

MR01

Particulars of a charge



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

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

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

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

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

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

You must enclose a certified copy of the instrument with this form. This will
be scanned and placed on the public record.

WEDNESDAY



S2E8MMRJ

SCT

07/08/2013

#40

COMPANIES HOUSE

1 Company details

Company number S C 2 1 9 2 2 4

Company name in full OCCMS Limited

For official use

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

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d2 d8 m0 m7 y2 y0 y1 y3

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

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

Name RBS Invoice Finance Limited (as Security Agent)

Name

Name

Name

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

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

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security.

Continuation page

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

Description

5

Fixed charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to **Section 7**

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

☒ Yes

7

Negative Pledge

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

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ①

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

☐

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

9

Signature

Please sign the form here.

Signature

Signature

X OLA P. per-Sadhu LLP

7/8/13

X

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

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Scott Gibson

Company name DLA Piper Scotland LLP

Address Rutland Square

EDINBURGH

Post town

County/Region

Postcode E H 1 2 A A

Country

DX DX: ED271 Edinburgh

Telephone 08700 111 111



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

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



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 219224

Charge code: SC21 9224 0004

The Registrar of Companies for Scotland hereby certifies that a charge dated 28th July 2013 and created by OCCMS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th August 2013.

Given at Companies House, Edinburgh on 8th August 2013





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 7/8/13

SIGNED DLA Piper Scotland LLP.
DLA PIPER SCOTLAND LLP

DATED

28 JULY

2013

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

(2) RBS INVOICE FINANCE LIMITED
as Security Agent

GROUP DEBENTURE

DLA Piper Scotland LLP
Collins House
Rutland Square
Edinburgh
EH1 2AA
Tel: +44 (0) 8700 111 111
Fax: +44 (0) 131 242 5555

CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
2.	COVENANT TO PAY	6
3.	GRANT OF SECURITY	6
4.	FIXED SECURITY	7
5.	FLOATING CHARGE	9
6.	CONVERSION OF FLOATING CHARGE	9
7.	CONTINUING SECURITY	10
8.	LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS	11
9.	ACCOUNTS	11
10.	UNDERTAKINGS BY THE CHARGORS	11
11.	POWER TO REMEDY	12
12.	WHEN SECURITY BECOMES ENFORCEABLE	12
13.	ENFORCEMENT OF SECURITY	13
14.	RECEIVER	15
15.	POWERS OF RECEIVER	15
16.	APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT	17
17.	SET-OFF	18
18.	DELEGATION	18
19.	FURTHER ASSURANCES	19
20.	POWER OF ATTORNEY	19
21.	CURRENCY CONVERSION	19
22.	CHANGES TO THE PARTIES	20
23.	MISCELLANEOUS	20
24.	NOTICES	22
25.	CALCULATIONS AND CERTIFICATES	22
26.	PARTIAL INVALIDITY	22
27.	REMEDIES AND WAIVERS	22
28.	AMENDMENTS AND WAIVERS	22
29.	COUNTERPARTS	23
30.	RELEASE	23
31.	GOVERNING LAW	23
	SCHEDULE 1: THE ORIGINAL CHARGORS	24
	SCHEDULE 2: DETAILS OF SECURITY ASSETS	25
	Part 1: Real Property	25
	Part 2: Intellectual Property	25

Part 3: Insurances.....	26
SCHEDULE 3: FORM OF ACCESSION DEED	27

THIS DEBENTURE is made on

28 JULY

2013

BETWEEN:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "Original Chargors"); and
- (2) RBS INVOICE FINANCE LIMITED, a company incorporated in England (registered number 00662221) whose registered office is at Smith House, PO Box 50, Elmwood Avenue, Feltham, Middlesex, TW13 7QD as agent and security trustee for the Secured Parties (as defined below) and its successor(s) as such Security Agent (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;

"Approved Territories" has the meaning given to it in the Facilities Agreement;

"Approved Territory Debt" means any Debt evidenced by an invoice addressed to a Customer located, registered or whose principle place of business is in an Approved Territory;

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

"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;

"Declared Date" means the date following a Termination Event upon which RBSIF declares that it, or its agent, has collected the maximum possible proceeds of all and any Debts outstanding on or after the date of that Termination Event having exercised its rights under the Facilities Agreement and conducted its usual business practices with a view to maximising realisations from such Debts (at all times insofar as such action remains, in the opinion of RBSIF acting reasonably and in good faith, economic and cost effective);

"Default" has the same meaning as contained in the Facilities Agreement;

"Default Rate" means a rate equivalent to the default rate payable pursuant to the Facilities Agreement;

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

"Excluded Proceeds" means all and any monies paid to a Nominated Account which are not the proceeds of Debts;

"Excluded Property" has the meaning given to that term in clause 4.4 (*Exclusions*);

"Facilities Agreement" means the £58,000,000 invoice discounting and revolving credit facility agreement dated on around the date of this Deed and made between (1) Orion Engineering Services Limited as Parent (2) the Companies as defined therein as Original Clients (3) the Companies as defined therein as Original Guarantors (including the Company) and (4) RBS Invoice Finance Limited;

"Finance Documents" means (1) the Facilities Agreement, (2) the Multi-Option Facility Agreement and (3) any other document described as a "Finance Document" thereunder;

"Finance Parties" means (1) RBS Invoice Finance Limited, (2) The Royal Bank of Scotland plc and (3) any other party described as a "Finance Party" in the Finance Documents;

"Group" has the same meaning as contained 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, trademarks, 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*));

"Intercreditor Agreement" means the intercreditor agreement dated on or around the date of this Deed among RBS Invoice Finance Limited as RBSIF, The Royal Bank of Scotland plc as Senior Lender, Orion Engineering Services Limited as Company, the companies named in Part 1 of Schedule 1 thereof as Intra-Group Lenders, the companies listed in Part 2 of Schedule 1 thereof as Original Debtors and RBS Invoice Finance Limited as Security Agent;

"Multi-Option Facility Agreement" means the multi-option facility letter, dated on or around the date of this Deed and made between The Royal Bank of Scotland plc (as lender) and, inter alia, Orion Engineering Services Limited;

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

"Non-Vesting Approved Territory Debts" means any Approved Territory Debt purportedly assigned to RBSIF pursuant to the Facilities Agreement but which does not, for any reason, vest absolutely and effectively in RBSIF;

"Non-Vesting Debts" means the Non-Vesting UK Territory Debts, the Non-Vesting Approved Territory Debts and the Non-Vesting Unapproved Territory Debts;

"Non-Vesting UK Territory Debts" means any UK Territory Debt purportedly assigned to RBSIF pursuant to the Facilities Agreement but which does not, for any reason, vest absolutely and effectively in RBSIF;

"Non-Vesting Unapproved Territory Debts" means any Unapproved Territory Debt purportedly assigned to RBSIF pursuant to the Facilities Agreement but which does not, for any reason, vest absolutely and effectively in RBSIF;

"Party" means a party to this Deed;

"Permitted Security" has the same meaning as contained in the Facilities Agreement;

"Permitted Transaction" has the same meaning as contained in the Facilities Agreement;

"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 specified in part 1 of schedule 2 (*Details of Security Assets*)), 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;

"Receivables" means (save for Non-Vesting Debts and Related Rights thereto) all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

"RBSIF Debt" means all and any sums due from RBSIF to a Chargor which is a Client under the Facilities Agreement, pursuant to the terms of the Facilities Agreement, on or after the Declared Date;

"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 Secured Parties (or any of them) under or pursuant to any Finance Document, and all or any monies, liabilities and obligations covenanted to be paid under this Deed;

"Secured Parties" means the Secured Creditors as defined in the Intercreditor Agreement, together with any Receiver or Delegate and **"Secured Parties"** shall be construed accordingly;

"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 that term in the Facilities Agreement;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

"Termination Event" means either:

- (a) the meaning given to that term in the Facilities Agreement; or
- (b) the failure by any Customer (as defined in the Multi-Option Facility Agreement) to discharge any amounts due and payable (but unpaid) to the Royal Bank of Scotland plc following a demand for repayment under the Multi-Option Facility Agreement.

"Unapproved Territory" means a jurisdiction which is not an Approved Territory;

"Unapproved Territory Debts" means any Debt evidenced by an invoice addressed to a Customer located, registered or whose principal place of business is in an Unapproved Territory; and

"UK Territory Debts" means any Debt evidenced by an invoice addressed to a Customer located, registered or whose principal place of business is in United Kingdom of Great Britain and Northern Ireland.

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Interpretation*) of the Facilities Agreement 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 "**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);
 - (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; and
 - (iv) a "**Default**" (other than a Termination Event) is continuing if it has not been remedied or waived in writing and a Termination Event is continuing if it has not been waived in writing.
- (c) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times in accordance with its terms 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) 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 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.

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.

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 when they fall due for payment or discharge.
- (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).

2.2 Default interest

- (a) Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate and in the manner agreed in the Finance Document under which such amount is payable and, in the absence of such agreement, at the Default Rate from time to time, provided that no such interest at the Default Rate shall be payable on the Secured Obligations if interest at the Default Rate is already being paid on the Secured Obligations.
- (b) Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Security Agent states are appropriate.

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 legal mortgage:
 - (i) the Real Property (if any) specified in part 1 of schedule 2 (*Details of Security Assets*); and
 - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, such Chargor;
- (b) by way of first fixed charge:
 - (i) all other Real Property and all interests in Real Property (not charged by clause 4.1(a));
 - (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;
- (c) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a) or 4.1(b)) and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(c)); 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;
- (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 UK Territory 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 UK Territory Debts;
- (h) by way of first fixed charge all Non-Vesting Approved Territory Debts and their proceeds now or in the future owing to a Chargor which is a Client under the Facilities Agreement, such that there is a separate fixed charge on Non-Vesting Approved Territory Debts referable to Non-Vesting Approved Territory Debts created in each Approved Territory;
- (i) by way of first fixed charge all Related Rights relating to any Non-Vesting Approved Territory Debts, such that there is a separate fixed charge on all Related Rights to any Non-Vesting Approved Territory Debts referable to Non-Vesting Approved Territory Debts created in each Approved Territory;
- (j) by way of first fixed charge all Non-Vesting Unapproved Territory Debts and their proceeds now or in the future owing to a Chargor which is a Client under the Facilities Agreement, such that there is a separate fixed charge on Non-Vesting Unapproved Territory Debts referable to Non-Vesting Unapproved Territory Debts created in each Unapproved Territory;
- (k) by way of first fixed charge all Related Rights relating to any Non-Vesting Unapproved Territory Debts, such that there is a separate fixed charge on all Related Rights to any Non-Vesting Unapproved Territory Debts referable to Non-Vesting Unapproved Territory Debts created in each Unapproved Territory;
- (l) by way of first fixed charge, the Excluded Proceeds and all other Receivables (not assigned under clauses 4.2(a) to 4.2(c) (inclusive));
- (m) 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;
- (n) 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
- (o) 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*);

- (b) all other Insurances (not assigned by clauses 4.2(a)), and
- (c) 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.

4.4 Exclusions

Notwithstanding any other provision of this Deed, there shall be excluded from any Security and/or dispositions created or made by or pursuant to this Deed, and from the operation of the remainder of the terms of this Deed, any property or asset of any Chargor (other than any Non Vesting Debt) which either precludes absolutely or conditionally (including by requiring the consent to the same of any party) that Chargor from creating any Security over its interest in that property or asset unless and until the relevant condition or waiver has been satisfied or obtained (the "**Excluded Property**").

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 6.3 (*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 automatic 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

Subject to the terms of this Deed, 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. UNDERTAKINGS BY THE CHARGORS

10.1 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).

10.2 Security Assets generally

Each Chargor shall:

- (a) notify the Security Agent as soon as reasonably practicable following receipt of every material notice, order, application, requirement or proposal given or made in relation to the Non-Vesting Debts by any competent authority, and (if required by the Security Agent):
 - (i) promptly (subject to any obligations of confidentiality binding upon the Chargor) 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 reasonably require or approve;
- (b) not do, cause or permit to be done anything which will to a material extent depreciate, jeopardise or otherwise prejudice the value of any Security Asset;

10.3 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 RBS Invoice Finance Limited in accordance with the Facilities Agreement.

- (b) Each Chargor shall without prejudice to clause 10.1 (*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.
- (c) Each Chargor irrevocably authorises the Security Agent to instruct RBSIF at any time during the period in which any of the Secured Obligations remain outstanding:
 - (i) to deal with the RBSIF Debt as the Security Agent sees fit;
 - (ii) to transfer the proceeds of the RBSIF Debt to a nominated account, the details of which the Security Agent notifies to RBSIF from time to time; and
 - (iii) to retain the proceeds of the RBSIF Debt in the relevant nominated account until the Secured Obligations have been discharged in full

11. POWER TO REMEDY

11.1 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.

11.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 11 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

11.3 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 11, 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) and otherwise in accordance with clause 2.2 (*Default interest*), provided that no such interest shall be payable at the Default Rate if interest is already being paid on the Secured Obligations at the Default Rate.

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 When enforceable

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

12.2 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.

12.3 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.

13. ENFORCEMENT OF SECURITY

13.1 General

For the sole 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.

13.2 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.

13.3 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 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.

13.4 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.

13.5 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 13.5(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.

13.6 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 13.6(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.

13.7 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.

14. RECEIVER

14.1 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.

14.2 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).

14.3 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).

14.4 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.

14.5 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 (unless and to the extent that the Receiver has acted with gross negligence or wilful misconduct). 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.

15. POWERS OF RECEIVER

15.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 13.3 (*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.

15.2 Additional powers

In addition to the powers referred to in clause 15.1 (*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.

16. APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT

16.1 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) and subject to the Intercreditor Agreement 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 16.3 (*Appropriation, Intercreditor Agreement* and suspense account); and
- (c) *thirdly*, in payment of any surplus to any Chargor or other person entitled to it.

16.2 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 such rate as the Security Agent usually grants for accounts of that size and nature), unless and until the amount of all such monies received by it would clear all Secured Obligations in full.

16.3 Appropriation, Intercreditor Agreement and suspense account

- (a) Subject to the Intercreditor Agreement and clause 16.1 (*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 such rate (if any) as the Security Agent usually grants for accounts of that size and nature) 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.

17. SET-OFF

17.1 Set-off rights

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by any Chargor and unpaid (whether under the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by any other Chargor) against any matured obligation owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) If the obligations are in different currencies, the Security Agent or such 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.

17.2 Time deposits

Without prejudice to clause 17.1 (*Set-off*), if any time deposit matures on any account which any Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when:

- (a) this Debenture Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party acting reasonably considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

18. 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, unless directly caused by the gross negligence or wilful misconduct of the Security Agent and the Receiver.

19. FURTHER ASSURANCES

19.1 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 in writing (and in such form as the Security Agent or a Receiver may reasonably require) and which are necessary 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; or
- (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;

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.

19.2 Specific security

Without prejudice to the generality of clause 19.1 (*Further action*), each Chargor will immediately upon request by the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 6 (*Conversion of floating charge*)).

20. POWER OF ATTORNEY

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 whilst a Termination Event is continuing or enforcement of the Debenture Security has occurred which such Chargor is obliged to take under this Deed, including under clause 19 (*Further assurances*) or, if no Termination Event is continuing, which such Chargor has failed to take within five Business Days of notice from the Security Agent or the Receiver to do so. Each Chargor ratifies and confirms whatever any attorney properly does pursuant to its appointment under this clause.

21. 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 Security 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.

22. CHANGES TO THE PARTIES

22.1 Chargors

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

22.2 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.

22.3 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.

23. MISCELLANEOUS

23.1 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 unless and until the amount of all such monies received by it would clear all Secured Obligations in full.

23.2 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.

23.3 Memorandum and articles

Each Chargor certifies that the Debenture Security does not contravene any of the provisions of the memorandum or articles of association of that Chargor.

23.4 The Land Registry

- (a) Each Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2013 (the "Charge") in favour of RBS Invoice Finance Limited (as Security Agent) referred to in the charges register or their conveyancer."

- (b) Each Chargor:
- (i) authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed, the Facilities Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (ii) shall use its best endeavours to assist with any such application made by or on behalf of the Security Agent; and
 - (iii) shall notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Facilities Agreement or any other Finance Document following its designation as an exempt information document.
- (c) No Chargor shall make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

23.5 Protective clauses

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).

24. NOTICES

24.1 Facilities Agreement

Subject to clause 25.2 (*Notices through Parent*)

- (a) Clause 28 of the Facilities Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Facilities Agreement or this Deed.

24.2 Notices through the Parent

- (a) All communications and documents from the Chargors shall be sent through the Parent and all communications and documents to the Chargors may be sent through the Parent.
- (b) Any communication or document made or delivered to the Parent in accordance with this clause 24.2 will be deemed to have been made or delivered to each of the Chargors.

25. 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) is, in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates.

26. 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.

27. 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.

28. 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.

29. 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.

30. RELEASE

30.1 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.

30.2 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.

31. 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

Chargor	Registered Number	Jurisdiction of Incorporation
Orion Engineering Services Limited	SC098014	Scotland
OCCMS Limited	SC219224	Scotland

SCHEDULE 2: DETAILS OF SECURITY ASSETS

Part 1: Real Property

Freehold land			
Chargor	Address	Administrative area	Title number
None at the date of this deed			

Leasehold land				
Chargor	Address	Document describing the Real Property		
		Date	Document	Parties
None at the date of this deed				

Part 2: Intellectual Property

Part 2A - Trade marks								
Proprietor/ADP number	TM number	Jurisdiction / apparent status	Classes	Mark text				
None at the date of this deed								
Part 2B - Patents								
Proprietor/ADP number	Proprietor/ADP number		Proprietor/ADP number					
None at the date of this deed								
Part 2C - Domain Names								
Proprietor/ADP number	Jurisdiction/apparent status		Domain Name					
None at the date of this deed								

Part 3: Insurances

Type of policy	Insurer	Insured Party	Policy number
None at the date of this deed			

SCHEDULE 3: FORM OF ACCESSION DEED

THIS ACCESSION DEED is made on

2013

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 2.2(a) (*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 legal mortgage all the freehold and leasehold Real Property (if any) vested in or charged to the Acceding Company (including, without limitation, the property specified [◆against its name] in part 1 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any));
- (b) by way of first fixed charge:
 - (A) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified [◆against its name] in part 2 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 3 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all claims under the Insurances and all proceeds of the Insurances,

but excluding always the Excluded Property.

(v) **Consent**

Pursuant to clause 22.3 (*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 1 TO THE ACCESSION DEED

The Acceding Companies

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

SCHEDULE 2 TO THE ACCESSION DEED

Details of Security Assets owned by the Acceding Companies

[◆Part 1 - Real Property]

Registered land				
[◆Acceding Company]	Address	County/District/London borough	Title number	
◆	◆	◆	◆	

Unregistered land				
[◆Acceding Company]	Address	Document describing the Real Property		
		Date	Document	Parties
◆	◆	◆	◆	◆

[◆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 OF THE ACCESSION DEED

[◆*insert execution provisions and notice details for the Acceding Companies*]

EXECUTION PAGES


THE ORIGINAL CHARGORS

Executed as a deed, but not delivered until the)
first date specified on page 1, by **ORION**)
ENGINEERING SERVICES LIMITED by)
a director in the presence of a witness:)

Signature 

Name (block capitals) KEITH MCKENZIE

Authorised signatory

Witness signature 

Witness name
(block capitals)

HELEN MARY DUKES

Witness address

-----Burness-Paul & Williamsons LLP
Union Plaza
-----1 Union Wynd
Aberdeen
-----AB10 1DQ

Address: Orion House, Castle Heather, Inverness, IV2 6AA
Fax: 01463 236091
Attention: Keith McKenzie

Executed as a deed, but not delivered until the)
first date specified on page 1, by OCCMS)
LIMITED by a director in the presence of a)
witness:)

Signature

Name (block capitals)

Authorised signatory

Witness signature

Witness name
(block capitals)

Witness address

~~Burness Paul & Williamsons LLP~~
~~Union Plaza~~
~~1 Union Wynd~~
~~Aberdeen~~
~~AB10 1DQ~~

Address: Orion House, Castle Heather, Inverness, IV2 6AA
Fax: 01463 236091
Attention: Keith McKenzie

THE SECURITY AGENT

Executed as a deed, but not delivered until the)
first date specified on page 1, by **RBS**)
INVOICE FINANCE LIMITED by an)
authorised signatory in the presence of a)
witness:

Signature

Name (block capitals)

Authorised signatory

Witness signature

Witness name
(block capitals)

Witness address

.....

.....

Address: 139 St. Vincent's Street, Glasgow G2 5JF

Fax: 0141 224 0768

Attention: Orion Group Relationship Manager



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 7/8/13

SIGNED *DLA Piper Scotland LLP*
DLA PIPER SCOTLAND LLP

DATED

28 July

2013

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

(2) RBS INVOICE FINANCE LIMITED
as Security Agent

GROUP DEBENTURE

DLA Piper Scotland LLP
Collins House
Rutland Square
Edinburgh
EH1 2AA
Tel: +44 (0) 8700 111 111
Fax: +44 (0) 131 242 5555

CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
2.	COVENANT TO PAY	6
3.	GRANT OF SECURITY	6
4.	FIXED SECURITY	7
5.	FLOATING CHARGE	9
6.	CONVERSION OF FLOATING CHARGE	9
7.	CONTINUING SECURITY	10
8.	LIABILITY OF CHARGORS RELATING TO SECURITY ASSETS	11
9.	ACCOUNTS	11
10.	UNDERTAKINGS BY THE CHARGORS	11
11.	POWER TO REMEDY	12
12.	WHEN SECURITY BECOMES ENFORCEABLE	12
13.	ENFORCEMENT OF SECURITY	13
14.	RECEIVER	15
15.	POWERS OF RECEIVER	15
16.	APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT	17
17.	SET-OFF	18
18.	DELEGATION	18
19.	FURTHER ASSURANCES	19
20.	POWER OF ATTORNEY	19
21.	CURRENCY CONVERSION	19
22.	CHANGES TO THE PARTIES	20
23.	MISCELLANEOUS	20
24.	NOTICES	22
25.	CALCULATIONS AND CERTIFICATES	22
26.	PARTIAL INVALIDITY	22
27.	REMEDIES AND WAIVERS	22
28.	AMENDMENTS AND WAIVERS	22
29.	COUNTERPARTS	23
30.	RELEASE	23
31.	GOVERNING LAW	23
	SCHEDULE 1: THE ORIGINAL CHARGORS	24
	SCHEDULE 2: DETAILS OF SECURITY ASSETS	25
	Part 1: Real Property	25
	Part 2: Intellectual Property	25

Part 3: Insurances.....	26
SCHEDULE 3: FORM OF ACCESSION DEED	27

THIS DEBENTURE is made on

28 JULY

2013

BETWEEN:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "Original Chargors"); and
- (2) RBS INVOICE FINANCE LIMITED, a company incorporated in England (registered number 00662221) whose registered office is at Smith House, PO Box 50, Elmwood Avenue, Feltham, Middlesex, TW13 7QD as agent and security trustee for the Secured Parties (as defined below) and its successor(s) as such Security Agent (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;

"Approved Territories" has the meaning given to it in the Facilities Agreement;

"Approved Territory Debt" means any Debt evidenced by an invoice addressed to a Customer located, registered or whose principle place of business is in an Approved Territory;

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

"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;

"Declared Date" means the date following a Termination Event upon which RBSIF declares that it, or its agent, has collected the maximum possible proceeds of all and any Debts outstanding on or after the date of that Termination Event having exercised its rights under the Facilities Agreement and conducted its usual business practices with a view to maximising realisations from such Debts (at all times insofar as such action remains, in the opinion of RBSIF acting reasonably and in good faith, economic and cost effective);

"Default" has the same meaning as contained in the Facilities Agreement;

"Default Rate" means a rate equivalent to the default rate payable pursuant to the Facilities Agreement;

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

"Excluded Proceeds" means all and any monies paid to a Nominated Account which are not the proceeds of Debts;

"Excluded Property" has the meaning given to that term in clause 4.4 (*Exclusions*);

"Facilities Agreement" means the £58,000,000 invoice discounting and revolving credit facility agreement dated on around the date of this Deed and made between (1) Orion Engineering Services Limited as Parent (2) the Companies as defined therein as Original Clients (3) the Companies as defined therein as Original Guarantors (including the Company) and (4) RBS Invoice Finance Limited;

"Finance Documents" means (1) the Facilities Agreement, (2) the Multi-Option Facility Agreement and (3) any other document described as a "Finance Document" thereunder;

"Finance Parties" means (1) RBS Invoice Finance Limited, (2) The Royal Bank of Scotland plc and (3) any other party described as a "Finance Party" in the Finance Documents;

"Group" has the same meaning as contained 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, trademarks, 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*));

"Intercreditor Agreement" means the intercreditor agreement dated on or around the date of this Deed among RBS Invoice Finance Limited as RBSIF, The Royal Bank of Scotland plc as Senior Lender, Orion Engineering Services Limited as Company, the companies named in Part 1 of Schedule 1 thereof as Intra-Group Lenders, the companies listed in Part 2 of Schedule 1 thereof as Original Debtors and RBS Invoice Finance Limited as Security Agent;

"Multi-Option Facility Agreement" means the multi-option facility letter, dated on or around the date of this Deed and made between The Royal Bank of Scotland plc (as lender) and, inter alia, Orion Engineering Services Limited;

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

"Non-Vesting Approved Territory Debts" means any Approved Territory Debt purportedly assigned to RBSIF pursuant to the Facilities Agreement but which does not, for any reason, vest absolutely and effectively in RBSIF;

"Non-Vesting Debts" means the Non-Vesting UK Territory Debts, the Non-Vesting Approved Territory Debts and the Non-Vesting Unapproved Territory Debts;

"Non-Vesting UK Territory Debts" means any UK Territory Debt purportedly assigned to RBSIF pursuant to the Facilities Agreement but which does not, for any reason, vest absolutely and effectively in RBSIF;

"Non-Vesting Unapproved Territory Debts" means any Unapproved Territory Debt purportedly assigned to RBSIF pursuant to the Facilities Agreement but which does not, for any reason, vest absolutely and effectively in RBSIF;

"Party" means a party to this Deed;

"Permitted Security" has the same meaning as contained in the Facilities Agreement;

"Permitted Transaction" has the same meaning as contained in the Facilities Agreement;

"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 specified in part 1 of schedule 2 (*Details of Security Assets*)), 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;

"Receivables" means (save for Non-Vesting Debts and Related Rights thereto) all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

"RBSIF Debt" means all and any sums due from RBSIF to a Chargor which is a Client under the Facilities Agreement, pursuant to the terms of the Facilities Agreement, on or after the Declared Date;

"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 Secured Parties (or any of them) under or pursuant to any Finance Document, and all or any monies, liabilities and obligations covenanted to be paid under this Deed;

"Secured Parties" means the Secured Creditors as defined in the Intercreditor Agreement, together with any Receiver or Delegate and **"Secured Parties"** shall be construed accordingly;

"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 that term in the Facilities Agreement;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

"Termination Event" means either:

- (a) the meaning given to that term in the Facilities Agreement; or
- (b) the failure by any Customer (as defined in the Multi-Option Facility Agreement) to discharge any amounts due and payable (but unpaid) to the Royal Bank of Scotland plc following a demand for repayment under the Multi-Option Facility Agreement.

"Unapproved Territory" means a jurisdiction which is not an Approved Territory;

"Unapproved Territory Debts" means any Debt evidenced by an invoice addressed to a Customer located, registered or whose principal place of business is in an Unapproved Territory; and

"UK Territory Debts" means any Debt evidenced by an invoice addressed to a Customer located, registered or whose principal place of business is in United Kingdom of Great Britain and Northern Ireland.

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Interpretation*) of the Facilities Agreement 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 "**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);
 - (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; and
 - (iv) a "**Default**" (other than a Termination Event) is continuing if it has not been remedied or waived in writing and a Termination Event is continuing if it has not been waived in writing.
- (c) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times in accordance with its terms 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) 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 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.

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.

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 when they fall due for payment or discharge.
- (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).

2.2 Default interest

- (a) Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate and in the manner agreed in the Finance Document under which such amount is payable and, in the absence of such agreement, at the Default Rate from time to time, provided that no such interest at the Default Rate shall be payable on the Secured Obligations if interest at the Default Rate is already being paid on the Secured Obligations.
- (b) Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Security Agent states are appropriate.

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 legal mortgage:
 - (i) the Real Property (if any) specified in part 1 of schedule 2 (*Details of Security Assets*); and
 - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, such Chargor;
- (b) by way of first fixed charge:
 - (i) all other Real Property and all interests in Real Property (not charged by clause 4.1(a));
 - (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;
- (c) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a) or 4.1(b)) and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(c)); 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;
- (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 UK Territory 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 UK Territory Debts;
- (h) by way of first fixed charge all Non-Vesting Approved Territory Debts and their proceeds now or in the future owing to a Chargor which is a Client under the Facilities Agreement, such that there is a separate fixed charge on Non-Vesting Approved Territory Debts referable to Non-Vesting Approved Territory Debts created in each Approved Territory;
- (i) by way of first fixed charge all Related Rights relating to any Non-Vesting Approved Territory Debts, such that there is a separate fixed charge on all Related Rights to any Non-Vesting Approved Territory Debts referable to Non-Vesting Approved Territory Debts created in each Approved Territory;
- (j) by way of first fixed charge all Non-Vesting Unapproved Territory Debts and their proceeds now or in the future owing to a Chargor which is a Client under the Facilities Agreement, such that there is a separate fixed charge on Non-Vesting Unapproved Territory Debts referable to Non-Vesting Unapproved Territory Debts created in each Unapproved Territory;
- (k) by way of first fixed charge all Related Rights relating to any Non-Vesting Unapproved Territory Debts, such that there is a separate fixed charge on all Related Rights to any Non-Vesting Unapproved Territory Debts referable to Non-Vesting Unapproved Territory Debts created in each Unapproved Territory;
- (l) by way of first fixed charge, the Excluded Proceeds and all other Receivables (not assigned under clauses 4.2(a) to 4.2(c) (inclusive));
- (m) 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;
- (n) 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
- (o) 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*);

- (b) all other Insurances (not assigned by clauses 4.2(a)), and
- (c) 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.

4.4 Exclusions

Notwithstanding any other provision of this Deed, there shall be excluded from any Security and/or dispositions created or made by or pursuant to this Deed, and from the operation of the remainder of the terms of this Deed, any property or asset of any Chargor (other than any Non Vesting Debt) which either precludes absolutely or conditionally (including by requiring the consent to the same of any party) that Chargor from creating any Security over its interest in that property or asset unless and until the relevant condition or waiver has been satisfied or obtained (the "Excluded Property").

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 6.3 (*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 automatic 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

Subject to the terms of this Deed, 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. UNDERTAKINGS BY THE CHARGORS

10.1 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).

10.2 Security Assets generally

Each Chargor shall:

- (a) notify the Security Agent as soon as reasonably practicable following receipt of every material notice, order, application, requirement or proposal given or made in relation to the Non-Vesting Debts by any competent authority, and (if required by the Security Agent):
 - (i) promptly (subject to any obligations of confidentiality binding upon the Chargor) 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 reasonably require or approve;
- (b) not do, cause or permit to be done anything which will to a material extent depreciate, jeopardise or otherwise prejudice the value of any Security Asset;

10.3 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 RBS Invoice Finance Limited in accordance with the Facilities Agreement.

- (b) Each Chargor shall without prejudice to clause 10.1 (*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.
- (c) Each Chargor irrevocably authorises the Security Agent to instruct RBSIF at any time during the period in which any of the Secured Obligations remain outstanding:
 - (i) to deal with the RBSIF Debt as the Security Agent sees fit;
 - (ii) to transfer the proceeds of the RBSIF Debt to a nominated account, the details of which the Security Agent notifies to RBSIF from time to time; and
 - (iii) to retain the proceeds of the RBSIF Debt in the relevant nominated account until the Secured Obligations have been discharged in full

11. POWER TO REMEDY

11.1 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.

11.2 Mortgagee in possession

The exercise of the powers of the Security Agent under this clause 11 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

11.3 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 11, 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) and otherwise in accordance with clause 2.2 (*Default interest*), provided that no such interest shall be payable at the Default Rate if interest is already being paid on the Secured Obligations at the Default Rate.

12. WHEN SECURITY BECOMES ENFORCEABLE

12.1 When enforceable

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

12.2 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.

12.3 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.

13. ENFORCEMENT OF SECURITY

13.1 General

For the sole 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.

13.2 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.

13.3 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 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.

13.4 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.

13.5 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 13.5(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.

13.6 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 13.6(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.

13.7 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.

14. RECEIVER

14.1 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.

14.2 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).

14.3 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).

14.4 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.

14.5 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 (unless and to the extent that the Receiver has acted with gross negligence or wilful misconduct). 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.

15. POWERS OF RECEIVER

15.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 13.3 (*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.

15.2 Additional powers

In addition to the powers referred to in clause 15.1 (*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.

16. APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT

16.1 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) and subject to the Intercreditor Agreement 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 16.3 (*Appropriation, Intercreditor Agreement* and suspense account); and
- (c) *thirdly*, in payment of any surplus to any Chargor or other person entitled to it.

16.2 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 such rate as the Security Agent usually grants for accounts of that size and nature), unless and until the amount of all such monies received by it would clear all Secured Obligations in full.

16.3 Appropriation, Intercreditor Agreement and suspense account

- (a) Subject to the Intercreditor Agreement and clause 16.1 (*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 such rate (if any) as the Security Agent usually grants for accounts of that size and nature) 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.

17. SET-OFF

17.1 Set-off rights

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by any Chargor and unpaid (whether under the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by any other Chargor) against any matured obligation owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) If the obligations are in different currencies, the Security Agent or such 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.

17.2 Time deposits

Without prejudice to clause 17.1 (*Set-off*), if any time deposit matures on any account which any Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when:

- (a) this Debenture Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party acting reasonably considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

18. 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, unless directly caused by the gross negligence or wilful misconduct of the Security Agent and the Receiver.

19. FURTHER ASSURANCES

19.1 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 in writing (and in such form as the Security Agent or a Receiver may reasonably require) and which are necessary 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; or
- (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;

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.

19.2 Specific security

Without prejudice to the generality of clause 19.1 (*Further action*), each Chargor will immediately upon request by the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 6 (*Conversion of floating charge*)).

20. POWER OF ATTORNEY

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 whilst a Termination Event is continuing or enforcement of the Debenture Security has occurred which such Chargor is obliged to take under this Deed, including under clause 19 (*Further assurances*) or, if no Termination Event is continuing, which such Chargor has failed to take within five Business Days of notice from the Security Agent or the Receiver to do so. Each Chargor ratifies and confirms whatever any attorney properly does pursuant to its appointment under this clause.

21. 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 Security 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.

22. CHANGES TO THE PARTIES

22.1 Chargors

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

22.2 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.

22.3 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.

23. MISCELLANEOUS

23.1 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 unless and until the amount of all such monies received by it would clear all Secured Obligations in full.

23.2 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.

23.3 Memorandum and articles

Each Chargor certifies that the Debenture Security does not contravene any of the provisions of the memorandum or articles of association of that Chargor.

23.4 The Land Registry

- (a) Each Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2013 (the "Charge") in favour of RBS Invoice Finance Limited (as Security Agent) referred to in the charges register or their conveyancer."

- (b) Each Chargor:
- (i) authorises the Security Agent to make any application which the Security Agent deems appropriate for the designation of this Deed, the Facilities Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (ii) shall use its best endeavours to assist with any such application made by or on behalf of the Security Agent; and
 - (iii) shall notify the Security Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Facilities Agreement or any other Finance Document following its designation as an exempt information document.
- (c) No Chargor shall make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) Each Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

23.5 Protective clauses

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).

24. NOTICES

24.1 Facilities Agreement

Subject to clause 25.2 (*Notices through Parent*)

- (a) Clause 28 of the Facilities Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Facilities Agreement or this Deed.

24.2 Notices through the Parent

- (a) All communications and documents from the Chargors shall be sent through the Parent and all communications and documents to the Chargors may be sent through the Parent.
- (b) Any communication or document made or delivered to the Parent in accordance with this clause 24.2 will be deemed to have been made or delivered to each of the Chargors.

25. 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) is, in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates.

26. 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.

27. 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.

28. 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.

29. 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.

30. RELEASE

30.1 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.

30.2 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.

31. 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

Chargor	Registered Number	Jurisdiction of Incorporation
Orion Engineering Services Limited	SC098014	Scotland
OCCMS Limited	SC219224	Scotland

SCHEDULE 2: DETAILS OF SECURITY ASSETS**Part 1: Real Property**

Freehold land			
Chargor	Address	Administrative area	Title number
None at the date of this deed			

Leasehold land				
Chargor	Address	Document describing the Real Property		
		Date	Document	Parties
None at the date of this deed				

Part 2: Intellectual Property

Part 2A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction / apparent status	Classes	Mark text
None at the date of this deed				

Part 2B - Patents		
Proprietor/ADP number	Proprietor/ADP number	Proprietor/ADP number
None at the date of this deed		

Part 2C - Domain Names		
Proprietor/ADP number	Jurisdiction/apparent status	Domain Name
None at the date of this deed		

Part 3: Insurances

Type of policy	Insurer	Insured Party	Policy number
None at the date of this deed			

SCHEDULE 3: FORM OF ACCESSION DEED

THIS ACCESSION DEED is made on

2013

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 2.2(a) (*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 legal mortgage all the freehold and leasehold Real Property (if any) vested in or charged to the Acceding Company (including, without limitation, the property specified [◆against its name] in part 1 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any));
- (b) by way of first fixed charge:
 - (A) by way of first fixed charge all Intellectual Property (including, without limitation, the Intellectual Property specified [◆against its name] in part 2 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 3 of schedule 2 (*Details of Security Assets owned by Acceding Company*) (if any)), all claims under the Insurances and all proceeds of the Insurances,

but excluding always the Excluded Property.

(v) **Consent**

Pursuant to clause 22.3 (*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 1 TO THE ACCESSION DEED

The Acceding Companies

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

SCHEDULE 2 TO THE ACCESSION DEED

Details of Security Assets owned by the Acceding Companies

[◆Part 1 - Real Property]

Registered land				
[◆ Acceding Company]	Address	County/District/London borough	Title number	
◆	◆	◆	◆	

Unregistered land				
[◆ Acceding Company]	Address	Document describing the Real Property		
		Date	Document	Parties
◆	◆	◆	◆	◆

[◆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 OF THE ACCESSION DEED

[◆insert execution provisions and notice details for the Acceding Companies]

EXECUTION PAGES

THE ORIGINAL CHARGORS

Executed as a deed, but not delivered until the)
first date specified on page 1, by **ORION**)
ENGINEERING SERVICES LIMITED by)
a director in the presence of a witness:)

Signature

Name (block capitals)

Authorised signatory

Witness signature

Witness name
(block capitals)

Witness address

.....

.....

Address: Orion House, Castle Heather, Inverness, IV2 6AA
Fax: 01463 236091
Attention: Keith McKenzie

Executed as a deed, but not delivered until the)
first date specified on page 1, by **OCCMS**)
LIMITED by a director in the presence of a)
witness:)

Signature

Name (block capitals)

Authorised signatory

Witness signature

Witness name
(block capitals)

Witness address

.....

.....

Address: Orion House, Castle Heather, Inverness, IV2 6AA
Fax: 01463 236091
Attention: Keith McKenzie

THE SECURITY AGENT

Executed as a deed, but not delivered until the)
first date specified on page 1, by **RBS**)
INVOICE FINANCE LIMITED by an)
authorised signatory in the presence of a)
witness:

Signature



Name (block capitals)

KEVIN HAUPERT
Authorised signatory

Witness signature



Witness name
(block capitals)

BRADLEY HARRIS

Witness address



DLA PIPER UK LLP
3 NOBLE STREET
LONDON EC2V 7EE
TEL: 08700 111 111
FAX: 020 7796 6666
DX: 33866 FINSBURY SQUARE

Address: 139 St. Vincent's Street, Glasgow G2 5JF
Fax: 0141 224 0768
Attention: Orion Group Relationship Manager