 shall be regarded as an undertaking for safe custody of documents of title given under section 9 of the Act.

40. Limitations

This Debenture does not render any liability a Secured Obligation to the extent that doing so would result in this Debenture constituting unlawful financial assistance within the meaning of sections 678 and 679 of the Companies Act or any equivalent and applicable provisions under the laws of any other relevant jurisdiction.

41. No Partnership

No provision of this Debenture creates a partnership between the parties or makes a party the agent of the other party for any purpose.

42. Entire Agreement

This Debenture and the documents referred to herein together constitute the entire agreement and understanding of the parties and supersede any previous agreement, statement, representation, warranty, understanding, undertaking, promise, assurance, usage or course of dealing between the parties relating to the subject matter of this Debenture.

43. Notices

- 43.1 Any notice or other communication to be given under or for the purposes of this Debenture shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below or such other address or facsimile number as that person has designated in writing from time to time to the person giving the notice:

- (a) the Lender as follows:

Address: Unit A, Brook Park East, Shirebrook NG20 8RY

Facsimile: +44 344 245 9203 / colsen@ibml.co.uk

No/Email:

Attention: Cameron Olsen, Head of Legal

- (b) the Company:

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Address: Enkalon Industrial Estate, 27 Randalstown Road, Antrim, BT41 4LD

Facsimile No: +353 145 19199

Attention: Colm Nagle

43.2 Any such notice or other communication shall be deemed to have been received by the recipient:

- (a) in the case of a letter which is hand delivered, when actually delivered;
- (b) in the case of a letter which is sent by registered post, on the second business day after posting (or on actual receipt, if earlier); or
- (c) in the case of transmission by facsimile, at the time of transmission,

provided that any notice or other communication given as described in clause 43.2(a) or clause 43.2(c) on a day that is not a business day or after normal business hours, in the place it is received, shall be deemed to have been received on the next business day.

43.3 Any communication or document to be made or delivered to the Lender shall be effective only when received by the Lender and then only if the same is expressly marked for the attention of the department and officer referred to above (or such other department and officer as the Lender may from time to time specify for this purpose).

43.4 Each person making a communication under this Debenture by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Debenture but the absence of such confirmation shall not affect the validity of any such communication.

44. Counterparts

This Debenture may be executed in any number of counterparts and by the different parties to this Debenture on separate counterparts, each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument.

45. Governing Law and Jurisdiction

45.1 This Debenture and all non-contractual obligations arising out of or in connection with it shall be governed by the laws of Northern Ireland.

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

45.3 The parties agree that the courts of Northern Ireland are the most appropriate and convenient courts to settle Disputes and accordingly no party shall argue to the contrary.

45.4 This clause 45 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

**FIRST SCHEDULE
(Secured Premises)**

Part I

None as at the date of this Debenture

Part II

None as at the date of this Debenture

Part III

None as at the date of this Debenture

**SECOND SCHEDULE
(Shares)**

None as at the date of this Debenture

**THIRD SCHEDULE
(Intellectual Property)**

None as at the date of this Debenture

**FOURTH SCHEDULE
(Material Contracts)**

None as at the date of this Debenture

**FIFTH SCHEDULE
(Plant and Equipment)**

None as at the date of this Debenture

**SIXTH SCHEDULE
(Accounts)**

None as at the date of this Debenture

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SEVENTH SCHEDULE
(Insurances)

None as at the date of this Debenture

EIGHTH SCHEDULE
(Form of Notices and Acknowledgments)

Part I
Form of Notice for Material Contracts

To: *[insert name of Contract Party]*

[Date][•]

Dear Sirs

We hereby give you notice that by a debenture dated [•] (the "**Debenture**"), we assigned to [•] (the "**Lender**" which term shall include its successors, transferees and assigns) all of our right, title and interest in, to and under the following agreements:

[•], (the "**Material Contract(s)**").

We confirm that:

- (a) we shall remain liable under each Material Contract to perform all the obligations assumed by us under the Material Contract(s); and
- (b) none of the Lender, its agents, any receiver or any other person shall at any time be under any obligation or liability to you under or in respect of the Material Contract(s).

We shall remain entitled to exercise all of our rights under each Material Contract and you should continue to give notice under each Material Contract to us, unless and until you receive notice from the Lender stating that the security has become enforceable.

After receipt of such notice all notices must be given to the Lender and all rights and remedies provided for in the Material Contract(s) shall be exercisable by, and available to, the Lender or as it directs.

Please note that we have agreed not to amend or waive any term of or terminate any Material Contract without the prior written consent of the Lender.

This notice and the terms set out herein shall be irrevocable save as otherwise advised in writing by the Lender.

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

This letter or any non-contractual obligation arising out of, or in connection with, this letter shall be governed by the laws of Northern Ireland.

Yours faithfully

for and on behalf of:
[insert name of Company]

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Part II
Form of Acknowledgement for Material Contracts

To: [insert name of Lender] [Date]

Cc: [insert name of Company]

Dear Sirs

Debenture dated [•] between [insert name of Company] and [insert name of Lender] (the "Debenture")

We acknowledge receipt from [•] (the "Company") of a notice (the "Notice") dated [•] of an assignment on the terms of the Debenture of all of the Company's rights in respect of [insert details of the Material Contract(s)] (the "Material Contract(s)").

We confirm our consent to the assignment and that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

We confirm that:

- (a) we shall comply in all respects with the terms of the Notice;
- (b) no amendment, waiver or release of any of such rights, interests and benefits shall be effective without your prior written consent;
- (c) we are not aware of any breach by the Company of the terms of any Material Contract;
- (d) we undertake to notify you of any material breach or default on the part of the Company of any of the terms of the Material Contract(s) of which we are aware and to allow you to make good such breach;
- (e) we undertake to disclose to you without any reference to, or further authority from, the Company any information relating to any Material Contract which you may at any time request; and
- (f) we shall not exercise any right of combination, consolidation, set-off or counterclaim which we may have in respect of the Material Contract(s).

This letter or any non-contractual obligation arising out of, or in connection with, this letter shall be governed by the laws of Northern Ireland.

Yours faithfully

For and on behalf of
[insert name of Contract Party]

Part III
Form of Notice for Insurances

To: [insert name of insurer]

[Date]

Dear Sirs

2. We hereby give you notice that, by a debenture dated [•] (the "**Debenture**"), we assigned to [•] (the "**Lender**" which term includes its successors, transferees and assigns) all of our rights, title, interest and benefits in respect of, *inter alia*, the insurance policies with you set out below and all our future policies with you (each an "**Insurance**") and all claims, proceeds and returns of premia in respect thereof to which we are, or may at a future time become, entitled.
3. A reference in this letter to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle our liability to a third party.
4. We confirm that:
 - (a) we shall remain liable under each Insurance to perform all the obligations assumed by us under such Insurance;
 - (b) none of the Lender, its agents, any receiver or any other person shall at any time be under any obligation or liability to you under or in respect of any Insurance;
 - (c) all amounts payable to us under each Insurance shall be paid to the Lender at:

Bank:	[•]
Account Number:	[•]
Account Name:	[•]
Sort Code:	[•]

or such other account as the Lender may specify from time to time.
5. Subject to the above, we shall remain entitled to exercise all of our rights under each Insurance and you should continue to give notice under each Insurance to us, unless and until you receive notice from the Lender stating that the security has become enforceable.
6. After receipt of such notice all notices must be given to the Lender and all rights and remedies provided for in each Insurance shall be exercisable by, and available to, the Lender or as it directs.
7. You shall give notice to the Lender in writing:
 - (a) if we propose to cancel or give notice of cancellation of any Insurance at least 30 days before such cancellation is to take effect;
 - (b) of any material alteration or, the termination or expiry of any such Insurance at least 30 days before such alteration, termination or expiry is to take effect; and
 - (c) promptly of any default in the payment of any premium or failure to renew any such Insurance and shall give the Lender not less than 30 days in which to pay the defaulted premium without cancelling the policy during such 30 days period.

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8. Please note on the relevant contracts the Lender's interest as co-insured and as sole-loss payee.
9. Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Lender at [•] marked for the attention of [•] with a copy to ourselves.
10. This notice and the terms set out herein shall be irrevocable save as otherwise advised in writing by the Lender.
11. This letter or any non-contractual obligation arising out of, or in connection with, this letter shall be governed by the laws of Northern Ireland.
12. The Insurance(s) to which this letter relates are, as at the date hereof as follows:

[Insert details of insurance policies]

Yours faithfully

(Authorised signatory)
[insert name of Company]

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Part IV

Form of Acknowledgement for Insurances

To: [insert name of Lender] [Date]

cc: [insert name of Company]

Dear Sirs

Debt instrument dated [•] between [insert name of Company] and [insert name of Lender] (the "Debt Instrument")

We acknowledge receipt from [•] (the "Company") of a notice (the "Notice") dated [•] of an assignment on the terms of the Debenture of all of its rights, title, interest and benefits in respect of each Insurance (as defined in the Notice) (which includes the insurance policies set out in the Notice and all future policies of insurance held by the Company with us) and all claims, proceeds and returns of premia in respect thereof to which the Company is or may at a future time become entitled.

We confirm our consent to the assignment and that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

We confirm that:

- (a) we shall comply in all respects with the terms of the Notice;
- (b) no amendment, waiver or release of any such rights, interests and benefits shall be effective without your prior written consent;
- (c) we undertake to note on the relevant contracts the interest of the Lender as sole loss payee and as co-insured;
- (d) we undertake to notify you of any material breach or default on the part of the Company of any of the terms of the Insurance(s) of which we are aware and to allow you to make good such breach;
- (e) we shall give notice to the Lender in writing:
 - (i) if we propose to cancel or give notice of cancellation of any Insurance at least 30 days before such cancellation is to take effect;
 - (ii) of any material alteration or, the termination or expiry of any such Insurance at least 30 days before such alteration, termination or expiry is to take effect; and
 - (iii) promptly of any default in the payment of any premium or failure to renew any such Insurance and shall give the Lender not less than 30 days in which to pay the defaulted premium without cancelling the policy during such 30 days period;

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- (f) we undertake to disclose to you without any reference to, or further authority from, the Company any information relating to any Insurance which you may at any time request; and
- (g) we shall not exercise any right of combination, consolidation, set-off or counterclaim which we may have in respect of the Insurance(s).

This letter or any non-contractual obligation arising out of, or in connection with, this letter shall be governed by the laws of Northern Ireland.

Yours faithfully

(Authorised signatory)
[insert name of insurer]

Part V
Form of Notice for Account Bank

To: [insert name of Account Bank]

[Date]

Dear Sirs

We refer to our account(s) with you as follows:

[•], (the "Account(s)").

We hereby give you notice that by a debenture dated [•], we assigned to [•] (the "Lender" which term shall include its successors, transferees and assigns) all of our right, title and interest in and to the Account(s) and the balance for the time being and from time to time standing to the credit of the Account(s) together with all interest thereon and the debt represented thereby.

Please note that we are not allowed to request any withdrawal or transfer from the Account(s).

[We irrevocably instruct and authorise you from time to time and at any time without reference to, or further authority from, us and without any enquiry by you as to the justification for any such matter:

- (a) to disclose to the Lender such information relating to the Account(s) as the Lender may request you to disclose to it;
- (b) to hold all sums of money (whether representing principal or interest) standing to the credit of the Account(s) to the order of the Lender;
- (c) to pay or release all or any part of the sums (whether representing principal or interest) standing to the credit of the Account(s) in accordance with the written instructions of the Lender; and
- (d) to comply with the terms of any written notice or instructions in any way relating to or purporting to relate to the Account(s) and the sums (whether representing principal or interest) standing to the credit of the Account(s) or the debt represented thereby which you may receive from the Lender.]

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

This notice and the terms set out herein shall be irrevocable save as otherwise advised in writing by the Lender.

This letter or any non-contractual obligation arising out of, or in connection with, this letter shall be governed by the laws of Northern Ireland.

Yours faithfully

[insert name of Company]

EXECUTION

Part VI
Form of Acknowledgement from the Account Bank

To: [insert name of Lender] [Date]
cc: [insert name of Company]

Dear Sirs

Re: [•] (the "Company")

We acknowledge receipt of a notice (the "Notice") dated [•] of an assignment in your favour of all the Company's rights, title and interest in and to its account number(s) [•] with us (the "Account(s)") and the balance for the time being and from time to time standing to the credit of the Account(s) together with all interest thereon and the debt represented thereby (the "Credit Balance").

We confirm that:

- (a) we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance and comply with the terms of the Notice;
- (b) we shall not permit the whole or any part of the Credit Balance to be withdrawn or transferred except on your written instructions or with your prior written consent;
- (c) we have not received notice of any right or interest of any third party in the Account(s) or the Credit Balance and we shall forthwith give you notice of any such actual or potential right or interest of which we become aware; and
- (d) we have neither claimed or exercised nor shall claim or exercise any security interest, set-off, counterclaim or other rights in respect of the Account(s) or the Credit Balance.

We are aware that you are relying on this letter in connection with your rights under the above-mentioned assignment.

This letter or any non-contractual obligations arising out of, or in connection with, this letter is governed by the laws of Northern Ireland.

Yours faithfully

[insert name of Account Bank]

EXECUTION

NINTH SCHEDULE
Not Used

TENTH SCHEDULE
(Share Deliverables)

Part I
Form of Transfer Instrument

STOCK TRANSFER FORM		
(Above this line for Registrars only)		
		Certificate lodged with the Registrar
Consideration Money £		(For completion by the Registrar/Stock Exchange)
Name of Undertaking.		
Description of Security.		
Number of amount of Shares, Stock or other security and, in figures column only, number and denomination of units, if any.	Words	Figures
<p>Name(s) of registered holder(s) should be given in full: the address should be given where there is only one holder.</p> <p>If the transfer is not made by the registered holder(s) insert also the name(s) and capacity (e.g. Executor(s)), of the person(s) making the transfer.</p>	In the name(s) of	
<p>I hereby transfer the above security out of the name(s) aforesaid to the person(s) named below.</p> <p style="text-align: center;">Signature(s) of transferor(s)</p> <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>A Body corporate should execute this transfer under its common seal or otherwise in accordance with applicable statutory requirements.</p>		<p>Stamp of Selling Broker(s) or, for transactions which are not stock exchange transactions, of Agent(s), if any, acting for the Transferor(s).</p> <p>Date</p>
Full name(s), full postal address(es) (including County		

<p>or, if applicable, Postal District number) of the person(s) to whom the security is transferred.</p> <p>Please state title, if any, or whether Mr., Mrs. or Miss.</p> <p>Please complete in type or in Block Capitals.</p>	
<p>I request that such entries be made in the register as are necessary to give effect to this transfer.</p>	
<p>Stamp of Buying Broker(s) (if any).</p>	<p>Stamp or name and address of person lodging this form (if other than the Buying Broker(s)).</p>

Reference to the Registrar in this form means the registrar or registration agent of the undertaking, not the Registrar of Companies at Companies House (4/12)

FORM OF CERTIFICATE REQUIRED – TRANSFERS NOT CHARGEABLE WITH *AD VALOREM* STAMP DUTY

Complete Certificate 1 if:

- the consideration you give for the shares is £1,000 or less and the transfer is not part of a larger transaction or series of transactions (as referred to in Certificate 1).

Complete Certificate 2 if:

- the transfer is otherwise exempt from Stamp Duty and you are not claiming a relief, or
- the consideration given is not chargeable consideration.

Certificate 1

I/We* certify that the transaction effected by this instrument does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £1,000.

I/We* confirm that I/we* have been duly authorised by the transferor to sign this certificate and that I/we* am/are* aware of all the facts of the transaction.**

* Please delete as appropriate.

** Delete second sentence if certificate is given by transferor

Signature(s)

Description ("Transferor", "Solicitor", etc)

.....
.....
.....

.....
.....
.....

Date

.....

Certificate 2

I/We* certify that this instrument is otherwise exempt from *ad valorem* Stamp Duty without a claim for relief being made or that no chargeable consideration is given for the transfer for the purposes of Stamp Duty.

I/We* confirm that I/we* have been authorised by the transferor to sign this certificate and that I/we* am/are* aware of all the facts of the transaction.**

* Please delete as appropriate

** Delete second sentence if certificate is given by transferor

Signature(s)

Description ("Transferor", "Solicitor", etc)

.....
.....
.....

.....
.....
.....

Date

.....

Notes

- (1) You don't need to send this form to HM Revenue & Customs (HMRC) if you have completed either Certificate 1 or 2, or the consideration for the transfer is nil (in which case you must write "nil" in the consideration box on the front of the form). In these situations send the form to the company or its registrar.
- (2) In all other cases – including where relief from Stamp Duty is claimed – send the transfer form to HMRC to be stamped.
- (3) Information on Stamp Duty reliefs and exemptions and how to claim them can be found on the HMRC website at hmrc.gov.uk/sd.

Part II
Form of Shareholder's Letter of Authority

To: *[insert name of Lender]*

Attention: { • }
as Lender

Date: { • }

Dear Sirs

[Insert name of Relevant Company] (the "Relevant Company")

We hereby unconditionally and irrevocably authorise you to date and otherwise complete the share transfer form deposited by ourselves with yourselves in respect of our shares in the Relevant Company pursuant to the debenture dated today (the "**Debenture**") between ourselves and yourselves, as and when you become entitled to date and complete the same pursuant to the terms of the Debenture.

Yours faithfully

For and on behalf of

and duly authorised by
[insert name of Company]

Part III
Form of Irrevocable Proxy

We hereby irrevocably appoint *[insert name of Lender]* as our proxy to vote at meetings of the shareholders of *[insert name of Relevant Company]* (the "**Relevant Company**") in respect of any existing or further shares in the Company which may have been or may from time to time be issued to us and/or registered in our name. This proxy is irrevocable by reason of being coupled with the interest of *[insert name of Lender]* under a debenture with respect to the aforesaid shares.

For and on behalf of

and duly authorised by
[insert name of Company]

Dated: *[should be left undated by Company]*

Part IV
Form of Irrevocable Appointment

We hereby irrevocably appoint [*insert name of Lender*] as our duly authorised representative to sign resolutions in writing of [*insert name of Relevant Company*] (the “**Relevant Company**”) in respect of any existing or further shares in the Relevant Company which may have been or may from time to time be issued to us and/or registered in our names.

For and on behalf of
and duly authorised by
[*Insert name of Company*]

Dated: [•]

Part V
Form of Dividend Mandate

From: [•] (the "Company")

To: The Secretary
[Insert name of Relevant Company]

Date: [•]

Dear Sir/Madam

We refer to:

- (h) [•] shares of [•] each (the "Shares") in the capital of [insert name of Relevant Company] (the "Relevant Company"), of which we are the registered holder; and
- (i) a debenture dated [•] from the Company in favour of [insert name of Lender] (the "Lender") (the "Debenture") pursuant to which we have created security over the Shares in favour of the Lender.

We hereby request that upon receipt by you of a notice from the Lender confirming that the security under the Debenture has become enforceable (a "Default Notice"):

- (i) you shall forward to the Lender, until further written notice by the Lender, all cash dividends that may become from time to time payable on the Shares; and
- (ii) you act on the Default Notice and the confirmation and request therein without requiring further evidence of the identity of the Lender, the security having become enforceable, the number of the Shares in respect of which the Lender is entitled under the Debenture to receive dividends or any other matter relating to compliance with, or entitlement under, the Debenture.

This request is irrevocable. Compliance with this request shall be a good discharge to the Relevant Company.

Yours faithfully

Authorised Signatory
For and on behalf of [insert name of Company]

Part VI
Form of Director/Secretary Resignation Letter

To: The Secretary and Directors
[insert name of Relevant Company]

Date:[should be left undated by director/Secretary]

Dear Sirs

I resign as a director/Secretary of [insert name of Relevant Company] and confirm that I have no right to compensation or claims against [insert name of Relevant Company] for loss of office, arrears of pay or otherwise howsoever.

Signed and delivered as a deed by
[insert name of director/Secretary] in the
presence of:

Signature of Witness

Name of Witness

Address of Witness

Occupation of Witness

Part VII
Form of Letter of Authority

To: *[insert name of Lender]*
Attention: [•] as Lender

Date: [•]

Dear Sirs

[Insert name of Relevant Company] (the "**Relevant Company**")

I hereby unconditionally and irrevocably authorise you to date and otherwise complete the director/Secretary letter of resignation deposited by me with yourselves pursuant to the debenture dated today (the "**Debenture**") between *[insert name of Company]* and yourselves, as and when you become entitled to date and complete the same pursuant to the terms of the Debenture.

Signed and delivered as a deed by *[insert name of director/Secretary]* in the presence of:

Signature of Witness

Name of Witness

Address of Witness

Occupation of Witness

EXECUTION PAGE

IN WITNESS whereof the parties have executed and delivered this Debenture as a deed on the date first written above.

THE COMPANY

Executed and delivered as a deed by
HSPORTS LIMITED
acting by David Fessey
a director in the presence of:



Director

Signature of Witness



Name of Witness

Emma Reid

Address of Witness



Occupation of Witness



THE LENDER

Signed by: Sean Newitt

for and on behalf of

SPORTSDIRECT.COM RETAIL LIMITED in
the presence of:



Director

Signature of Witness



Name of Witness

Emma Reid

Address of Witness



Occupation of Witness

