



Registration of a Charge

Company name: **GAP GROUP PROPERTIES LIMITED**

Company number: **SC159415**



X8EMS45L

Received for Electronic Filing: **23/09/2019**

Details of Charge

Date of creation: **16/09/2019**

Charge code: **SC15 9415 0035**

Persons entitled: **RBS INVOICE FINANCE LIMITED (AS SECURITY AGENT)**

Brief description: **N/A**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

LILLIAN MACKENZIE



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 159415

Charge code: SC15 9415 0035

The Registrar of Companies for Scotland hereby certifies that a charge dated 16th September 2019 and created by GAP GROUP PROPERTIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd September 2019 .

Given at Companies House, Edinburgh on 23rd September 2019

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



I CERTIFY THAT, SAVE FOR MATERIAL REDACTED
PURSUANT TO s859G OF THE COMPANIES ACT 2006,
THIS IS A TRUE, COMPLETE AND CORRECT COPY
OF THE ORIGINAL INSTRUMENT

DATE 20 September 2019

SIGNED *L. Madenye*
DLA PIPER UK LLP

DATED 16 September 2019

(1) THE COMPANIES NAMED IN THIS DEED AS ORIGINAL CHARGORS
as the Original Chargors

(2) RBS INVOICE FINANCE LIMITED
as Security Agent

GROUP DEBENTURE

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THIS DEBENTURE is made on

16 September

2019

BETWEEN:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "Original Chargors"); and
- (2) RBS INVOICE FINANCE LIMITED (as Security Agent for the Secured Parties (as defined below) in such capacity, the "Security Agent").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Facilities Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) at all times the following terms have the following meanings:

"Accession Deed" means an accession deed substantially in the form set out in schedule 3 (*Form of Accession Deed*);

"Act" means the Law of Property Act 1925;

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*);

"Charged Investments" means the Charged Securities and all present and future Securities Rights accruing to all or any of the Charged Securities;

"Charged Securities" means:

- (a) the securities specified in part 1 of schedule 2 (*Details of Security Assets*); and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Chargor has an interest at any time;

"Chargors" means:

- (a) the Original Chargors; and
- (b) any other company which accedes to this Deed pursuant to an Accession Deed;

"Client" has the meaning given to that term in the Facilities Agreement;

"Debenture Security" means the Security created or evidenced by or pursuant to this Deed or any Accession Deed;

"Debt" has the meaning given to that term in the Facilities Agreement;

"Default Rate" means the rates of interest determined in accordance with clause 12.5 (*Default Interest*) of the Facilities Agreement;

"Delegate" means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver;

"Facilities Agreement" means the asset based finance facility agreement dated on around the date of this Deed and made between (1) GAP Holdings Limited as Parent (2) the companies as defined therein as Original Clients (3) the companies as defined therein as Original Guarantors (4) RBS Invoice Finance Limited as Arranger (5) RBS Invoice Finance Limited as Facilities Agent (6) RBS Invoice Finance Limited, HSBC Invoice Finance (UK) Limited, PNC Business Credit a trading style of PNC Financial Services UK Ltd and Wells Fargo Capital Finance (UK) Limited as Original ID Providers (7) RBS Invoice Finance Limited, HSBC Invoice Finance (UK) Limited, PNC Business Credit a trading style of PNC Financial Services UK Ltd and Wells Fargo Capital Finance (UK) Limited as Original Plant and Machinery Lenders (8) RBS Invoice Finance Limited as ID Trustee and (9) RBS Invoice Finance Limited as Security Agent;

"Finance Documents" means each *"Finance Document"* as such term is defined in the Facilities Agreement;

"Finance Party" means each *"Finance Party"* as such term is defined in the Facilities Agreement;

"Group" has the meaning given to that term in the Facilities Agreement;

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor, or in which a Chargor from time to time has an interest (including, without limitation the policies of insurance (if any) specified in part 3 of schedule 2 (*Details of Security Assets*));

"Intellectual Property" means all present and future legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Chargor in, or relating to:

- (a) any patents, trade marks, service marks, designs, utility models, trade names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist) whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist),

(including, without limitation, the intellectual property rights (if any) specified in part 2 of schedule 2 (*Details of Security Assets*));

"Non-Vesting Debts" has the meaning given to that term in the Facilities Agreement;

"Party" means a party to this Deed;

"Planning Acts" means (a) the Town and Country Planning Act 1990, (b) the Planning (Listed Buildings and Conservation Areas) Act 1990, (c) the Planning (Hazardous Substances) Act 1990, (d) the Planning (Consequential Provisions) Act 1990, (e) the Planning and Compensation Act 1991, (f) Town and Country Planning (Scotland) Act 1997, (g) Planning, etc. (Scotland) Act 2006, (h) any regulations made pursuant to any of the foregoing and (g) any other legislation of a similar nature;

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Chargor, or in which any Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales, together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof;
- (c) all proceeds of sale of that property; and
- (d) the benefit of all covenants given in respect thereof;

"Receiver" means any receiver, receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by the Security Agent under this Deed;

"Related Rights" has the meaning given to that term in the Facilities Agreement;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each present or future Obligor to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed);

"Secured Party" has the meaning given to that term in the Facilities Agreement, and **"Secured Parties"** shall be construed accordingly;

"Securities Rights" means, in relation to any Charged Security:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed;

"Security Document" has the meaning given to the term "Transaction Security Documents" in the Facilities Agreement;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and

- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents; and

"Termination Event" has the meaning given to it in the Facilities Agreement.

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Interpretation*) of the Facilities Agreement (other than clause 1.2.5) apply to this Deed as though they were set out in full in this Deed, except that references to "*this Deed*" will be construed as references to this Deed.
- (b) Unless a contrary indication appears, any reference in this Deed to:
- (i) a "**Chargor**", the "**ID Trustee**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (ii) "**this Deed**", the "**Facilities Agreement**", any other "**Finance Document**" or any other agreement or instrument shall be construed as a reference to this Deed, the Facilities Agreement, such other Finance Document or such other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
 - (iii) "**Secured Obligations**" includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group.
- (c) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed:
- (i) must be complied with at all times during the Security Period; and
 - (ii) is given by such Chargor for the benefit of the Security Agent and each other Secured Party.
- (d) The terms of the other Finance Documents and of any side letters between any of the parties to them in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Agent reasonably considers that an amount paid by any member of the Group to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Joint and several

The liabilities and obligations of each Chargor under this Deed are joint and several. Each Chargor agrees to be bound by this Deed notwithstanding that any other Chargor which was intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

1.4 Trust

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Facilities Agreement. The perpetuity period shall be the period of 125 years from the date of this Deed.

1.5 Third party rights

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

1.6 Conflict

If there is any conflict between the provisions of this Deed and the provisions of the Facilities Agreement, the provisions of the Facilities Agreement shall prevail.

2. COVENANT TO PAY

2.1 Covenant to pay

- (a) Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by a Chargor in satisfaction of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a).

3. GRANT OF SECURITY

3.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, but in each case with all covenant implied therein pursuant to that Act being subject to and qualified by reference to any Permitted Security and any Legal Reservations; and
- (c) as continuing security for payment of the Secured Obligations.

3.2 Qualifying floating charge

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

4. FIXED SECURITY

4.1 Fixed charges

Each Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first fixed charge:
 - (i) all other Real Property and all interests in Real Property;
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (iii) the proceeds of sale of all Real Property;
- (b) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a)) and the benefit of all contracts, licences and warranties relating to the same;
- (c) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(b)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same, other than any which are for the time being part of any Chargor's stock-in-trade or work-in-progress;
- (d) by way of first fixed charge:
 - (i) the Charged Securities referred to in part 1 of schedule 2 (*Details of Security Assets*); and
 - (ii) all other Charged Securities (not charged by clause 4.1(a)(i)),

in each case, together with (A) all Securities Rights from time to time accruing to those Charged Securities and (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- (e) by way of first fixed charge:
 - (i) the Intellectual Property (if any) specified in part 2 of schedule 2 (*Details of Security Assets*); and
 - (ii) all other Intellectual Property (if any) (not charged by clause 4.1(e)(i));

- (f) by way of first fixed charge all Non-Vesting Debts and their proceeds now or in the future owing to a Chargor which is a Client under the Facilities Agreement;
- (g) by way of first fixed charge all Related Rights relating to any Non-Vesting Debts;
- (h) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
 - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of such Chargor or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of such Chargor and all bills of exchange and other negotiable instruments held by it; and
- (j) by way of first fixed charge all of the goodwill and uncalled capital of such Chargor.

4.2 Security assignments

Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to each of the following:

- (a) all Insurances specified in part 3 of schedule 2 (*Details of Security Assets*); and
- (b) all other Insurances (not assigned by clauses 4.2(a)),

and all claims under the Insurances and all proceeds of the Insurances.

To the extent that any Assigned Asset described in clause 4.2 is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of such Chargor to any proceeds of such Insurances.

4.3 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

5. FLOATING CHARGE

- 5.1 Each Chargor charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland or otherwise governed by Scots law.

6. CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Security Agent may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of such Chargor specified in the notice if:

- (a) a Termination Event has occurred and is continuing; or
- (b) the Security Agent (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

6.2 Small companies

The floating charge created under this Deed by any Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

6.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
 - (i) such Chargor creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of a Chargor which are subject to a floating charge if an administrator is appointed in respect of such Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

6.4 Scottish property

Clause 6.1 (*Conversion by notice*) and Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such conversion.

6.5 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

7. CONTINUING SECURITY

7.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

7.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

7.3 Right to enforce

This Deed may be enforced against each or any Chargor without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

8. LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

9. ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of any Chargor with the Security Agent and/or any other Secured Party (or any of them) or in which any Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party unless otherwise permitted in the Finance Documents.

10. REPRESENTATIONS

10.1 General

Each Chargor makes the representations and warranties set out in this clause 10 to the Security Agent and to each other Secured Party.

10.2 Charged Securities

The Charged Securities listed in part 1 of schedule 2 (*Details of Security Assets*) constitute the entire share capital owned by each Chargor in the relevant company and constitute the entire share capital of each such company.

10.3 Time when representations made

- (a) All the representations and warranties in this clause 10 are made by each Original Chargor on the date of this Deed and (except for the representations and warranties in clause 10.2 (*Charged Securities*)) are also deemed to be made by each Chargor:

- (i) on the date of each Notification, Utilisation Request, each Utilisation Date and each Interest Payment Date under the Facilities Agreement; and
 - (ii) (in the case of a company that accedes to the terms of this Deed pursuant to an Accession Deed) on the day on which it becomes a Chargor.
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

11. UNDERTAKINGS BY THE CHARGORS

11.1 Negative pledge and Disposals

No Chargor shall do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed and except any Permitted Security or Permitted Transaction; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset (except for a Permitted Disposal or a Permitted Transaction).

11.2 Security Assets generally

Each Chargor shall:

- (a) notify the Security Agent within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Security Agent):
 - (i) immediately provide it with a copy of the same; and
 - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Agent may acting reasonably require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Assets;
- (c) comply with:
 - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Asset (or its manner of use),

where failure to do so would have a Material Adverse Effect;
- (d) not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation

affecting any material part of any of the Security Assets (except as expressly permitted under the Facilities Agreement;

- (e) provide the Security Agent with all information which it may reasonably request in relation to the Security Assets; and
- (f) not do, cause or permit to be done anything which may to a material extent depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

11.3 Real Property undertaking - maintenance

Each Chargor shall maintain all buildings and erections forming part of the Security Assets in a good state of repair.

11.4 Dealings with and realisation of Non-Vesting Debts

- (a) Each Chargor shall only deal with the Non-Vesting Debts and the proceeds thereof as if they had been effectively assigned to the ID Trustee in accordance with the Facilities Agreement.
- (b) Each Chargor shall without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, sell, assign, charge, factor or discount or in any other manner deal with any Debts or Non-Vesting Debts other than in accordance with the Facilities Agreement.

11.5 Charged Investments - protection of security

- (a) Each Chargor shall, if requested to do so by the Security Agent, by way of security for the Secured Obligations:
 - (i) deposit with the Security Agent (or as the Security Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Securities Rights; and
 - (ii) execute and deliver to the Security Agent:
 - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
 - (B) such other documents as the Security Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Securities Rights (or to pass legal title to any purchaser).
- (b) In respect of any Charged Investment held by or on behalf of any nominee of any clearance or settlement system, each Chargor shall immediately upon execution of this Deed or (if later) immediately upon acquisition of an interest in such Charged Investment deliver to the Security Agent duly executed stock notes or other document in the name of the Security Agent (or as it may direct) issued by such nominee and representing or evidencing any benefit or entitlement to such Charged Investment.
- (c) Each Chargor shall:

- (i) promptly give notice to any custodian of any agreement with such Chargor in respect of any Charged Investment in a form the Security Agent may require; and
 - (ii) use all reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Agent may require.
- (d) Each Chargor shall, if requested to do so by the Security Agent:
- (i) instruct any clearance system to transfer any Charged Investment held by it for such Chargor or its nominee to an account of the Security Agent or its nominee with such clearance system; and
 - (ii) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.

Without prejudice to the rest of this clause 11.5, the Security Agent may, at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Charged Investments.

- (e) Each Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.
- (f) No Chargor shall nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (g) Without limiting its obligations under clause 11.2(f), each Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company relating to the Charged Investments and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of such Chargor.

11.6 Rights of the Parties in respect of Charged Investments

- (a) Until a Termination Event each Chargor shall be entitled to:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:
 - (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Securities Rights unless permitted by the Finance Documents; or
 - (B) is materially prejudicial to the interests of the Security Agent and/or the other Secured Parties.
- (b) At any time following the occurrence of a Termination Event which is continuing, the Security Agent may complete the instrument(s) of transfer for all or any Charged

Securities on behalf of any Chargor in favour of itself or such other person as it may select.

- (c) At any time when any Charged Security is registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Securities Rights in respect of or in substitution for, any such Charged Security.

12. POWER TO REMEDY

12.1 Power to remedy

If at any time a Chargor does not comply with any of its obligations under this Deed, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of such Chargor) which are necessary or desirable to rectify that default.

12.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 12 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

12.3 Monies expended

The relevant Chargor shall pay to the Security Agent on demand any monies which are expended by the Security Agent in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by the Security Agent (both before and after judgment).

13. WHEN SECURITY BECOMES ENFORCEABLE

13.1 When enforceable

This Debenture Security shall become immediately enforceable upon the occurrence of a Termination Event and shall remain so for as long as such a Termination Event is continuing.

13.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Termination Event.

13.3 Enforcement

After this Debenture Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

14. ENFORCEMENT OF SECURITY

14.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

14.2 Powers of leasing

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

14.3 Powers of Security Agent

- (a) At any time after the Debenture Security becomes enforceable (or if so requested by any Chargor by written notice at any time), the Security Agent may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a receiver, receiver and manager or (to the extent permitted by law) administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Chargor; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
 - (iv) exercise (in the name of any Chargor and without any further consent or authority of such Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

14.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Security Agent on demand.

14.5 Privileges

- (a) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargors under this Deed 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 (SI 2003 No. 3226)) each Receiver and the Security Agent shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 14.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

14.6 No liability

- (a) Neither the Security Agent, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither the Security Agent, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

14.7 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

15. RECEIVER

15.1 Removal and replacement

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

15.5 Agent of Chargors

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. Such Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

16. POWERS OF RECEIVER

16.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 14.3 (*Powers of Security Agent*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

16.2 Additional powers

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of any Chargor as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Chargor;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor;
- (g) to take any such proceedings (in the name of any of the relevant Chargors or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);

- (k) to form one or more Subsidiaries of any Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the name of any Chargor for any of the above purposes.

17. APPLICATION OF PROCEEDS

17.1 Application

All monies received by the Security Agent or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security) be applied in the following order:

- (a) *first*, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made, by the Security Agent, any other Secured Party or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) *secondly*, in or towards the satisfaction of the remaining Secured Obligations in accordance with clause 17.3 (*Appropriation and suspense account*); and
- (c) *thirdly*, in payment of any surplus to any Chargor or other person entitled to it.

17.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at a commercial rate)

17.3 Appropriation and suspense account

- (a) Subject to clause 17.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by any Chargor.
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at a commercial rate) without the Security

Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless such monies would clear all Secured Obligations in full.

18. SET-OFF

The Security Agent and each other Secured Party may set-off any Secured Obligation against any amount owing by that Secured Party to the Company. The Security Agent and each other Secured Party may exercise this right, without prior notice, both before and after demand, regardless of the place of payment, booking branch or currency of either obligation. If obligations are in different currencies, the Security Agent and each other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

19. DELEGATION

Each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

20. FURTHER ASSURANCES

20.1 Further action

Each Chargor shall (and the Parent shall procure that each other Chargor will) at its own expense, promptly do all acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for:

- (a) creating, perfecting or protecting the Security intended to be created under or evidenced by this Deed or any other Security Document;
- (b) facilitating the realisation of any Security Asset which is, or is intended to be, the subject of the Security Documents ;
- (c) facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law;

or

- (d) creating and perfecting Security in favour of the Security Agent or the Secured Parties over any property and assets of such Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed or any other Security Document.

This includes:

- (i) the re-execution of this Deed or such Security Document;

- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient, but for the avoidance of doubt does not include creating and perfecting Security over any Real Property.

21. POWER OF ATTORNEY

21.1 Appointment

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action which such Chargor is obliged to take under this Deed, including under clause 20 (*Further assurances*). Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

21.2 Exercise of power

The appointment effected under clause 21.1 (*Appointment*) shall take effect immediately (in the case of the Receiver, upon his/her appointment), but the powers conferred shall only become exercisable upon the occurrence of any Termination Event (which upon the appointment of the Receiver shall be deemed to be the case) and shall only be exercisable for so long as such Termination Event is continuing.

22. CURRENCY CONVERSION

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Agent's Spot Rate of Exchange. Each Chargor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

23. CHANGES TO THE PARTIES

23.1 Chargors

No Chargor may assign any of its rights or obligations under this Deed.

23.2 Security Agent

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent. Each Chargor shall, immediately upon being requested to do so by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

23.3 Accession Deed

Each Chargor:

- (a) consents to new wholly-owned Subsidiaries of the Parent becoming Chargors as contemplated by the Finance Documents; and
- (b) irrevocably authorises the Parent to agree to, and execute as a deed, any duly completed Accession Deed as agent and attorney for and on behalf of such Chargor.

24. MISCELLANEOUS

24.1 Cost and expenses

The Chargors shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

- (a) the taking, holding, protection or enforcement of the Security constituted by this Deed;
- (b) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; and
- (c) any default by the Chargors in the performance of any of the obligations expressed to be assumed by it in the Finance Documents,

in each case together with interest at the Default Rate, from the date of demand until settlement, and the amount thereof shall be a Secured Obligation.

24.2 Non compliance

If any Chargor fails to make any payment or fulfil any obligation due by it under or pursuant to this Deed, the Receiver or the Security Agent, as the case may be, shall be entitled to do so on its behalf and in its name (or in its own name as it considers expedient) and/or to take such action to remedy or mitigate the consequences of such failure as it considers expedient, and the amount of any such payment and/or the costs incurred in fulfilling such obligation or mitigating the consequences of such failure, shall be repayable by such Chargor on demand, together with interest at the Default Rate from the date of demand until settlement and shall constitute Secured Obligations.

24.3 New accounts

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for any Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- (b) As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

24.4 Tacking

- (a) Each Finance Party shall perform its obligations under the Facilities Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

24.5 Protective clauses

- (a) Each Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of each Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of a Chargor (whether or not known to it or to any Secured Party).
- (b) Clause 22 of the Facilities Agreement (*Guarantee and indemnity*) apply in relation to this Deed as if references to the obligations referred to in such clauses respectively were references to the obligations of each Chargor under this Deed.

25. NOTICES

25.1 Facilities Agreement

Clause 40 of the Facilities Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed.

26. CALCULATIONS AND CERTIFICATES

Any certificate of or determination by a Secured Party or the Security Agent specifying the amount of any Secured Obligation due from the Chargors (including details of any relevant calculation thereof) shall be, in the absence of manifest error, conclusive evidence against the Chargors of that amount.

27. PARTIAL INVALIDITY

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

28. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

29. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended only if the Security Agent and the Chargors or the Parent on their behalf so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or

consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

30. COUNTERPARTS

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

31. RELEASE

31.1 Release

Upon the expiry of the Security Period (but not otherwise) the Security Agent and each Secured Party (where relevant) shall, at the request and cost of the Chargors, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

31.2 Reinstatement

Where any discharge (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargors under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

32. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

IN WITNESS of which this Deed has been duly executed by each Original Chargor as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Deed.

SCHEDULE 1: THE ORIGINAL CHARGORS

Company name	Registered Office	Registered number
GAP Holdings Limited	Carrick House, 40 Carrick Street, Glasgow, G2 8JP.	SC143099
GAP Group Limited	50 Walker Road, Newcastle Upon Tyne, NE61BG.	00198823
GAP Group Leasing Limited	50 Walker Road, Newcastle Upon Tyne, NE61BG.	07982562
ACE Hire and Sales Limited	Unit 10, South Quay Industrial Estate, Douglas, Isle of Man, IM1 5AT	081312C
GAP Group Properties Limited	Carrick House, 40 Carrick Street, Glasgow, G2 8JP.	SC159415

SCHEDULE 2: DETAILS OF SECURITY ASSETS

Part 1: Charged Securities

None.

Part 2: Intellectual Property

None.

Part 3: Insurances

Type of policy	Insurer	Insured Party	Policy number
Commercial Vehicle and Fleet Insurance	QBE UK Limited	GAP Holdings Limited, GAP Group Limited and ACE Hire and Sales Limited	Y031985FLT0119A
Commercial – Risks Attaching (Credit Insurance)	Liberty Mutual Insurance Europe SE, Starstone Insurance SE, Liberty Syndicate 4472, Amlin 2001, Vibe VSM 5678, Starstone SCC1301, Beazley AFB 2623 and Beazley AFB 623	GAP Group Limited	2111
Contractors' Combined Liability Insurance Schedule including employers' liability and public, products and pollution liability	QBE UK Limited	GAP Holdings Limited, ACE Hire and Sales Limited and GAP Group Limited	Y032001QBE0119A
360 Corporate Commercial Combined Insurance including property damage all risks and business interruption all risks	Royal & Sun Alliance Insurance plc	GAP Holdings Limited, ACE Hire and Sales Limited and GAP Group Limited	RKL98802/1

SCHEDULE 3: FORM OF ACCESSION DEED

THIS ACCESSION DEED is made on 20[◆]

BETWEEN

- (1) EACH COMPANY LISTED IN SCHEDULE 1 (each an "Acceding Company");
- (2) [◆NAME OF COMPANY] (the "Company"); and
- (3) RBS Invoice Finance Limited (as Security Agent for the Secured Parties (as defined below)) (the "Security Agent").

BACKGROUND

This Accession Deed is supplemental to a debenture dated [◆ 20[◆]] and made between (1) the Chargors named in it and (2) the Security Agent (the "Debenture").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

(i) Definitions

Terms defined in, or construed for the purposes of, the Debenture have the same meanings when used in this Accession Deed including the recital to this Accession Deed (unless otherwise defined in this Accession Deed).

(ii) Construction

Clause 1.2 (*Interpretation*) of the Debenture applies with any necessary changes to this Accession Deed as if it were set out in full in this Accession Deed.

2. ACCESSION OF THE ACCEDING COMPANY

(i) Accession

[◆The/Each] Acceding Company:

- (a) unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and
- (b) creates and grants [◆at the date of this Deed] the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as one of the Chargors.

(ii) Covenant to pay

Without prejudice to the generality of clause 2(a) (*Accession*), [◆the/each] Acceding Company (jointly and severally with the other Chargors [◆and each other Acceding Company]), covenants in the terms set out in clause 2 of the Debenture (*Covenant to pay*).

(iii) **Charge and assignment**

Without prejudice to the generality of clause 2(a) (*Accession*), [◆the/each] Acceding Company with full title guarantee, charges and assigns (and agrees to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 3 (*Grant of security*), 4 (*Fixed Security*) and 5 (*Floating charge*) of the Debenture including (without limiting the generality of the foregoing):

(a) by way of first fixed charge:

(1) all the Charged Securities (including, without limitation, those specified [◆against its name] in part 2 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)); together with

(2) all Securities Rights from time to time accruing to them;

(a) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified [◆against its name] in part 4 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)); and

(b) by way of absolute assignment the Insurances (including, without limitation, those specified [◆against its name] in part 5 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all claims under the Insurances and all proceeds of the Insurances.

(iv) **Representations**

[[The/Each] Acceding Company makes the representations and warranties required pursuant to clause 10.3(a)(ii) to the Debenture as well as those set out in this clause (2(iv):

(i) The Charged Securities listed in [part 1 of] Schedule 2 to the Accession Deed (*Details of Security Assets owned by the Acceding Companies*) constitute the entire share capital owned by each Acceding Company in the relevant company [and constitute the entire share capital of each such company].

(v) **Consent**

Pursuant to clause 23.3 (*Accession Deed*) of the Debenture the Company (as agent for itself and the existing Chargors):

(a) consents to the accession of [◆the/each] Acceding Company to the Debenture on the terms of this Accession Deed; and

(b) agrees that the Debenture shall, after the date of this Accession Deed, be read and construed as if [◆the/each] Acceding Company had been named in the Debenture as a Chargor.

3. CONSTRUCTION OF DEBENTURE

This Accession Deed shall be read as one with the Debenture so that all references in the Debenture to "*this Deed*" and similar expressions shall include references to this Accession Deed.

4. THIRD PARTY RIGHTS

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

5. NOTICE DETAILS

Notice details for [♦the/each] Acceding Company are those identified with its name below.

6. COUNTERPARTS

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

7. GOVERNING LAW

This Accession Deed and any non-contractual obligations arising out of in connection with it shall be governed by English law.

IN WITNESS of which this Accession Deed has been duly executed by [♦the/each] Acceding Company and the Company as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Accession Deed.

SCHEDULE 4: TO THE ACCESSION DEED

The Acceding Companies

Company name	Registered number	Registered office
◆	◆	◆
◆	◆	◆
◆	◆	◆
◆	◆	◆

SCHEDULE 5: TO THE ACCESSION DEED

Details of Security Assets owned by the Acceding Companies

Part 1: [Charged Securities]

[◆ Acceding Company]	Name of company in which shares are held	Class of shares held	Number of shares held	Issued Share Capital
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆

Part 2: [Intellectual Property]

Part 2A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/apparent status	Classes	Mark text
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆

Part 2B - Patents		
Proprietor/ADP number	Patent number	Description
◆	◆	◆
◆	◆	◆
◆	◆	◆

Part 3: [Insurances]

[◆Acceding Company]	Insurer	Policy number
◆	◆	◆
◆	◆	◆

EXECUTION PAGES

THE ORIGINAL CHARGORS

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of GAP)
HOLDINGS LIMITED by:)

 Signature of Director

CHRISTOPHER PARR Name of Director

in the presence of:  Signature of witness

ALISON BLAIR Name of witness

Shepherd and Wedderburn LLP Address of witness

1 Exchange Crescent

Conference Square

Edinburgh EH3 8UL

DX 551970 - Edinburgh-53 Occupation of witness

SOLICITOR

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of GAP)
GROUP LIMITED acting by:)



Signature of Director

CHRISTOPHER PARR

Name of Director

in the presence of: 

Signature of witness

ALISON BLAIR

Name of witness

Shepherd and Wedderburn LLP

Address of witness

1 Exchange Crescent

Conference Square

Edinburgh EH3 8UL

DX 551970 - Edinburgh-53

Occupation of witness

SOLICITOR

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of GAP)
GROUP LEASING LIMITED by:)



Signature of Director

CHRISTOPHER PARR

Name of Director

in the presence of: 

Signature of witness

ALISON BLAIR

Name of witness

Shepherd and Wedderburn LLP

Address of witness

1 Exchange Crescent

Conference Square

Edinburgh EH3 8UL

DX 551970 - Edinburgh-53

Occupation of witness

SOLICITOR

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of ACE)
HIRE AND SALES LIMITED by:)

[Redacted Signature]

Signature of Director

DOUGLAS ANDERSON

Name of Director

[Redacted Signature]

Signature of Director/Company Secretary

Mark K. Miles

Name of Director/Company Secretary

FM TO
SIGN

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of GAP)
GROUP PROPERTIES LIMITED by:)

[Redacted Signature]

Signature of Director

CHRISTOPHER PARR

Name of Director

in the presence of:

[Redacted Signature]

Signature of witness

ALISON BLAIR

Name of witness

Shepherd and Wedderburn LLP

Address of witness

1 Exchange Crescent

Conference Square

Edinburgh EH3 8UL

DX 551970 - Edinburgh-53

Occupation of witness

SOLICITOR

THE SECURITY AGENT

Signed as a deed

by _____ for and on
behalf of **RBS INVOICE FINANCE**
LIMITED:

)
)
)
) Signature _____

In the presence of: _____

Witness name: _____

Witness address: _____



I CERTIFY THAT, SAVE FOR MATERIAL REDACTED
PURSUANT TO s839G OF THE COMPANIES ACT 2006,
THIS IS A TRUE, COMPLETE AND CORRECT COPY
OF THE ORIGINAL INSTRUMENT

DATE 20 September 2019

SIGNED A. Macleod
DLA PIPER UK LLP

DATED

16 September

2019

(1) THE COMPANIES NAMED IN THIS DEED AS ORIGINAL CHARGORS
as the Original Chargors

(2) RBS INVOICE FINANCE LIMITED
as Security Agent

GROUP DEBENTURE

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THIS DEBENTURE is made on

16 September

2019

BETWEEN:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "Original Chargors"); and
- (2) RBS INVOICE FINANCE LIMITED (as Security Agent for the Secured Parties (as defined below) in such capacity, the "Security Agent").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Facilities Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) at all times the following terms have the following meanings:

"**Accession Deed**" means an accession deed substantially in the form set out in schedule 3 (*Form of Accession Deed*);

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

"**Assigned Assets**" means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*);

"**Charged Investments**" means the Charged Securities and all present and future Securities Rights accruing to all or any of the Charged Securities;

"**Charged Securities**" means:

- (a) the securities specified in part 1 of schedule 2 (*Details of Security Assets*); and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Chargor has an interest at any time;

"**Chargors**" means:

- (a) the Original Chargors; and
- (b) any other company which accedes to this Deed pursuant to an Accession Deed;

"**Client**" has the meaning given to that term in the Facilities Agreement;

"Debenture Security" means the Security created or evidenced by or pursuant to this Deed or any Accession Deed;

"Debt" has the meaning given to that term in the Facilities Agreement;

"Default Rate" means the rates of interest determined in accordance with clause 12.5 (*Default Interest*) of the Facilities Agreement;

"Delegate" means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver;

"Facilities Agreement" means the asset based finance facility agreement dated on around the date of this Deed and made between (1) GAP Holdings Limited as Parent (2) the companies as defined therein as Original Clients (3) the companies as defined therein as Original Guarantors (4) RBS Invoice Finance Limited as Arranger (5) RBS Invoice Finance Limited as Facilities Agent (6) RBS Invoice Finance Limited, HSBC Invoice Finance (UK) Limited, PNC Business Credit a trading style of PNC Financial Services UK Ltd and Wells Fargo Capital Finance (UK) Limited as Original ID Providers (7) RBS Invoice Finance Limited, HSBC Invoice Finance (UK) Limited, PNC Business Credit a trading style of PNC Financial Services UK Ltd and Wells Fargo Capital Finance (UK) Limited as Original Plant and Machinery Lenders (8) RBS Invoice Finance Limited as ID Trustee and (9) RBS Invoice Finance Limited as Security Agent;

"Finance Documents" means each *"Finance Document"* as such term is defined in the Facilities Agreement;

"Finance Party" means each *"Finance Party"* as such term is defined in the Facilities Agreement;

"Group" has the meaning given to that term in the Facilities Agreement;

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor, or in which a Chargor from time to time has an interest (including, without limitation the policies of insurance (if any) specified in part 3 of schedule 2 (*Details of Security Assets*));

"Intellectual Property" means all present and future legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Chargor in, or relating to:

- (a) any patents, trade marks, service marks, designs, utility models, trade names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist) whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist),

(including, without limitation, the intellectual property rights (if any) specified in part 2 of schedule 2 (*Details of Security Assets*));

"Non-Vesting Debts" has the meaning given to that term in the Facilities Agreement;

"Party" means a party to this Deed;

"Planning Acts" means (a) the Town and Country Planning Act 1990, (b) the Planning (Listed Buildings and Conservation Areas) Act 1990, (c) the Planning (Hazardous Substances) Act 1990, (d) the Planning (Consequential Provisions) Act 1990, (e) the Planning and Compensation Act 1991, (f) Town and Country Planning (Scotland) Act 1997, (g) Planning, etc. (Scotland) Act 2006, (h) any regulations made pursuant to any of the foregoing and (g) any other legislation of a similar nature;

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Chargor, or in which any Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales, together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof;
- (c) all proceeds of sale of that property; and
- (d) the benefit of all covenants given in respect thereof;

"Receiver" means any receiver, receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by the Security Agent under this Deed;

"Related Rights" has the meaning given to that term in the Facilities Agreement;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each present or future Obligor to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed);

"Secured Party" has the meaning given to that term in the Facilities Agreement, and **"Secured Parties"** shall be construed accordingly;

"Securities Rights" means, in relation to any Charged Security:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed;

"Security Document" has the meaning given to the term "Transaction Security Documents" in the Facilities Agreement;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and

- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents; and

"Termination Event" has the meaning given to it in the Facilities Agreement.

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Interpretation*) of the Facilities Agreement (other than clause 1.2.5) apply to this Deed as though they were set out in full in this Deed, except that references to "*this Deed*" will be construed as references to this Deed.
- (b) Unless a contrary indication appears, any reference in this Deed to:
 - (i) a "**Chargor**", the "**ID Trustee**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (ii) "**this Deed**", the "**Facilities Agreement**", any other "**Finance Document**" or any other agreement or instrument shall be construed as a reference to this Deed, the Facilities Agreement, such other Finance Document or such other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
 - (iii) "**Secured Obligations**" includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group.
- (c) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times during the Security Period; and
 - (ii) is given by such Chargor for the benefit of the Security Agent and each other Secured Party.
- (d) The terms of the other Finance Documents and of any side letters between any of the parties to them in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Agent reasonably considers that an amount paid by any member of the Group to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Joint and several

The liabilities and obligations of each Chargor under this Deed are joint and several. Each Chargor agrees to be bound by this Deed notwithstanding that any other Chargor which was intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

1.4 Trust

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Facilities Agreement. The perpetuity period shall be the period of 125 years from the date of this Deed.

1.5 Third party rights

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

1.6 Conflict

If there is any conflict between the provisions of this Deed and the provisions of the Facilities Agreement, the provisions of the Facilities Agreement shall prevail.

2. COVENANT TO PAY

2.1 Covenant to pay

- (a) Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by a Chargor in satisfaction of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a).

3. GRANT OF SECURITY

3.1 Nature of security

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, but in each case with all covenant implied therein pursuant to that Act being subject to and qualified by reference to any Permitted Security and any Legal Reservations; and
- (c) as continuing security for payment of the Secured Obligations.

3.2 Qualifying floating charge

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

4. FIXED SECURITY

4.1 Fixed charges

Each Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first fixed charge:
 - (i) all other Real Property and all interests in Real Property;
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (iii) the proceeds of sale of all Real Property;
- (b) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a)) and the benefit of all contracts, licences and warranties relating to the same;
- (c) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(b)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same,
other than any which are for the time being part of any Chargor's stock-in-trade or work-in-progress;
- (d) by way of first fixed charge:
 - (i) the Charged Securities referred to in part 1 of schedule 2 (*Details of Security Assets*); and
 - (ii) all other Charged Securities (not charged by clause 4.1(a)(i)),
in each case, together with (A) all Securities Rights from time to time accruing to those Charged Securities and (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- (e) by way of first fixed charge:
 - (i) the Intellectual Property (if any) specified in part 2 of schedule 2 (*Details of Security Assets*); and
 - (ii) all other Intellectual Property (if any) (not charged by clause 4.1(e)(i));

- (f) by way of first fixed charge all Non-Vesting Debts and their proceeds now or in the future owing to a Chargor which is a Client under the Facilities Agreement;
- (g) by way of first fixed charge all Related Rights relating to any Non-Vesting Debts;
- (h) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
 - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of such Chargor or the use of any of its assets; and
 - (ii) any letter of credit issued in favour of such Chargor and all bills of exchange and other negotiable instruments held by it; and
- (j) by way of first fixed charge all of the goodwill and uncalled capital of such Chargor.

4.2 Security assignments

Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to each of the following:

- (a) all Insurances specified in part 3 of schedule 2 (*Details of Security Assets*); and
- (b) all other Insurances (not assigned by clauses 4.2(a)),

and all claims under the Insurances and all proceeds of the Insurances.

To the extent that any Assigned Asset described in clause 4.2 is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of such Chargor to any proceeds of such Insurances.

4.3 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

5. FLOATING CHARGE

5.1 Each Chargor charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland or otherwise governed by Scots law.

6. CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

The Security Agent may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of such Chargor specified in the notice if:

- (a) a Termination Event has occurred and is continuing; or
- (b) the Security Agent (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

6.2 Small companies

The floating charge created under this Deed by any Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

6.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
 - (i) such Chargor creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of a Chargor which are subject to a floating charge if an administrator is appointed in respect of such Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

6.4 Scottish property

Clause 6.1 (*Conversion by notice*) and Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such conversion.

6.5 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

7. CONTINUING SECURITY

7.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

7.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

7.3 Right to enforce

This Deed may be enforced against each or any Chargor without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

8. LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

9. ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of any Chargor with the Security Agent and/or any other Secured Party (or any of them) or in which any Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party unless otherwise permitted in the Finance Documents.

10. REPRESENTATIONS

10.1 General

Each Chargor makes the representations and warranties set out in this clause 10 to the Security Agent and to each other Secured Party.

10.2 Charged Securities

The Charged Securities listed in part 1 of schedule 2 (*Details of Security Assets*) constitute the entire share capital owned by each Chargor in the relevant company and constitute the entire share capital of each such company.

10.3 Time when representations made

- (a) All the representations and warranties in this clause 10 are made by each Original Chargor on the date of this Deed and (except for the representations and warranties in clause 10.2 (*Charged Securities*)) are also deemed to be made by each Chargor:

- (i) on the date of each Notification, Utilisation Request, each Utilisation Date and each Interest Payment Date under the Facilities Agreement; and
 - (ii) (in the case of a company that accedes to the terms of this Deed pursuant to an Accession Deed) on the day on which it becomes a Chargor.
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

11. UNDERTAKINGS BY THE CHARGORS

11.1 Negative pledge and Disposals

No Chargor shall do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed and except any Permitted Security or Permitted Transaction; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset (except for a Permitted Disposal or a Permitted Transaction).

11.2 Security Assets generally

Each Chargor shall:

- (a) notify the Security Agent within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Security Agent):
 - (i) immediately provide it with a copy of the same; and
 - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Agent may acting reasonably require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Assets;
- (c) comply with:
 - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Asset (or its manner of use),

where failure to do so would have a Material Adverse Effect;
- (d) not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation

affecting any material part of any of the Security Assets (except as expressly permitted under the Facilities Agreement;

- (e) provide the Security Agent with all information which it may reasonably request in relation to the Security Assets; and
- (f) not do, cause or permit to be done anything which may to a material extent depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

11.3 Real Property undertaking - maintenance

Each Chargor shall maintain all buildings and erections forming part of the Security Assets in a good state of repair.

11.4 Dealings with and realisation of Non-Vesting Debts

- (a) Each Chargor shall only deal with the Non-Vesting Debts and the proceeds thereof as if they had been effectively assigned to the ID Trustee in accordance with the Facilities Agreement.
- (b) Each Chargor shall without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, sell, assign, charge, factor or discount or in any other manner deal with any Debts or Non-Vesting Debts other than in accordance with the Facilities Agreement.

11.5 Charged Investments - protection of security

- (a) Each Chargor shall, if requested to do so by the Security Agent, by way of security for the Secured Obligations:
 - (i) deposit with the Security Agent (or as the Security Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Securities Rights; and
 - (ii) execute and deliver to the Security Agent:
 - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
 - (B) such other documents as the Security Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Securities Rights (or to pass legal title to any purchaser).
- (b) In respect of any Charged Investment held by or on behalf of any nominee of any clearance or settlement system, each Chargor shall immediately upon execution of this Deed or (if later) immediately upon acquisition of an interest in such Charged Investment deliver to the Security Agent duly executed stock notes or other document in the name of the Security Agent (or as it may direct) issued by such nominee and representing or evidencing any benefit or entitlement to such Charged Investment.
- (c) Each Chargor shall:

- (i) promptly give notice to any custodian of any agreement with such Chargor in respect of any Charged Investment in a form the Security Agent may require; and
 - (ii) use all reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Agent may require.
- (d) Each Chargor shall, if requested to do so by the Security Agent:
- (i) instruct any clearance system to transfer any Charged Investment held by it for such Chargor or its nominee to an account of the Security Agent or its nominee with such clearance system; and
 - (ii) take whatever action the Security Agent may request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.

Without prejudice to the rest of this clause 11.5, the Security Agent may, at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Charged Investments.

- (e) Each Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.
- (f) No Chargor shall nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (g) Without limiting its obligations under clause 11.2(f), each Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company relating to the Charged Investments and, if it fails to do so, the Security Agent may provide such information as it may have on behalf of such Chargor.

11.6 Rights of the Parties in respect of Charged Investments

- (a) Until a Termination Event each Chargor shall be entitled to:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:
 - (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Securities Rights unless permitted by the Finance Documents; or
 - (B) is materially prejudicial to the interests of the Security Agent and/or the other Secured Parties.
- (b) At any time following the occurrence of a Termination Event which is continuing, the Security Agent may complete the instrument(s) of transfer for all or any Charged

Securities on behalf of any Chargor in favour of itself or such other person as it may select.

- (c) At any time when any Charged Security is registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Securities Rights in respect of or in substitution for, any such Charged Security.

12. POWER TO REMEDY

12.1 Power to remedy

If at any time a Chargor does not comply with any of its obligations under this Deed, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of such Chargor) which are necessary or desirable to rectify that default.

12.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 12 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

12.3 Monies expended

The relevant Chargor shall pay to the Security Agent on demand any monies which are expended by the Security Agent in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by the Security Agent (both before and after judgment).

13. WHEN SECURITY BECOMES ENFORCEABLE

13.1 When enforceable

This Debenture Security shall become immediately enforceable upon the occurrence of a Termination Event and shall remain so for as long as such a Termination Event is continuing.

13.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Termination Event.

13.3 Enforcement

After this Debenture Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

14. ENFORCEMENT OF SECURITY

14.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

14.2 Powers of leasing

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

14.3 Powers of Security Agent

- (a) At any time after the Debenture Security becomes enforceable (or if so requested by any Chargor by written notice at any time), the Security Agent may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a receiver, receiver and manager or (to the extent permitted by law) administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Chargor; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
 - (iv) exercise (in the name of any Chargor and without any further consent or authority of such Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

14.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Security Agent on demand.

14.5 Privileges

- (a) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargers under this Deed 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 (SI 2003 No. 3226)) each Receiver and the Security Agent shall have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 14.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

14.6 No liability

- (a) Neither the Security Agent, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither the Security Agent, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

14.7 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

15. RECEIVER

15.1 Removal and replacement

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

15.5 Agent of Chargors

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. Such Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

16. POWERS OF RECEIVER

16.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 14.3 (*Powers of Security Agent*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

16.2 Additional powers

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of any Chargor as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Chargor;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor;
- (g) to take any such proceedings (in the name of any of the relevant Chargors or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);

- (k) to form one or more Subsidiaries of any Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the name of any Chargor for any of the above purposes.

17. APPLICATION OF PROCEEDS

17.1 Application

All monies received by the Security Agent or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security) be applied in the following order:

- (a) *first*, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made, by the Security Agent, any other Secured Party or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) *secondly*, in or towards the satisfaction of the remaining Secured Obligations in accordance with clause 17.3 (*Appropriation and suspense account*); and
- (c) *thirdly*, in payment of any surplus to any Chargor or other person entitled to it.

17.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at a commercial rate)

17.3 Appropriation and suspense account

- (a) Subject to clause 17.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by any Chargor.
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at a commercial rate) without the Security

Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless such monies would clear all Secured Obligations in full.

18. SET-OFF

The Security Agent and each other Secured Party may set-off any Secured Obligation against any amount owing by that Secured Party to the Company. The Security Agent and each other Secured Party may exercise this right, without prior notice, both before and after demand, regardless of the place of payment, booking branch or currency of either obligation. If obligations are in different currencies, the Security Agent and each other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

19. DELEGATION

Each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

20. FURTHER ASSURANCES

20.1 Further action

Each Chargor shall (and the Parent shall procure that each other Chargor will) at its own expense, promptly do all acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) for:

- (a) creating, perfecting or protecting the Security intended to be created under or evidenced by this Deed or any other Security Document;
 - (b) facilitating the realisation of any Security Asset which is, or is intended to be, the subject of the Security Documents ;
 - (c) facilitating the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law;
- or
- (d) creating and perfecting Security in favour of the Security Agent or the Secured Parties over any property and assets of such Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed or any other Security Document.

This includes:

- (i) the re-execution of this Deed or such Security Document;

- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Security Agent or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Security Agent may think expedient, but for the avoidance of doubt does not include creating and perfecting Security over any Real Property.

21. POWER OF ATTORNEY

21.1 Appointment

Each Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action which such Chargor is obliged to take under this Deed, including under clause 20 (*Further assurances*). Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

21.2 Exercise of power

The appointment effected under clause 21.1 (*Appointment*) shall take effect immediately (in the case of the Receiver, upon his/her appointment), but the powers conferred shall only become exercisable upon the occurrence of any Termination Event (which upon the appointment of the Receiver shall be deemed to be the case) and shall only be exercisable for so long as such Termination Event is continuing.

22. CURRENCY CONVERSION

All monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Agent's Spot Rate of Exchange. Each Chargor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

23. CHANGES TO THE PARTIES

23.1 Chargers

No Chargor may assign any of its rights or obligations under this Deed.

23.2 Security Agent

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent. Each Chargor shall, immediately upon being requested to do so by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

23.3 Accession Deed

Each Chargor:

- (a) consents to new wholly-owned Subsidiaries of the Parent becoming Chargors as contemplated by the Finance Documents; and
- (b) irrevocably authorises the Parent to agree to, and execute as a deed, any duly completed Accession Deed as agent and attorney for and on behalf of such Chargor.

24. MISCELLANEOUS

24.1 Cost and expenses

The Chargors shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

- (a) the taking, holding, protection or enforcement of the Security constituted by this Deed;
- (b) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law; and
- (c) any default by the Chargors in the performance of any of the obligations expressed to be assumed by it in the Finance Documents,

in each case together with interest at the Default Rate, from the date of demand until settlement, and the amount thereof shall be a Secured Obligation.

24.2 Non compliance

If any Chargor fails to make any payment or fulfil any obligation due by it under or pursuant to this Deed, the Receiver or the Security Agent, as the case may be, shall be entitled to do so on its behalf and in its name (or in its own name as it considers expedient) and/or to take such action to remedy or mitigate the consequences of such failure as it considers expedient, and the amount of any such payment and/or the costs incurred in fulfilling such obligation or mitigating the consequences of such failure, shall be repayable by such Chargor on demand, together with interest at the Default Rate from the date of demand until settlement and shall constitute Secured Obligations.

24.3 New accounts

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for any Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- (b) As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

24.4 Tacking

- (a) Each Finance Party shall perform its obligations under the Facilities Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

24.5 Protective clauses

- (a) Each Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of each Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of a Chargor (whether or not known to it or to any Secured Party).
- (b) Clause 22 of the Facilities Agreement (*Guarantee and indemnity*) apply in relation to this Deed as if references to the obligations referred to in such clauses respectively were references to the obligations of each Chargor under this Deed.

25. NOTICES

25.1 Facilities Agreement

Clause 40 of the Facilities Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed.

26. CALCULATIONS AND CERTIFICATES

Any certificate of or determination by a Secured Party or the Security Agent specifying the amount of any Secured Obligation due from the Chargors (including details of any relevant calculation thereof) shall be, in the absence of manifest error, conclusive evidence against the Chargors of that amount.

27. PARTIAL INVALIDITY

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

28. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

29. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended only if the Security Agent and the Chargors or the Parent on their behalf so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or

consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

30. COUNTERPARTS

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

31. RELEASE

31.1 Release

Upon the expiry of the Security Period (but not otherwise) the Security Agent and each Secured Party (where relevant) shall, at the request and cost of the Chargors, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

31.2 Reinstatement

Where any discharge (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargors under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

32. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

IN WITNESS of which this Deed has been duly executed by each Original Chargor as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Deed.

SCHEDULE 1: THE ORIGINAL CHARGORS

Company name	Registered Office	Registered number
GAP Holdings Limited	Carrick House, 40 Carrick Street, Glasgow, G2 8JP.	SC143099
GAP Group Limited	50 Walker Road, Newcastle Upon Tyne, NE61BG.	00198823
GAP Group Leasing Limited	50 Walker Road, Newcastle Upon Tyne, NE61BG.	07982562
ACE Hire and Sales Limited	Unit 10, South Quay Industrial Estate, Douglas, Isle of Man, IM1 5AT	081312C
GAP Group Properties Limited	Carrick House, 40 Carrick Street, Glasgow, G2 8JP.	SC159415

SCHEDULE 2: DETAILS OF SECURITY ASSETS**Part 1: Charged Securities**

None.

Part 2: Intellectual Property

None.

Part 3: Insurances

Type of policy	Insurer	Insured Party	Policy number
Commercial Vehicle and Fleet Insurance	QBE UK Limited	GAP Holdings Limited, GAP Group Limited and ACE Hire and Sales Limited	Y031985FLT0119A
Commercial – Risks Attaching (Credit Insurance)	Liberty Mutual Insurance Europe SE, Starstone Insurance SE, Liberty Syndicate 4472, Amlin 2001, Vibe VSM 5678, Starstone SCC1301, Beazley AFB 2623 and Beazley AFB 623	GAP Group Limited	2111
Contractors' Combined Liability Insurance Schedule including employers' liability and public, products and pollution liability	QBE UK Limited	GAP Holdings Limited, ACE Hire and Sales Limited and GAP Group Limited	Y032001QBE0119A
360 Corporate Commercial Combined Insurance including property damage all risks and business interruption all risks	Royal & Sun Alliance Insurance plc	GAP Holdings Limited, ACE Hire and Sales Limited and GAP Group Limited	RKL98802/1

SCHEDULE 3: FORM OF ACCESSION DEED

THIS ACCESSION DEED is made on 20[◆]]

BETWEEN

- (1) EACH COMPANY LISTED IN SCHEDULE 1 (each an "Acceding Company");
- (2) [◆NAME OF COMPANY] (the "Company"); and
- (3) RBS Invoice Finance Limited (as Security Agent for the Secured Parties (as defined below)) (the "Security Agent").

BACKGROUND

This Accession Deed is supplemental to a debenture dated [◆] 20[◆] and made between (1) the Chargors named in it and (2) the Security Agent (the "Debenture").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

(i) Definitions

Terms defined in, or construed for the purposes of, the Debenture have the same meanings when used in this Accession Deed including the recital to this Accession Deed (unless otherwise defined in this Accession Deed).

(ii) Construction

Clause 1.2 (*Interpretation*) of the Debenture applies with any necessary changes to this Accession Deed as if it were set out in full in this Accession Deed.

2. ACCESSION OF THE ACCEDING COMPANY

(i) Accession

[◆The/Each] Acceding Company:

- (a) unconditionally and irrevocably undertakes to and agrees with the Security Agent to observe and be bound by the Debenture; and
- (b) creates and grants [◆at the date of this Deed] the charges, mortgages, assignments and other security which are stated to be created or granted by the Debenture,

as if it had been an original party to the Debenture as one of the Chargors.

(ii) Covenant to pay

Without prejudice to the generality of clause 2(a) (*Accession*), [◆the/each] Acceding Company (jointly and severally with the other Chargors [◆and each other Acceding Company]), covenants in the terms set out in clause 2 of the Debenture (*Covenant to pay*).

(iii) **Charge and assignment**

Without prejudice to the generality of clause 2(a) (*Accession*), [◆the/each] Acceding Company with full title guarantee, charges and assigns (and agrees to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its right, title and interest in and to the property, assets and undertaking owned by it or in which it has an interest, on the terms set out in clauses 3 (*Grant of security*), 4 (*Fixed Security*) and 5 (*Floating charge*) of the Debenture including (without limiting the generality of the foregoing):

(a) by way of first fixed charge:

(1) all the Charged Securities (including, without limitation, those specified [◆against its name] in part 2 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)); together with

(2) all Securities Rights from time to time accruing to them;

(a) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified [◆against its name] in part 4 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)); and

(b) by way of absolute assignment the Insurances (including, without limitation, those specified [◆against its name] in part 5 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all claims under the Insurances and all proceeds of the Insurances.

(iv) **Representations**

[[The/Each] Acceding Company makes the representations and warranties required pursuant to clause 10.3(a)(ii) to the Debenture as well as those set out in this clause (2(iv):

(i) The Charged Securities listed in [part 1 of] Schedule 2 to the Accession Deed (*Details of Security Assets owned by the Acceding Companies*) constitute the entire share capital owned by each Acceding Company in the relevant company [and constitute the entire share capital of each such company].

(v) **Consent**

Pursuant to clause 23.3 (*Accession Deed*) of the Debenture the Company (as agent for itself and the existing Chargors):

(a) consents to the accession of [◆the/each] Acceding Company to the Debenture on the terms of this Accession Deed; and

(b) agrees that the Debenture shall, after the date of this Accession Deed, be read and construed as if [◆the/each] Acceding Company had been named in the Debenture as a Chargor.

3. CONSTRUCTION OF DEBENTURE

This Accession Deed shall be read as one with the Debenture so that all references in the Debenture to "*this Deed*" and similar expressions shall include references to this Accession Deed.

4. THIRD PARTY RIGHTS

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

5. NOTICE DETAILS

Notice details for [♦the/each] Acceding Company are those identified with its name below.

6. COUNTERPARTS

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

7. GOVERNING LAW

This Accession Deed and any non-contractual obligations arising out of in connection with it shall be governed by English law.

IN WITNESS of which this Accession Deed has been duly executed by [♦the/each] Acceding Company and the Company as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Accession Deed.

SCHEDULE 4: TO THE ACCESSION DEED

The Acceding Companies

Company name	Registered number	Registered office
◆	◆	◆
◆	◆	◆
◆	◆	◆
◆	◆	◆

SCHEDULE 5: TO THE ACCESSION DEED

Details of Security Assets owned by the Acceding Companies

Part 1: [Charged Securities]

[◆ Acceding Company]	Name of company in which shares are held	Class of shares held	Number of shares held	Issued Share Capital
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆

Part 2: [Intellectual Property]

Part 2A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/apparent status	Classes	Mark text
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆
◆	◆	◆	◆	◆

Part 2B - Patents		
Proprietor/ADP number	Patent number	Description
◆	◆	◆
◆	◆	◆
◆	◆	◆

Part 3: [Insurances]

[◆Acceding Company]	Insurer	Policy number
◆	◆	◆
◆	◆	◆

EXECUTION PAGES

THE ORIGINAL CHARGORS

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of **GAP**)
HOLDINGS LIMITED by:)

_____ Signature of Director

_____ Name of Director

in the presence of:

_____ Signature of witness

_____ Name of witness

_____ Address of witness

_____ Occupation of witness

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of **GAP**)
GROUP LIMITED acting by:)

Signature of Director

Name of Director

in the presence of:

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of **GAP**)
GROUP LEASING LIMITED by:)

Signature of Director

Name of Director

in the presence of:

Signature of witness

Name of witness

Address of witness

Occupation of witness

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of **ACE**)
HIRE AND SALES LIMITED by:)

_____ Signature of Director

_____ Name of Director

_____ Signature of Director/Company Secretary

_____ Name of Director/Company Secretary

EXECUTED as a deed (but not delivered until)
the date of this Deed) for and on behalf of **GAP**)
GROUP PROPERTIES LIMITED by:)

_____ Signature of Director

_____ Name of Director

in the presence of:

_____ Signature of witness

_____ Name of witness

_____ Address of witness

_____ Occupation of witness

THE SECURITY AGENT

Signed as a deed

by ANDREW BARREACLOUGH for and on
behalf of **RBS INVOICE FINANCE
LIMITED:**

)
)
)
) Signature

In the presence of:

Witness name:

Witness address:

JOSEPH FREN
1 ST PETER SQUARE
MANCHESTER