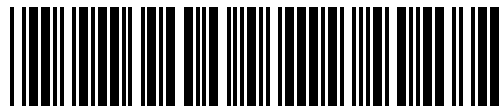




Registration of a Charge

Company Name: **FULLER SMITH & TURNER PLC**

Company Number: **00241882**



Received for filing in Electronic Format on the: **17/06/2021**

XA6U7ONT

Details of Charge

Date of creation: **10/06/2021**

Charge code: **0024 1882 0013**

Persons entitled: **THE TRUSTEES OF THE FULLER SMITH & TURNER P.L.C. PENSION SCHEME**

Brief description: **1. FREEHOLD TITLE KNOWN AS THE COUNTING HOUSE 50 CORNHILL, LONDON EC3V 3PD REGISTERED AT THE LAND REGISTRY WITH TITLE ABSOLUTE UNDER TITLE NUMBER 83452. 2. FREEHOLD TITLE KNOWN AS PIER HOUSE, 86-93 STRAND ON THE GREEN, LONDON W4 3NN REGISTERED AT THE LAND REGISTRY WITH TITLE ABSOLUTE UNDER TITLE NUMBER NGL424862. 3. FREEHOLD TITLE KNOWN AS THE RED LION HOTEL, 2 AND 4 CASTLENAU, BARNES, LONDON REGISTERED AT THE LAND REGISTRY WITH TITLE ABSOLUTE UNDER TITLE NUMBER SGL517676.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC**

**COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

THOMAS WALLIS



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 241882

Charge code: 0024 1882 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th June 2021 and created by FULLER SMITH & TURNER PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th June 2021 .

Given at Companies House, Cardiff on 18th June 2021

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

CERTIFIED A TRUE AND COMPLETE COPY
OF THE ORIGINAL


FRESHFIELDS BRUCKHAUS DERINGER LLP
100 BISHOPSGATE
LONDON
EC2P 2SR

SECURITY AGREEMENT

DATED 10 June 2021

BETWEEN

Fuller Smith & Turner P.L.C.

- and -

Stephen Yandle, David Edge, David Moseley, Mark Dally and Richard Fuller as trustees of the Fuller
Smith & Turner P.L.C. pension scheme

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THIS DEED is dated 10 June 2021 between:

- (1) **Fuller Smith & Turner P.L.C.**, a public limited company incorporated in England and Wales with registered number 00241882 and whose registered office is at Pier House, 86-93 Strand On The Green, London, England, W4 3NN (the **Chargor**); and
- (2) **Stephen Yandle, David Edge, David Moseley, Mark Dally and Richard Fuller** as trustees of the Fuller Smith & Turner P.L.C. pension scheme and any other person or persons who is or are for the time being a trustee of the Fuller Smith & Turner P.L.C. pension scheme (each a **Trustee** and together the **Trustees**).

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Act means the Law of Property Act 1925.

Actuarial Report means an actuarial report in relation to the Scheme pursuant to Part 3 of the Pensions Act 2004 (or any applicable replacement legislation).

Actuarial Valuation means an actuarial valuation of the Scheme pursuant to Part 3 of the Pensions Act 2004 (or any applicable replacement legislation).

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.

Certificate of Title means any certificate of title on the Mortgaged Property addressed to and provided at the request of the Trustees before the date of this Deed.

Creditors' Process means, in relation to a person, any expropriation, attachment, sequestration, distress or execution (or any analogous event in any jurisdiction) which affects a material part of the assets of that person, and is not discharged within fourteen (14) days.

Deemed Value means:

- (a) £30 million; or
- (b) following the occurrence of a Funding Target Trigger Event, the Maximum Value applicable in accordance with clause 21, which, for the avoidance of doubt, shall not exceed £30 million,

in each case, less the aggregate amount of any Net Enforcement Proceeds previously recovered by the Trustees.

Demand means any demand made on the Chargor by the Trustees under Clause 2 (Covenant to pay) in relation to the Chargor's Secured Scheme Liabilities.

Disposal Proceeds means all capital monies or other sums or other consideration paid or payable in respect of the disposal of the Chargor's interest in all or any part of any Mortgaged Property.

Downwards Funding Target Trigger Event has the meaning given to it in Clause 21.

Eligible Valuation means a valuation of the Chargor's interest in the Mortgaged Property by a Valuer, addressed to the Trustees and prepared on the basis of the market value as that term is defined in the then current Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

Environmental Approval means any consent, approval, authorisation, permission or licence required by any Environmental Law.

Environmental Claim means any action or claim by any person in connection with:

- (a) a breach, or alleged breach, of an Environmental Law;
- (b) a liability, or alleged liability, under Environmental Law;
- (c) a failure to comply with any Environmental Approval;
- (d) any accident, fire, explosion or other event of any type involving an emission or substance which is capable of causing harm to any living organism or the environment which affects any Mortgaged Property; or
- (e) any other environmental contamination which affects any Mortgaged Property.

Environmental Law means any law or regulation concerning:

- (a) the protection of health and safety;
- (b) the environment; or
- (c) any emission or substance which is capable of causing harm to any living organism or the environment,

which applies to any Mortgaged Property.

Event of Default means an event specified as such in Clause 7 (Default).

Fixtures means all fixtures and fittings and fixed plant and machinery on the Mortgaged Property.

Funding Target Trigger Event has the meaning given in Clause 21.

Increase Request has the meaning given to it in Clause 20 (Release where oversecured and increase where undersecured).

Insolvency Event means in respect of the Chargor:

- (a) an 'insolvency event' as defined in Section 121 of the Pensions Act 2004 or regulations made from time to time thereunder; or
- (b) the receipt by the Pension Protection Fund of an application from the Trustees or notification from the Pensions Regulator, which is purported to be made in accordance with Section 129 of the Pensions Act 2004 or regulations made from time to time thereunder.

Insolvency Proceedings means in respect of any person:

- (a) any procedure or step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;
- (b) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), or any such resolution is passed;
- (c) any Security Interest is enforced by any person over a material part of its assets;
- (d) an order for its winding-up, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) is made;
- (e) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or a material part of its assets;
- (f) its shareholders, directors or other officers or that person itself request(s) or apply/ies to court for the appointment of, or give(s) notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer; or
- (g) any other analogous step or procedure is taken in any jurisdiction.

Insured Property Assets means the Premises and all the Chargor's other assets of an insurable nature in or on the Mortgaged Property.

Long-Term Funding Basis means the "self-sufficiency" basis that the Trustees have adopted and set out in the statement of funding principles for the Scheme dated on or around the date of this Deed, which has been set by reference to a "low-risk" investment strategy, investing predominantly in a range of gilt-edged securities. Expectation of a modest amount of outperformance has been included to allow for the fact that the Trustees may expect to hold some assets in classes other than gilts in the long term. Taking this into account both the pre and post retirement discount rates have been set as an addition of 0.25% per annum to the gilt curve at all durations.

Material Adverse Effect means a material adverse effect on:

- (a) the ability of the Chargor to perform its payment obligations under this Deed;
- (b) the business, operations, property, assets or financial condition of the Chargor or any of its Subsidiaries;
- (c) the validity or enforceability of, or the effectiveness, making or ranking of, this Deed; or
- (d) the validity or enforceability, or the effectiveness or ranking of, any right or remedy of the Trustees under this Deed.

Maximum Value means, at any given time, the amount set out opposite the most recently determined Relevant Deficit in the column headed "Maximum Value" in the table in Clause 21 (Funding Target Trigger Event).

Mortgaged Property means all freehold property included in the definition of **Security Assets**.

Net Enforcement Proceeds means, in relation to any Security Asset any proceeds of sale or enforcement collected or received by the Trustees (or any Receiver) arising from that Security Asset following the enforcement of this Security, less all costs, expenses, remuneration and other items relating thereto contemplated in Subparagraph 12(a) (Application of Proceeds).

Non-Payment Event means, in respect of the Chargor, a situation where:

- (a) the Chargor fails to pay a deficit contribution or other payment required to be paid by or on behalf of the Chargor as set out in the schedule of contributions in respect of the Scheme; and
- (b) the Chargor has not remedied such failure to pay in its entirety within ten (10) Business Days of the relevant payment falling due,

unless such non-payment has been agreed with the Trustees in writing in advance of the relevant payment falling due.

Occupational Lease means any lease, agreement for lease, licence or other occupational interest subject to which the Chargor's interest in a Mortgaged Property is held, now or in the future, including any guarantee and rent deposit arrangements entered into under the terms of them.

Party means a party to this Deed.

Pension Protection Fund means the Board of the Pension Protection Fund as established under Part 2 of the Pensions Act 2004.

Pensions Regulator means the body of that name and referred to as the "Regulator" in the Pensions Act 2004.

Premises means all buildings and erections included in the definition of **Mortgaged Property**.

Receiver means a receiver and manager or a receiver or an administrator or an administrative receiver, in each case, appointed under this Deed.

Release Request has the meaning given to it in Clause 22 (Release where oversecured and increase where undersecured).

Relevant Deficit means, for the Scheme, the amount of the deficit (if any) where:

- (a) the value of the Scheme's technical provisions (as defined in section 222(2) of the Pensions Act 2004) as at a Scheme Valuation Date are valued on the Long-Term Funding Basis and
- (b) the value of the Scheme assets as at the relevant Valuation Date is as disclosed in the Scheme accounts as at that date in accordance with regulation 4 of the Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Reservations means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court and damages may be regarded as an adequate remedy;
- (b) the limitation on enforcement as a result of laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the statutory time-barring of claims;
- (d) defences of set off or counterclaim;
- (e) rules against penalties and similar principles;
- (f) the fact that security which is described as fixed security may in fact be floating security;
- (g) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of stamp duty may be void;
- (h) the fact that a court may refuse to give effect to a purported contractual obligation to pay costs imposed upon another person in respect of costs of an unsuccessful litigation brought against that person or may not award by way of costs all of the expenditure incurred by a successful litigant in proceedings brought before that court or that a court may stay proceedings if concurrent proceedings based on the same grounds and between the same parties have previously been brought before another court; and/or
- (i) any steps for perfection not required by the terms of this Deed to be taken,

and any other reservations or qualifications of law contained in any legal opinion delivered to the Trustees in respect of this Deed.

Scheme means the Fuller Smith & Turner P.L.C. pension scheme (a defined benefit pension scheme operated by the Chargor for eligible employees which closed to future accrual in January 2015 (registration number 10000155)).

Scheme Valuation Date means the effective date of the relevant Actuarial Valuation or Actuarial Report, as applicable.

Secured Liabilities means, subject to the limits in Clause 3.4 (Limit on amount recoverable), the Secured Scheme Liabilities and all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of the Chargor under this Deed.

Secured Scheme Liabilities means, subject to the limits in Clause 3.4 (Limit on amount claimed), all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of the Chargor to make payments to the Scheme.

Security Assets means all assets of the Chargor the subject of any Security Interest created, or purported to be created, by this Deed and any Supplemental Security Agreement.

Security Asset Value means the value of the Security Assets as set out in the most recent Valuation.

Security Interest means any mortgage, charge, pledge, lien, assignment, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Period means the period beginning on the date of this Deed and ending on the Termination Date.

Subsidiary means:

- (a) a subsidiary within the meaning of Section 1159 of the Companies Act 2006; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 1162 of the Companies Act 2006.

Substitute Property means a freehold property approved by the Trustees pursuant to Clause 23 (Substitution of Property) in their absolute discretion and in relation to which the conditions set out in Schedule 2 (Conditions precedent to substitution) have been satisfied.

Substitution Proposal has the meaning given to it in Clause 23 (Substitution of Property).

Supplemental Security Agreement means a security agreement supplemental to this Deed executed by the Chargor in favour of the Trustees containing a charge by way of legal mortgage over a Substitute Property.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Deed.

Termination Date has the meaning given to it in Clause 17 (Duration of Security).

Upwards Funding Target Trigger Event has the meaning given to it in Clause 21.

Valuer means Savills, Jones Lang Lasalle, CBRE, Cushman & Wakefield, Knight Frank or any other reputable, independent surveyor or valuer appointed by the Trustees following consultation with the Chargor.

1.2 Construction

- (a) In this Deed unless the contrary intention appears, a reference to:
 - (i) **assets** includes present and future properties, revenues and rights of every description and includes uncalled capital;
 - (ii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iii) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;

- (iv) **this Security** means any Security Interests created by this Deed and any Supplemental Security Agreement;
 - (v) a **person** includes any individual, firm, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (vi) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which persons to which it applies are accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (vii) **Sterling or £** is a reference to the lawful currency for the time being of the United Kingdom;
 - (viii) a **provision of law** is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (ix) a **Clause, a Subclause, a Paragraph, a Subparagraph** or a **Schedule** is a reference to a clause, a subclause, a paragraph or a subparagraph of, or a schedule to, this Deed;
 - (x) a **Party** or any other person includes its successors in title, permitted assigns and permitted transferees and this Deed shall be binding on and enforceable by any person who is for the time being a trustee of the Scheme including any person who succeeds or replaces a trustee of the Scheme (and this Subparagraph (x) shall be in addition to, and not affect, the provisions of the Trustee Act dealing with transfers of assets and liabilities from one trustee to another);
 - (xi) **this Deed** (or any specified provision of it) or any other document shall be construed as a reference to this Deed, that provision or that document as in force for the time being and as amended, restated, varied, supplemented or novated from time to time;
 - (xii) **including** shall not be construed narrowly but be taken as reading **including without limitation**;
 - (xiii) a **time of day** is a reference to London time; and
 - (xiv) words importing the singular shall include the plural and vice versa.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);

- (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding Subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of this Deed, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of this Deed. As contemplated by Subparagraph (a)(x) above, any person who is for the time being a trustee of the Scheme may enforce or enjoy the benefit of any term of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.
- (d) If the Trustees consider that an amount paid to them under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.
- (f) The headings in this Deed do not affect its interpretation.
- (g) It is intended by the Parties that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

2. COVENANT TO PAY

The Chargor must, on demand following the occurrence of any Insolvency Event or Non-Payment Event, pay or discharge the Secured Scheme Liabilities when due.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security Interests created under this Deed:
 - (i) are created in favour of the Trustees;
 - (ii) are created over present and future assets of the Chargor;
 - (iii) are continuing security for the payment of all the Secured Liabilities from the date of this Deed until the Termination Date; and
 - (iv) are made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the rights of the Chargor under a document cannot be secured without the consent of a party to that document:
 - (i) the Chargor must notify the Trustees promptly;

- (ii) this Security will secure all amounts which the Chargor may receive, or has received, under that document but exclude the document itself; and
 - (iii) unless the Trustees otherwise require, the Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under this Deed.
- (c) The payment obligations of the Chargor under this Deed shall survive the enforcement of the whole or any part of the Security Assets.

3.2 Charge

- (a) The Chargor charges and agrees to charge:
- (i) by way of a first legal mortgage the real property specified in Schedule 1 (Real Property);
 - (ii) all claims under and all proceeds of all policies of insurance in respect of the Security Assets which are at any time held by or written in favour of the Chargor or in which the Chargor from time to time has an interest; and
 - (iii) all future easements, licences and other rights at any time vested in the Chargor in connection with the Mortgaged Property.
- (b) A reference in this Subclause 3.2 to a mortgage or charge of any freehold or other immovable property includes:
- (i) all buildings on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

3.3 Assignment

The Chargor assigns to the Trustees absolutely, subject to a proviso for re-assignment on redemption:

- (a) the Disposal Proceeds; and
- (b) all causes of action and other rights and remedies in which it has an interest at any time in relation to the Security Assets.

3.4 Limit on amount claimed

The total amount which may be:

- (a) claimed from the Chargor pursuant to any Demands in relation to its Secured Scheme Liabilities; and/or
- (b) applied by the Trustees against the Chargor's Secured Scheme Liabilities from any Net Enforcement Proceeds,

shall not exceed the Deemed Value applicable at the time of the Demand.

4. PAYMENTS

4.1 Funds

Payments under this Deed to the Trustees must be made for value on the due date at such times and in such funds as the Trustees may specify to the Chargor as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

4.2 Currency

Any amount payable under this Deed is payable in Sterling.

4.3 No set-off or counterclaim

All payments made by the Chargor under this Deed shall be calculated and must be made without (and be free and clear of any deduction for) set-off or counterclaim.

4.4 Business Days

If a payment under this Deed is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

5. REPRESENTATIONS

5.1 Representations

The representations set out in this Clause 5 are made by the Chargor to the Trustees.

5.2 Status

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

5.3 Powers and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise the entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of this Deed.

5.4 Legal validity

Subject to the Reservations, the obligations expressed to be assumed by it in this Deed are legal, binding, valid and enforceable obligations.

5.5 Non-conflict

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (a) any law or regulation applicable to it;

- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets or constitute a default or termination event (howsoever described) under any such document.

5.6 No insolvency

No Insolvency Proceedings or Creditors' Process have been taken in relation to it and no Insolvency Event applies to it.

5.7 No default

No event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing, would constitute) a default or termination event (howsoever described) under any document which is binding on it or any of its Subsidiaries or any of its or its Subsidiaries' assets to an extent or in a manner which has or is reasonably likely to have a Material Adverse Effect.

5.8 Authorisations

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Deed have been obtained or effected (as appropriate) and are in full force and effect.

5.9 Litigation

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened against it or any of its Subsidiaries, which have or, if adversely determined, are reasonably likely to have a Material Adverse Effect.

5.10 Nature of security

- (a) This Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside in the insolvency, liquidation or administration of the Chargor or otherwise.
- (b) The Security Interests created by this Deed constitute a first priority Security Interest of the type described over the Security Assets and the Security Assets are not subject to any prior or pari passu Security Interest.

5.11 Title

Except as disclosed in any Certificate of Title:

- (a) it is the sole legal and beneficial owner of the Mortgaged Property;
- (b) no breach of any law or regulation is outstanding which affects or might affect materially the value of the Mortgaged Property;
- (c) there are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever affecting the Mortgaged Property in any material respect;

- (d) nothing has arisen or has been created or is subsisting which would be an overriding interest, or an unregistered interest which overrides first registration or registered dispositions, over the Mortgaged Property;
- (e) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its use;
- (f) it has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest in it which might reasonably be expected to be determined in favour of that person, nor has any acknowledgement been given to any person in respect of the Mortgaged Property; and
- (g) the Mortgaged Property is held by it free from any Security Interest or any tenancies or licences.

5.12 Valuation

- (a) All information supplied by it or on its behalf to the Valuer for the purposes of each Eligible Valuation was true and accurate as at its date or (if appropriate) as at the date (if any) at which it is stated to be given;
- (b) any financial projections contained in the information referred to in Paragraph (a) above have been prepared as at their date, on the basis of recent historical information and assumptions believed by it to be fair and reasonable;
- (c) it has not omitted to supply any information which, if disclosed, would reasonably be expected to adversely affect the Valuation; and
- (d) nothing has occurred since the date information referred to in Paragraph (a) above was supplied which, if it had occurred prior to the Valuation, would adversely affect the Valuation.

5.13 Environmental matters

- (a) The Chargor is in compliance with Subclause 6.7 (Environmental matters) and no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
- (b) No Environmental Claim has been commenced against the Chargor.
- (c) No dangerous substance has been used, disposed of, generated, stored, dumped, released, deposited, buried or emitted at, on, from or under the Mortgaged Property.

5.14 Centre of main interest and establishments

For the purposes of the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (**the Regulations**) the Chargor's "centre of main interest" (as that term is used in Article 3(1) of the Regulations) is situated in England and Wales and it has no "establishment" (as that term is used in Article 21 of the Regulation) in any other jurisdiction.

5.15 Times for making representations

- (a) The representations set out in this Clause 5 are made by the Chargor on the date of this Deed.
- (b) The representations set out in this Clause 5 are deemed to be repeated by the Chargor on 31 March and 1 April of each year during the Security Period and on each occasion on which there is a substitution of property pursuant to Clause 23.
- (c) When a representation is repeated, it is applied to the circumstances existing at the time of repetition.

6. COVENANTS

6.1 General

The Chargor agrees to be bound by the covenants set out in this Clause 6 for the Security Period.

6.2 Notification of breach

The Chargor must notify the Trustees of any breach of any of the provisions of this Deed promptly upon becoming aware of its occurrence.

6.3 Authorisations

The Chargor must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, this Deed.

6.4 Compliance with laws

The Chargor must comply in all respects with all laws to which it is subject where failure to do so has or is reasonably likely to have a Material Adverse Effect.

6.5 Pari passu ranking

The Chargor must ensure that its payment obligations under this Deed rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by laws of general application to companies.

6.6 Disposals and negative pledge

The Chargor must not:

- (a) create, purport to create or permit to subsist any Security Interest on any Security Asset (other than this Security); or
- (b) sell, assign, transfer, licence, lease or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interests in, any Security Asset other than any Occupational Lease granted in the ordinary course of business of the Chargor on arm's length terms and not in any event exceeding a term equal to or greater than 25 years.

6.7 Environmental matters

(a) The Chargor must:

- (i) obtain all Environmental Approvals required to be obtained by it;
- (ii) comply in all material respects with any Environmental Approval or Environmental Law applicable to it;
- (iii) ensure that the Trustees do not incur any liability by reason of any breach by the Chargor of any Environmental Law or Environmental Approval;

where failure to do so would, or could reasonably be expected to, have a Material Adverse Effect or result in any liability for the Trustee.

(b) The Chargor must, promptly upon becoming aware, notify the Trustees of:

- (A) any Environmental Claim current or, to its knowledge, pending; or
- (B) any circumstances reasonably likely to result in an Environmental Claim.

(c) The Chargor must indemnify each Trustee against any loss or liability which:

- (i) that Trustee incurs as a result of any actual or alleged breach of any Environmental Law or Environmental Approval by any person; and
- (ii) which would not have arisen if this Deed had not been entered into,

unless it is caused by that Trustee's gross negligence or wilful misconduct.

6.8 Repair

The Chargor must keep the Premises and cables, wires, drains, pipes and sanitary, water and other services comprised in them (in so far as the same are owned by the Chargor or their maintenance and repair is the responsibility of the Chargor) in good and substantial repair and condition and in good working order and adequately and properly painted and decorated and not, without the prior written consent of the Trustees (such consent not to be unreasonably withheld or delayed), alter, pull down, remove or dispose of any of the same except in the ordinary course of repair, maintenance or improvement.

6.9 Insurance

(a) The Chargor must insure the Insured Property Assets against:

- (i) loss or damage by fire; and
- (ii) other risks normally insured against by persons carrying on the same class of business as that carried on by it.

(b) Any insurance must be in a sum or sums not less than the replacement value of the Insured Property Assets. For this purpose, replacement value means the total cost of entirely rebuilding, reinstating or replacing those Insured Property Assets in the event of their being completely destroyed, together with architects', surveyors' fees and any

other professional fees which would be considered reasonably necessary in the circumstances.

- (c) Any insurance required under this Subclause 6.9 must be:
 - (i) in an amount and form acceptable to the Trustees; and
 - (ii) with a reputable insurance company or underwriter.
- (d) All moneys received or receivable under any insurance in respect of the Insured Property Assets must be applied:
 - (i) in replacing, restoring or reinstating the Insured Property Assets destroyed or damaged or in any other manner which the Trustees may agree; or
 - (ii) after an Event of Default has occurred, if the Trustees so direct and the terms of the relevant insurances allow, in or towards satisfaction of the Secured Liabilities.
- (e) The Chargor must procure that the interests of the Trustees under paragraph (a)(ii) of Clause 3.2 (*Charge*) are noted to the relevant insurer.
- (f) The Chargor must ensure that each insurance policy contains a standard mortgagee clause under which the insurance will not be vitiated or avoided as against the Trustees as a result of any misrepresentation, act or neglect or failure to disclose on the part of any insured party or any circumstances beyond the control of an insured party.
- (g) The Chargor must not do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Insured Property Asset.
- (h) The Chargor must promptly pay all premiums and do all other things necessary to keep each policy of insurance in respect of the Insured Property Assets in force.
- (i) The Chargor must, immediately on demand by the Trustees, produce to the Trustees the policy, certificate or cover note relating to any insurance policy in respect of the Insured Property Assets and the receipt for the payment of any premium for any such insurance policy as the Trustees may request.

6.10 No structural alterations

The Chargor shall ensure that neither it nor any other person makes any structural alteration to the Mortgaged Property which materially and adversely affects the value of the Mortgaged Property without the prior written consent of the Trustees (such consent not to be unreasonably withheld, taking into account Clause 22.2 (*Increase where undersecured*)).

6.11 Title covenants

The Chargor shall procure that all material covenants, agreements, obligations, stipulations and conditions now or at any time:

- (a) affecting the Mortgaged Property or its use or enjoyment (so far as the same subsist and are capable of being enforced) shall be observed and performed; and

- (b) benefiting the Mortgaged Property shall be diligently enforced and such obligations shall not be waived, varied or released, or any agreement made to do the same,

including those contained in any agreements, assignments, contracts, conveyances, grants and other deeds and documents for the time being binding on the Chargor or affecting the Mortgaged Property or the use or enjoyment of the Mortgaged Property and the Chargor shall not take or omit to take any action of any kind whereby any interest or estate in the Mortgaged Property may be adversely affected.

6.12 Pay outgoings

The Chargor shall:

- (a) punctually pay or procure to be paid all rates, rents, taxes, levies, charges, duties, assessments, impositions and outgoings and other sums payable out of or in respect of the Mortgaged Property or any carbon dioxide emissions associated with it and provide to the Trustees, when reasonably required, proof of such payment; and
- (b) indemnify, or procure the indemnification of, the Trustees on demand against all existing and future rents, taxes, duties, fees, renewal fees, charges, assessments, impositions and outgoings whatsoever,

whether imposed by deed or by statute or otherwise and whether in the nature of capital or revenue and even though of a wholly novel character which now or at any time during the continuance of this Security are payable in respect of the Mortgaged Property or any part of it.

6.13 Compliance with applicable laws and regulations

The Chargor must:

- (a) perform all its obligations under any law or regulation in any way related to or affecting the Mortgaged Property;
- (b) not suffer to be done on the Mortgaged Property anything which shall cause, constitute or contribute to any breach of the Town and Country Planning Act 1990 and any other legislation relating to town and country planning in force from time to time or any orders or regulations made under them; and
- (c) not apply for any planning consent for development or change of use of the Mortgaged Property or any part of it without the Trustees' prior consent (such consent not to be unreasonably withheld or delayed).

6.14 Notices

The Chargor must, within fourteen (14) days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the Mortgaged Property (or any part of it), but excluding, for the avoidance of doubt, any such application, requirement, order or notice relating to the sale and supply of alcohol, the provision of regulated entertainment and the sale and supply of late night refreshment pursuant to the Licensing Act 2003:

- (a) deliver a copy to the Trustees; and

- (b) inform the Trustees of the steps taken or proposed to be taken to comply with the relevant requirement.

6.15 Leases

Save in respect of any Occupational Lease entered into by the Chargor in the ordinary course of business and on arm's length terms and not in any event exceeding a term equal to or greater than 25 years, the Chargor must not without the consent of the Trustees (such consent not to be unreasonably withheld or delayed) grant or agree to grant (whether in exercise or independently of any statutory power) or vary or agree to vary any Occupational Lease or any part of it or accept a surrender of any Occupational Lease or confer upon any person any contractual licence or right to occupy the Mortgaged Property.

6.16 H.M. Land Registry

The Chargor authorises the Trustees to make an application on Form RX1 (or such other form as may be prescribed from time to time) to enter the following restriction against the relevant registered estates:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered Charge, not being a Charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated 10 June 2021 in favour of Stephen Yandle, David Edge, David Moseley, Mark Dally and Richard Fuller as trustees of the Fuller Smith & Turner P.L.C. pension scheme referred to in the Charges Register (or its conveyancer)."

6.17 Access

The Chargor must permit (or procure the permission of any tenant in possession of the Mortgaged Property) the Trustees and any person nominated by them at all reasonable times and on reasonable notice to enter any part of the Mortgaged Property and view the state of it.

6.18 Commonhold

The Chargor shall not convert any freehold estate comprised in the Mortgaged Property to a freehold estate in commonhold under Part 1 of the Commonhold and Leasehold Reform Act 2002.

6.19 Investigation of title

The Chargor must grant the Trustees or their lawyers on reasonable request all facilities within the power of the Chargor to enable the Trustees or their lawyers (at the expense of the Chargor (with such legal fees to be subject to a cap to be agreed in advance with the Chargor, both Parties acting reasonably)) to:

- (a) carry out investigations of title to the Mortgaged Property; and
- (b) make such enquiries in relation to any part of the Mortgaged Property as a prudent mortgagee might carry out.

6.20 Power to remedy

If the Chargor fails to perform any covenant in this Clause 6 affecting the Mortgaged Property, the Chargor must allow the Trustees or their agents and contractors:

- (a) to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property; and
- (b) to take any action as the Trustees may reasonably consider necessary to prevent or remedy any breach of any such term or to comply with or object to any such notice.

The Chargor must promptly on request by the Trustees pay the reasonable costs and expenses of the Trustees or their agents and contractors incurred in connection with any action taken by them under this Subclause.

6.21 Negotiations with local or other authority

The Chargor shall not conduct any negotiations or make any agreement with any local or other authority concerning the acquisition of the Mortgaged Property without the consent of the Trustees (not to be unreasonably withheld).

6.22 Notifiable events

- (a) The Chargor shall promptly notify the Trustees upon becoming aware that:
 - (i) any event has occurred in respect of the Chargor which would require notification to the Pensions Regulator in accordance with Section 69 of the Pensions Act 2004 and any regulations and directions made thereunder;
 - (ii) any representation made or deemed to be made by the Chargor under this Deed is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; and
 - (iii) any representation made by the Chargor under this Deed would be (if it were deemed to be repeated at any time) incorrect or misleading in any material respect when made or deemed to be made.
- (b) If on or about 28 February of each year, the Chargor is aware that any representation which is to be repeated under Subclause 5.16(b) (Times for making representations) will be or is reasonably likely to be incorrect or misleading when repeated pursuant to Subclause 5.16(b) (Times for making representations), the Chargor shall promptly notify the Trustees.

6.23 Fixtures

If the Chargor seeks to remove any Fixtures from the Mortgaged Property, it shall:

- (a) ensure that such Fixtures are removed with due skill and care; and
- (b) indemnify the Trustees against any loss that the Trustees incur in relation to any damage caused to the Mortgaged Property by the removal of such Fixtures.

7. DEFAULT

7.1 Events of Default

Each of the events set out in this Clause 7 is an Event of Default.

7.2 Breach of this Deed

The Chargor does not comply with any term of this Deed unless the non-compliance is capable of remedy and:

- (a) in the case of a failure to pay caused by an administrative or technical error and payment is made within (3) three Business Days of its due date; or
- (b) in any other case, is remedied within fourteen (14) days of the earlier of: (1) the Trustees giving notice; and (2) the Chargor becoming aware of the non-compliance.

7.3 Misrepresentation

A representation made or repeated by the Chargor in this Deed is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation:

- (a) are capable of remedy; and
- (b) are remedied within fourteen (14) days of the earlier of the Trustees giving notice and the Chargor becoming aware of the circumstances giving rise to the misrepresentation.

7.4 Insolvency

An Insolvency Event occurs in respect of the Chargor.

7.5 Insolvency proceedings

- (a) Except as provided in Paragraph (b) below, any Insolvency Proceeding occurs in respect of the Chargor.
- (b) Paragraph (a) above does not apply to a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out prior to being advertised and in any event within fourteen (14) days.

7.6 Creditors' process

Any Creditors' Process occurs and affects any assets of the Chargor.

7.7 Cessation of business

The Chargor permanently ceases to carry on business.

7.8 Effectiveness of this Deed

- (a) It is or becomes unlawful for the Chargor to perform any of its obligations under this Deed.

- (b) This Deed is not effective in accordance with its terms or is alleged by the Chargor to be ineffective in accordance with its terms for any reason.
- (c) The Chargor repudiates this Deed or evidences an intention to repudiate this Deed.

7.9 Material adverse change

Any event or series of events occurs which, in the opinion of the Trustees, has or is reasonably likely to have a Material Adverse Effect.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs and is continuing

8.2 Discretion

After this Security has become enforceable, the Trustees may in their absolute discretion enforce all or any part of this Security in any manner they see fit.

8.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

9. ENFORCEMENT OF SECURITY

9.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Trustees are extended so as to authorise the Trustees to lease, make agreements for leases, accept surrenders of leases and grant options as the Trustees may think fit and without the need to comply with any provision of Section 99 or 100 of the Act.

9.2 No liability as mortgagee in possession

No Trustee nor any Receiver will 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.

9.3 Privileges

Each Receiver and each Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

9.4 Protection of third parties

No person (including a purchaser) dealing with the Trustees or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Trustees or a Receiver is/are purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due in respect of the Secured Liabilities;
- (d) how any money paid to a Trustee or to that Receiver is to be applied; or
- (e) about any propriety or regularity on the part of a Trustee or of a Receiver in relation to any of the dealings referred to in this Clause 9.

9.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Trustees may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to themselves; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Trustees, immediately on demand, the costs and expenses incurred by the Trustees in connection with any such redemption and/or transfer, including the payment of any principal or interest.

10. RECEIVER

10.1 Appointment of Receiver

- (a) Except as provided below, the Trustees may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests the Trustees in writing at any time.
- (b) Any appointment under Paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.
- (d) The Trustees are not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

10.2 Removal

The Trustees may by writing (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by them and may, whenever they think fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Trustees may fix the remuneration of any Receiver appointed by them from time to time, the maximum rate specified in Section 109(6) of the Act will not apply and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Trustees.

10.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) The Trustees will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

10.5 Relationship with Trustees

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Trustees in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11. POWERS OF RECEIVER

11.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred on it by any law; this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

11.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

11.3 Carry on business

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

11.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by the Chargor.

11.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

11.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

11.7 Leases

A Receiver may let any Security Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

11.8 Works

A Receiver may alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and abandon, complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the 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).

11.9 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

11.10 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

11.11 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

11.12 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.

11.13 Delegation

A Receiver may delegate his powers in accordance with this Deed.

11.14 Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

11.15 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

11.16 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

12. APPLICATION OF PROCEEDS

Any moneys received by the Trustees or any Receiver after this Security has become enforceable must be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Trustees or any Receiver under or in connection with this Deed, of all remuneration due to any Receiver under or in connection with this Deed and the discharge of any

liabilities incurred by any Receiver in, or incidental to, the exercise of any of their powers;

- (b) in or towards payment of or provision for the Secured Liabilities; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

This Clause 12 is subject to the payment of any claims having priority over this Security. This Clause 12 does not prejudice the right of the Trustees to recover any shortfall from the Chargor.

13. EXPENSES AND INDEMNITY

13.1 Amendment costs

If the Chargor requests an amendment, waiver or consent, or delivers a Substitution Proposal, the Chargor shall, within (3) three Business Days of demand, reimburse the Trustees for the amount of all costs and expenses (including legal fees) reasonably incurred by the Trustees in responding to, evaluating, negotiating or complying with that request or Substitution Proposal.

13.2 Enforcement and preservation costs

The Chargor shall, within (3) three Business Days of demand, pay to the Trustees the amount of all costs and expenses (including legal fees) incurred by the Trustees in connection with the enforcement of or the preservation of any rights under this Deed or this Security and any proceedings instituted in any jurisdiction by or against the Trustees as a consequence of taking, holding or enforcing this Deed or this Security.

13.3 Stamp taxes and fees

The Chargor shall pay and, within (3) three Business Days of demand, indemnify the Trustees against any cost, loss or liability that the Trustees incur in relation to any stamp duty, stamp duty land tax, registration and other similar Tax and fees payable in respect of this Deed.

13.4 Chargor default

The Chargor shall, within (3) three Business Days of demand, indemnify the Trustees against any cost, expense loss or liability incurred by the Trustees as a result of:

- (a) the occurrence of any Event of Default in relation to the Chargor;
- (b) investigating any event which it reasonably believes is an Event of Default in relation to the Chargor (provided such event is an Event of Default);
- (c) the use or occupation by any person of the Security Assets (including any Environmental Claim); or
- (d) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed.

13.5 Value added taxes

- (a) Any amount payable under this Deed by the Chargor is exclusive of any value added tax or any other Tax of a similar nature which might be chargeable in connection with

that amount. If any such Tax is chargeable, the Chargor must pay to the Trustees (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax.

- (b) If the Chargor is required by this Deed to reimburse or indemnify the Trustees for any cost or expense, the Chargor shall reimburse or indemnify (as the case may be) the Trustees for the full amount of such cost or expense, including such part thereof as a value added tax or any other Tax of a similar nature, save to the extent that the Trustees reasonably determine that they are entitled to a credit or repayment in respect of such Tax from the relevant tax authority.

13.6 Tax gross-up

- (a) The Chargor must make all payments to be made by it under this Deed without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If the Chargor is aware or becomes aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Trustees.
- (c) If a Tax Deduction is required by law to be made by the Chargor or the Trustees, the amount of the payment due from the Chargor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Chargor is required to make a Tax Deduction, the Chargor must make the minimum Tax Deduction required by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (e) Within thirty (30) days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Chargor must deliver to the Trustees evidence satisfactory to them (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

14. DELEGATION

14.1 Power of Attorney

The Trustees or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by them or it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Trustees or any Receiver may think fit.

14.3 Liability

No Trustee nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

15. FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Trustees or a Receiver may require for:

- (a) creating, perfecting or protecting any Security Interest intended to be created by this Deed; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Trustees or any Receiver or any of their or its delegates or sub-delegates in respect of any Security Asset.

Including:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Trustees or their nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Trustees may think expedient.

16. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints each Trustee, each Receiver and any of the foregoing's delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

17. DURATION OF SECURITY

17.1 Duration

This Deed shall terminate on and from the later of:

- (a) the date on which the Actuary notifies the Chargor that there is no Relevant Deficit as at a Scheme Valuation Date pursuant to clause 21(a) below; and
- (b) 30 April 2032,

(the **Termination Date**), provided that the Chargor shall not be released from any undischarged liability that has arisen under this Deed on or before the Termination Date.

17.2 Reinstatement

- (a) If any discharge, release or arrangement is made by the Trustees in whole or in part on the faith of any payment, security or other disposition which is avoided, set aside, refunded or reduced under any applicable law or proves to have been invalid or must be restored in insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Deed will continue as if the discharge, release or arrangement had not occurred.
- (b) The Trustees may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.3 Waiver of defences

From the date of this Deed until the Termination Date, the liabilities and obligations of the Chargor under this Deed shall remain in full force and effect and will not be affected by any act, omission, neglect, event or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to the Chargor or any Trustee) including:

- (a) any time, waiver, consent or other accommodation granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous, and of whatsoever nature) or replacement of this Deed, and Secured Liability or any other document or security, including any agreement or document relating to the Scheme;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under this Deed, or any Secured Liability or any other document or security; or
- (h) any insolvency or similar proceedings.

17.4 Chargor intent

Without prejudice to the generality of Clause 17.3 (Waiver of defences) the Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Liabilities.

17.5 Immediate recourse

The Chargor waives any right it may have of first requiring any Trustee (or any trustee, agent or appointee on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law to the contrary.

17.6 Appropriations

Each Trustee (or any trustee, agent or appointee on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed:

- (a) (i) refrain from applying or enforcing any other moneys, security or rights held or received by that Trustee (or any trustee or agent on its behalf) in respect of those amounts; or
- (ii) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any Net Enforcement Proceeds and any moneys received from the Chargor or on account of the Chargor's liability under this Deed.

17.7 Additional security

This Security is in addition to and is not in any way prejudiced or affected by, and shall not merge with any other judgment, guarantee, security, right or remedy now or subsequently obtained or held by the Trustees for the discharge and performance of any of the Secured Liabilities.

18. CHANGES TO THE PARTIES

18.1 Assignments and transfers by the Chargor

The Chargor may not assign or transfer any of its rights and obligations under this Deed.

18.2 Assignments and transfers by the Trustees

- (a) The Chargor acknowledges that:
 - (i) the rights and obligations of the Trustees under this Deed may be transferred in whole or in part to the Pension Protection Fund as a result of the operation of Section 161 of and Schedule 6 to the Pensions Act 2004; and
 - (ii) the rights and obligations under this Deed shall be binding upon and enure for the benefit of any person who is for the time being a trustee of the Scheme including any person who succeeds or replaces a trustee of the Scheme.
- (b) Each Trustee may at any time and from time to time (without consent of or notice to the Chargor) assign and/or transfer any or all of its rights and/or obligations under this Deed to any person or persons.

19. AMENDMENTS

- (a) Any amendment of this Deed shall be in writing and signed by, or on behalf of, each Party.
- (b) The Parties may agree any changes of any kind to this Deed, or to release the Chargor from this Deed or from part of this Deed, provided any such amendment or release is in writing and signed by, or on behalf of, each Party.

20. ELIGIBLE VALUATIONS

- (a) The Trustee may request an Eligible Valuation at any time.

- (b) The Chargor shall within ten Business Days of a demand pay to the Agent the costs of:
- (i) an Eligible Valuation obtained by the Trustee which takes place after the first anniversary of this Agreement and at least 12 months after the last valuation in respect of which the Chargor has made a payment pursuant to this clause; or
 - (ii) subject to paragraph (c)(i) below, an Eligible Valuation obtained by the Trustees at any time when the Trustees reasonably believe that the Security Asset Value is less than the Maximum Value.
- (c) The Borrower shall not be obliged to pay the costs of an Eligible Valuation:
- (i) referred to in paragraph (b)(ii) above if the Eligible Valuation demonstrates that the Security Asset Value exceeds the Maximum Value; or
 - (ii) not referenced in paragraphs (b)(i) to (b)(ii) above.

21. FUNDING TARGET TRIGGER EVENT

- (a) The Trustee will procure that the Actuary will:
- (i) as at each Scheme Valuation Date, determine the Relevant Deficit; and
 - (ii) disclose the same to the Chargor in writing at the time that the relevant Actuarial Valuation is agreed and signed by the Actuary or the relevant Actuarial Report is issued by the Actuary (as applicable).
- (b) A **Funding Target Trigger Event** occurs when:
- (i) the Actuary notifies the Trustees and the Chargor of the amount of the Relevant Deficit as at a Scheme Valuation Date, pursuant to clause (a);
 - (ii) the amount of the Relevant Deficit as notified in accordance with (a) above falls within a range in the table below; and
 - (iii) the Security Asset Value exceeds the Maximum Value that corresponds to that range in the table below (a **Downwards Funding Target Trigger Event**) or the Security Asset Value is less than the Maximum Value that corresponds to that range in the table below (an **Upwards Funding Target Trigger Event**).

Relevant Deficit	Maximum Value
Range 1: £20,000,000 or higher	£30,000,000
Range 2: £15,000,000 - £20,000,000	£25,000,000
Range 3: £10,000,000 - £15,000,000	£20,000,000
Range 4: £5,000,000 - £10,000,000	£15,000,000

Range 5: £0 - £5,000,000	£10,000,000
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22. RELEASE WHERE OVERSECURED AND INCREASE WHERE UNDERSECURED

22.1 Release where oversecured

- (a) The Chargor may, at any time (including following a Downwards Funding Target Trigger Event and a consequent reduction in the Maximum Value), submit to the Trustees a written request (the **Release Request**) that some or all of the Security Assets be released from this Security provided that, following the release, the Security Asset Value would be not less than the Maximum Value.
- (b) The Trustees must, subject to Paragraph (d) below, consent to a Release Request if (but only to the extent that) the Security Asset Value as at the date of that Release Request exceeds the Maximum Value at that time.
- (c) The Chargor and the Trustees shall take whatever action is necessary to release the Security Assets from this Security so that following the release, the Security Asset Value would not be less than the Maximum Value.
- (d) Paragraphs (a) to (c) above shall not apply if this Security has become enforceable.
- (e) At the end of the Security Period, the Trustees must, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.

22.2 Increase where undersecured

- (a) The Trustees may, at any time (including following an Upwards Funding Target Trigger Event and a consequent increase in the Maximum Value), submit to the Company a written request (the **Increase Request**) that Security be granted over additional assets so that, following the granting of the additional Security, the aggregate of: (i) the Security Asset Value; and (ii) the value of the new assets over which Security is granted, shall be not less than the Maximum Value.
- (b) The Chargor must consent to an Increase Request if the Security Asset Value as at the date of that Increase Request is less than the Maximum Value at that time.
- (c) The Trustees and the Chargor shall take whatever action is necessary to grant Security over additional assets so that following the granting of the additional Security, the aggregate of: (i) the Security Asset Value; and (ii) the value of the new assets over which Security is granted, shall be not less than the Maximum Value.
- (d) If the Chargor fails to provide Security over new assets in accordance with Paragraph (c) above within 45 Business Days of receipt of a written request from the Trustees pursuant to Paragraph (a) above, there shall be an Event of Default under this Deed. The Chargor shall not be liable for any consequential, indirect, incidental, special, exemplary, punitive or enhanced damages or diminution in value, arising out of, relating to, or in connection with the failure to grant Security over new assets, regardless of (i) whether such damages were foreseeable, (ii) whether or not it was advised of the possibility of such damages and (iii) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based.

- (e) This Clause 22 shall not apply if this Security has become enforceable.

23. SUBSTITUTION OF PROPERTY

- (a) The Chargor may, at any time, submit to the Trustees a request that there be substituted for any property forming part of the Mortgaged Property another freehold property of not materially less value (the **Substitute Property**) (a **Substitution Proposal**).
- (b) The Chargor shall supply such information in relation to the proposed Substitute Property as the Trustees shall request for the purpose of considering the Chargor's request. If the Trustees in their absolute discretion consent to the proposed substitution then, subject to receipt by the Trustees of the documents and other items listed in Schedule 2 (Conditions precedent to substitution) in form and substance satisfactory to the Trustees, the Substitute Property will become part of the Mortgaged Property and the property for which the Substitute Property is to be substituted shall be released from this Security.
- (c) This Clause 22 shall not apply if this Security has become enforceable.

24. REMEDIES AND WAIVERS

No failure to exercise nor any delay in exercising any right or remedy under this Deed against the Chargor 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.

25. SET-OFF

A Trustee may set off any matured obligation owed to it by the Chargor under this Deed (to the extent beneficially owned by that Trustee) against any obligation (whether or not matured) owed by that Trustee to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Trustee may convert either obligation at a market rate of exchange selected by it (acting reasonably) for the purpose of the set-off.

26. SEVERABILITY, REMEDIES AND WAIVERS

- (a) If a term of this Deed is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, that shall not affect:
 - (i) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
 - (ii) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.
- (b) No failure to exercise, nor any delay in exercising, on the part of any Trustee, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of any Trustee shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the

exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

27. COUNTERPARTS

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

28. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Trustees of an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

29. NOTICES

29.1 In writing

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post or electronic mail.
- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

29.2 Contact details

- (a) The contact details of the Chargor for this purpose are:

Address: Pier House, 86-93 Strand On The Green, London, England W4 3NN
E-mail: Rachel.Spencer@fullers.co.uk
Attention: Rachel Spencer

- (b) The contact details of the Trustees are:

Address: FAO Trustees of the Fuller's Smith & Turner P.L.C. Pension Scheme, XPS Pensions Group, Phoenix House, 1 Station Hill, Reading, RG1 1NB
E-mail: stephen.yandle@gmail.com; neil.macbeth@xpsgroup.com
Attention: Stephen Yandle and Neil Macbeth

29.3 Effectiveness

- (a) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five (5) days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by electronic mail, when actually received in readable form.
- (b) A communication given under Paragraph (a) above but not received on a Business Day or after 5 p.m. on a Business Day will only be deemed to be given on the next Business Day.

30. LANGUAGE

Any notice given in connection with this Deed must be in English.

31. GOVERNING LAW

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

32. ENFORCEMENT

32.1 Jurisdiction

- (a) The English courts have non-exclusive jurisdiction to settle any dispute in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed).
- (b) The Parties agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no Party will argue to the contrary.
- (c) Notwithstanding Paragraph (a) above, no Trustee shall be prevented from taking proceedings relating to any such dispute in any other courts with jurisdiction. To the extent allowed by law, any Trustee may take concurrent proceedings in any number of jurisdictions.

32.2 Waiver of immunity

The Chargor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by a Trustee against it in relation to this Deed and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings;
- (c) waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
 - (i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
 - (ii) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues; and
- (d) agrees that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of this Deed.

SCHEDULE 1

REAL PROPERTY

1. Freehold title known as The Counting House 50 Cornhill, London EC3V 3PD registered at the Land Registry with Title Absolute under title number 83452.
2. Freehold title known as Pier House, 86-93 Strand on the Green, London W4 3NN registered at the Land Registry with Title Absolute under title number NGL424862,
3. Freehold title known as The Red Lion Hotel, 2 and 4 Castlenau, Barnes, London registered at the Land Registry with Title Absolute under title number SGL517676.

SCHEDULE 2

CONDITIONS PRECEDENT TO SUBSTITUTION

1. A Supplemental Security Agreement in relation to the Substitute Property.
2. A legal opinion in relation to the Supplemental Security Agreement.
3. A Certificate of Title in relation to the Substitute Property.
4. An Eligible Valuation in relation to the Substitute Property.

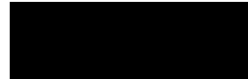
SIGNATORIES

Chargor

EXECUTED AS A DEED by)
FULLER SMITH & TURNER P.L.C.)
acting by)



Adam Councell
....., a director and



Rachel Spencer
....., the company secretary

Trustee

[REDACTED]

.....
as trustee of the Fuller Smith & Turner P.L.C. pension scheme

By: Stephen Yandle

[REDACTED]

.....
as trustee of the Fuller Smith & Turner P.L.C. pension scheme

By: Mark Dally