

MR01

Particulars of a charge

715084/13



Companies House

A fee is payable with this form
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last page

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☒ **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
instrument Use form M

TUESDAY



LD3

L52SARY9
15/03/2016
COMPANIES HOUSE

#113

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



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

1 Company details

Company number 0 8 6 3 2 5 5 1 ✓

Company name in full Prefere Resins UK Limited ✓

For official use
08002

→ **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 0 1 0 3 2 0 1 6 ✓

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

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

Name Intermediate Capital Group plc ✓

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

Brief description

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

Brief description

A fixed charge over the freehold land at Newton Aycliffe (registered at HM Land Registry under Title No DU230819 and DU 298422)

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

Please limit the description to the available space

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to **Section 7**

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

☒ Yes

7

Negative Pledge

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

☒ Yes

☐ No

8

Trustee statement^①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X *Kirkland & Ellis International LLP* X

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

MRO1

Particulars of a charge



Presenter information

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

Contact name **James Green**

Company name **Kirkland & Ellis International LLP**

Address **30 St Mary's Axe**

Post town **London**

County/Region **Greater London**

Postcode **E C 3 A 8 A F**

Country **United Kingdom**

DX

Telephone **02074692254**



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 8632551

Charge code: 0863 2551 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st March 2016 and created by PREFERE RESINS UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th March 2016

(2)

Given at Companies House, Cardiff on 18th March 2016



Companies House



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

EXECUTION VERSION

Date 1 MARCH, 2016

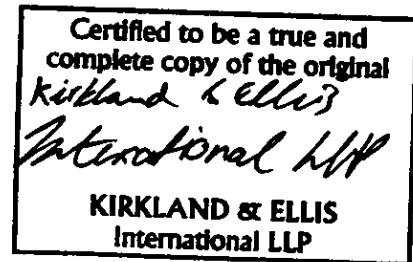
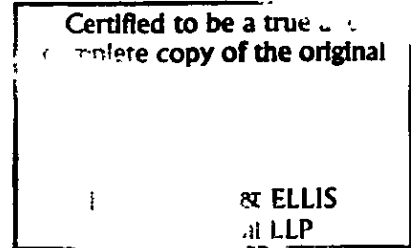
DEBENTURE

between

PREFERE RESINS UK LIMITED
as Chargor

and

INTERMEDIATE CAPITAL GROUP PLC
as Security Agent



THIS DEBENTURE IS ENTERED INTO SUBJECT TO THE TERMS OF THE
INTERCREDITOR AGREEMENT.

KIRKLAND & ELLIS INTERNATIONAL LLP

30 St Mary Axe
London EC3A 8AF
Tel +44 (0)20 7469 2000
Fax +44 (0)20 7469 2001
www.kirkland.com

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THIS DEED is made on the 1 day of MARCH 2016

BETWEEN

- (1) **PREFERE RESINS UK LIMITED**, registered in England and Wales with company number 08632551, whose registered office is situate at Aycliffe Industrial Park, Heighington Lane, Newton Aycliffe, County Durham, England, DL6 6UE (the "**Chargor**"),
- and
- (2) **INTERMEDIATE CAPITAL GROUP PLC**, as security agent for the Finance Parties (as defined below) (the "**Security Agent**")

WHEREAS

- (A) The Chargor enters into this Deed in connection with a mezzanine facility agreement (the "**Mezzanine Facility Agreement**") dated 7 January 2016 and made between Prefere Resins Holding GmbH as original borrower and original guarantor (the "**Borrower**"), Prefere Resins Investment S à r l as original lender and Intermediate Capital Group plc as agent and Security Agent

NOW IT IS AGREED as follows

1 Definitions and Interpretation

Definitions

- 1.1 Terms defined in the Mezzanine Facility Agreement shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition in this Deed

"**Account Bank**" means each bank or financial institution specified as such in Schedule 2 (*Specified Accounts*) hereto and any other account bank with which the Chargor may hold bank accounts from time to time

"**Authorisation**" means an authorisation, permit, consent, certification, approval, resolution, licence, exemption, filing, notarisation or registration

"**Business Day**" has the meaning given to such term in the Mezzanine Facility Agreement

"**Charged Property**" means all the assets of the Chargor which from time to time are the subject of any security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed

"**Debt Proceeds**" means any proceeds of any book debts and other debts or monetary claims (including any chose in action which may give rise to a monetary claim) owing to the Chargor (including, without limitation, any sums of money received by the Chargor from any of the assets charged under Clause 3 2(g) (*Book debts*) and/or Clause 3 2(h) (*Bank accounts and deposits*))

"Default" has the meaning given to such term in the Mezzanine Facility Agreement

"Delegate" means any person appointed by the Security Agent or any Receiver pursuant to Clauses 12.2 to 12.4 (*Delegation*) and any person appointed as attorney of the Security Agent and/or any Receiver or Delegate

"Deposit Moneys" means all moneys in any currency from time to time deposited in or standing to the credit of the Specified Accounts (including all moneys in any currency representing the renewal or replacement of or for any such deposits), all interest from time to time accrued or accruing on all such moneys, all or any moneys payable or repayable pursuant to such deposits or in respect of the Account and in each case the debts represented thereby

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and all or any of the following media

- (a) air (including, without limitation, air within buildings and air within other natural or man-made structures, whether above or below ground),
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers), and
- (c) land (including, without limitation, surface and sub-surface soil and land under water)

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

"Environmental Law" means any applicable law or regulation which relates to

- (a) the pollution or protection of the Environment,
- (b) the conditions of the workplace, or
- (c) the generation, handling, storage, use, release or spillage of any emission or substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste

"Environmental Permits" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Chargor conducted on or from the properties owned or used by it

"Event of Default" has the meaning given to such term in the Mezzanine Facility Agreement

"Expenses" means all costs (including legal fees), charges, expenses and damages sustained or incurred by the Security Agent or any Receiver or Delegate at any time in connection with the Charged Property or the Secured Liabilities or in taking, holding or perfecting this Deed or in protecting, preserving, defending or enforcing the security constituted by this Deed or in exercising any rights, powers or remedies

provided by or pursuant to this Deed (including any right or power to make payments on behalf of the Chargor under the terms of this Deed) or by law in each case on a full indemnity basis

"Finance Documents" has the meaning given to such term in the Mezzanine Facility Agreement

"Finance Parties" has the meaning given to such term in the Mezzanine Facility Agreement

"Insolvency Event" means any of the events or circumstances specified in clause 23.6 (*Insolvency*) or clause 23.7 (*Insolvency Proceedings*) of the Mezzanine Facility Agreement

"Insurances" means all of the contracts and policies of insurance or assurance (including, without limitation, life policies and the proceeds of them) from time to time taken out by or for the benefit of the Chargor or in which the Chargor from time to time has an interest, together with all bonuses and other moneys, benefits and advantages that may become payable or accrue under them or under any substituted policy

"Intellectual Property" means

- (a) all patents, trademarks, service marks, designs, business names, design rights, moral rights, inventions and all other registered or unregistered intellectual property rights,
- (b) all copyrights (including rights in software), database rights, domain names, source codes, brand names and all other similar registered or unregistered intellectual property rights,
- (c) all applications for intellectual property rights and the benefit of any priority dates attaching to such applications and all benefits deriving from intellectual property rights, including royalties, fees, profit sharing agreements and income from licences,
- (d) all know-how, confidential information and trade secrets, and
- (e) all physical material in which any intellectual property might be incorporated,

"Intercreditor Agreement" means the intercreditor agreement dated 7 January 2016 and made between, among others, Deutsche Bank Luxembourg S.A. as Senior Facility Agent, Deutsche Bank AG Filiale Deutschlandgesellschaft as Senior Security Agent (as such terms are defined therein), the Borrower and the Security Agent

"Lender" has the meaning given to such term in the Mezzanine Facility Agreement

"Liability Period" means the period beginning on the date of this Deed and ending on the date on which the Security Agent is satisfied, acting in good faith, that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full

"LPA" means the Law of Property Act 1925

"Material Adverse Effect" has the meaning given to such term in the Mezzanine Facility Agreement

"Mortgaged Property" means any freehold, commonhold or leasehold property the subject of the security constituted by this Deed and references to any **"Mortgaged Property"** shall include references to the whole or any part or parts of it

"Obligor" has the meaning given to such term in the Mezzanine Facility Agreement

"Parallel Obligations" means the obligations undertaken by any Obligor in clause 2.3 (*Parallel Debt (Covenant to pay to the Security Agent)*) of the Mezzanine Facility Agreement to pay to the Security Agent sums equal to the sums owed by such Obligor to the other Finance Parties (or any of them) under the Finance Documents

"Planning Acts" means all legislation from time to time regulating the development, use, safety and control of property including, without limitation, the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004 and any other instrument, plan, regulation, permission or direction made or issued under any such legislation

"Premises" means all buildings and erections from time to time situated on or forming part of any Mortgaged Property

"Quasi-Security" means in relation to the Chargor

- (a) the Disposal of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group,
- (b) the Disposal of any of its receivables on recourse terms,
- (c) the entering into any arrangement under which money or the benefit of a bank account or other account may be applied, set-off or made subject to a combination of accounts, or
- (d) the entering into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset

"Receiver" means a receiver, receiver and manager or administrative receiver of the whole or any part or parts of the Charged Property

"Related Rights" means, in relation to the Securities, all dividends, interest, benefits, property, rights, accretions, moneys, advantages, credits, rebates, refunds (including rebates and refunds in respect of any tax, duties, imposts or charges) and other distributions paid or payable in respect of the Securities, whether by way of bonus, capitalisation, conversion, preference, option, substitution, exchange, redemption or otherwise

"Restriction Event" means any of the following circumstances as long as it is continuing

- (a) the Chargor breaches any material obligation under this Deed, in particular to administer, collect, maintain, protect and dispose of the Charged Property in accordance with the terms of this Deed,
- (b) the occurrence of an Insolvency Event in respect of the Chargor or any other Obligor,
- (c) the occurrence of a Default or an Event of Default,
- (d) the occurrence of an Enforcement Event pursuant to Clause 8.1 (*When Security becomes Enforceable*), or
- (e) any other circumstance that infringes the legitimate interests of the Finance Parties

"Secured Liabilities" means all present and future indebtedness, moneys, obligations and liabilities of each Obligor and the Chargor (including under or in connection with the Parallel Obligations) to the Finance Parties under the Finance Documents (including this Deed), in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal or as surety or in some other capacity, including any liability in respect of any further advances made under the Finance Documents, together with all Expenses and all interest under Clause 2.2 (*Interest*)

"Securities" means all stocks, shares, loan notes, bonds, certificates of deposit, depository receipts, loan capital indebtedness, debentures or other securities from time to time legally or beneficially owned by or on behalf of the Chargor, together with all property and rights of the Chargor in respect of any account held by or for it as participant, or as beneficiary of a nominee or trustee participant, with any clearance or settlement system or depository or custodian or sub-custodian or broker in the United Kingdom or elsewhere

"Security" means a mortgage, land charge, charge, pledge, lien, assignment or transfer for security purposes, retention of title arrangement or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"Senior Discharge Date" has the meaning given to that term in the Intercreditor Agreement

"Specified Accounts" means each of the contracts specified in Schedule 2 (*Specified Accounts*).

"Tax" has the meaning given to such term in the Mezzanine Facility Agreement

"VAT" has the meaning given to such term in the Mezzanine Facility Agreement

Construction

1 2 Any reference in this Deed to

- (a) the "**Security Agent**", the "**Chargor**", any "**Finance Party**", the "**Company**", any "**Obligor**" 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, shall include any person for the time being appointed as additional Security Agent pursuant to the Mezzanine Facility Agreement,
- (b) "**assets**" includes present and future properties, revenues and rights of every description,
- (c) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
- (d) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality),
- (e) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation, and
- (f) a provision of law is a reference to that provision as amended or re-enacted

1 3 Clause and Schedule headings are for ease of reference only

1 4 Any reference in this Deed to a mortgage, charge or assignment of any asset shall be construed so as to include

- (a) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that asset and all other rights, benefits, claims, contracts, warranties, remedies, security or indemnities in respect of that asset,
- (b) the proceeds of sale of any part of that asset and any other moneys paid or payable in respect of or in connection with that asset, and
- (c) in respect of any Mortgaged Property, all Premises and all fixtures and fittings (including trade fixtures and fittings and tenants' fixtures and fittings) from time to time in or on that Mortgaged Property

1 5 Each term in any Finance Document is, to the extent not set out in or otherwise incorporated into this Deed, deemed to be incorporated into this Deed insofar as is necessary to comply with Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 but, except where stated otherwise, if there is any conflict between that incorporated term and any other term of this Deed that other term shall prevail

- 1 6 If there is any conflict between the terms of Clause 7 of this Deed and the terms of the Mezzanine Facility Agreement, the terms of the Mezzanine Facility Agreement shall prevail
- 1 7 Any reference in this Deed to any Finance Document or any other agreement or other document shall be construed as a reference to that Finance Document or that other agreement or document as the same may have been, or may from time to time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same
- (a) there is an increase or decrease in any facility made available under that Finance Document or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable,
 - (b) any additional, further or substituted facility to or for such facility is provided,
 - (c) any rate of interest, commission or fees or relevant purpose is changed,
 - (d) the identity of the parties is changed,
 - (e) the identity of the providers of any security is changed,
 - (f) there is an increased or additional liability on the part of any person, or
 - (g) a new agreement is effectively created or deemed to be created
- 1 8 Any reference in this Deed to "**this Deed**" shall be deemed to be a reference to this Deed as a whole and not limited to the particular Clause, Schedule or provision in which the relevant reference appears and to this Deed as amended, novated, assigned, supplemented, extended or restated from time to time and any reference in this Deed to a "**Clause**" or a "**Schedule**" is, unless otherwise provided, a reference to a Clause or a Schedule of this Deed
- 1 9 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa
- 1 10 Where any provision of this Deed is stated to include one or more things, that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision
- 1 11 It is intended that this document shall take effect as and be a deed of the Chargor notwithstanding the fact that the Security Agent may not execute this document as a deed
- 1 12 Any change in the constitution of the Security Agent or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights under this Deed

Third Party Rights

- 1 13 Nothing in this Deed is intended to confer on any person any right to enforce or enjoy the benefit of any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999

Limitations

- 1 14 The obligations of the Chargor under this Deed do not apply to the extent that they would constitute unlawful financial assistance within the meaning of Sections 678 or 679 of the Companies Act 2006

2 Covenant to Pay

Covenant to Pay

- 2 1 The Chargor covenants with the Security Agent (as trustee for the Finance Parties) that it shall pay, perform and discharge the Secured Liabilities as and when the same fall due for payment, performance or discharge in accordance with the terms of the Finance Documents or, in the absence of any such express terms, on demand

Interest

- 2 2 The Chargor covenants with the Security Agent to pay interest on any amounts due under Clause 2 1 (*Covenant to Pay*) from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of any person) at the rate and in the manner specified in clause 9 3 (*Default Interest and Lump-Sum Damages*) of the Mezzanine Facility Agreement, **provided that**, in the case of any Expense, such interest shall accrue and be payable as from the date on which the relevant Expense arose without the necessity for any demand being made for payment

3 Fixed Security

Charges

- 3 1 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Security Agent (as trustee for the Finance Parties) by way of a legal mortgage all of its right, title and interest in and to the freehold, commonhold and leasehold property now vested in it (including, but not limited to, the freehold, commonhold and leasehold property (if any) specified in Schedule 1 (*Real Property*))
- 3 2 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Security Agent (as trustee for the Finance Parties) by way of fixed charge all of its right, title and interest in and to the following assets, both present and future
- (a) all estates or interests in any freehold, commonhold or leasehold property (other than such property effectively mortgaged under Clause 3 1 above),

- (b) all licences held by it to enter upon or use land and/or to carry on the business carried on upon that land and all agreements relating to land to which it is a party or otherwise entitled,
- (c) where any Mortgaged Property is leasehold property, any right or interest arising by virtue of any enfranchising legislation (including, but not limited to, the Leasehold Reform Act 1967 and the Leasehold Reform Housing and Urban Development Act 1993 but excluding Part II of the Landlord and Tenant Act 1954) which confers upon a tenant of property whether individually or collectively with other tenants of that or other properties the right to acquire a new lease of that property or to acquire, or require the acquisition by a nominee of, the freehold or any intermediate reversionary interest in that property,
- (d) any amounts owing to it by way of rent, licence fee, service charge, dilapidations, ground rent and/or rent charge in respect of any Mortgaged Property or Premises,
- (e) all fixed and other plant and machinery, computers, vehicles, office equipment and other chattels in its ownership or possession (but excluding any of those items to the extent that they are part of its stock in trade),
- (f) all Insurances, including all claims, the proceeds of all claims and all returns of premium in connection with Insurances,
- (g) all book debts and all other debts or monetary claims (including all choses in action which may give rise to a debt or monetary claim), all proceeds thereof and, in each case, any cheque, bill, note, negotiable instrument or other document representing the same,
- (h) all moneys from time to time deposited in or standing to the credit of any Specified Account, any bank account with the Security Agent or any other bank or financial institution (including, without limitation, any rent deposit given to secure liabilities in relation to land and any retention or similar sum arising out of a construction contract or any other contract (and, in each case, any cheque, bill, note, negotiable instrument or other document representing the same)),
- (i) all Securities and their Related Rights,
- (j) all of its goodwill and uncalled capital,
- (k) all Intellectual Property,
- (l) all Authorisations (statutory or otherwise) held in connection with its business or the use of any Charged Property and the right to recover and receive all compensation which may be payable in respect of them,
- (m) each of the following
- (n) all contracts, guarantees, appointments, warranties and other documents to which it is a party or in its favour or of which it has the benefit relating to any

letting, development, sale, purchase or the operation of any Mortgaged Property or Premises,

- (o) all agreements entered into by it or of which it has the benefit under which credit of any amount is provided to any person,
- (p) all contracts for the supply of goods and/or services by or to it or of which it has the benefit (including, without limitation, any contracts of hire or lease of chattels), and
- (q) any currency or interest swap or any other interest or currency protection, hedging or financial futures transaction or arrangement entered into by it or of which it has the benefit (whether entered into with any of the Finance Parties or any other person),

including, in each case, but without limitation, the right to demand and receive all moneys whatsoever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatsoever accruing to or for its benefit arising from any of them

4 Floating Charge

Creation of Floating Charge

- 4 1 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Security Agent (as trustee for the Finance Parties) by way of a floating charge the whole of its undertaking and all its other property, assets and rights whatsoever, present and future, including all of its stock in trade and all property, assets and rights not otherwise validly and effectively mortgaged, charged or assigned (whether at law or in equity) by way of fixed security pursuant to Clause 3 (*Fixed Security*)

Qualifying Floating Charge

- 4 2 The provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created pursuant to Clause 4 1 (*Creation of Floating Charge*)

Conversion by Notice

- 4 3 The Security Agent may by notice in writing at any time to the Chargor convert the floating charge created by Clause 4 1 (*Creation of Floating Charge*) with immediate effect into a fixed charge (either generally or specifically as regards any assets of the Chargor specified in the notice) if
- (a) the security constituted by this Deed becomes enforceable, or
 - (b) the Security Agent considers in good faith and acting reasonably that any of the Charged Property is in jeopardy or in danger of being seized or sold pursuant to any form of legal process or that it is necessary to do so in order to

protect or preserve the security constituted by this Deed over any of the Charged Property and/or the priority of that security

Automatic Conversion

- 4 4 Notwithstanding Clause 4 3 (*Conversion by Notice*) and without prejudice to any law which may have a similar effect, the floating charge created by Clause 4 1 (*Creation of Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to that floating charge if
- (a) the Chargor creates or attempts to create any Security over any of the Charged Property (except as expressly permitted under the Mezzanine Facility Agreement),
 - (b) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property, or
 - (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor or an administrator is appointed in respect of the Chargor.

5 Perfection of Security

Registration at HM Land Registry

- 5 1 For the purposes of panel 8 of each Form RX1 that may be required to be completed by the Security Agent in relation to any Mortgaged Property registered or required to be registered at HM Land Registry, the Chargor hereby consents to an application being made by the Security Agent to the Chief Land Registrar to enter the following restriction in Form P against its title to such Mortgaged Property

“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 charge dated [] in favour of [insert full name of the Security Agent] referred to in the charges register [or its conveyancer [or specify appropriate details]]”

- 5 2 If the title to any Mortgaged Property is not registered at HM Land Registry, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of that Mortgaged Property without the prior consent in writing of the Security Agent
- 5 3 Whether or not the title to any of the Mortgaged Property is registered at HM Land Registry, in the event that any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to any Mortgaged Property, the Chargor shall immediately provide the Security Agent with full particulars of the circumstances relating to such registration or notice and, if such caution or notice shall have been registered in order to protect a purported interest the creation of which is not permitted under this Deed, the Chargor shall immediately and

at its own expense take such steps as the Security Agent may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled

Further Advances

- 5 4 Subject to the provisions of the Mezzanine Facility Agreement, each Lender is under an obligation to make further advances to the Borrower under the Mezzanine Facility Agreement and that obligation will be deemed to be incorporated into this Deed as if set out in this Deed

Acquisition of New Land

- 5 5 In relation to any freehold, commonhold or leasehold property which is acquired by or on behalf of the Chargor after the date of this Deed

- (a) if the title to any such property is registered at HM Land Registry, the Chargor shall immediately apply to be registered as the proprietor of the registered estate acquired (or procure that such application is made on its behalf) and (for the purposes of panel 11 of Form AN1) hereby consents to an application being made by the Security Agent to the Chief Land Registrar for the registration of an agreed notice in Form AN1 to protect this Deed against its title to that property,
- (b) if the title to any such property is required to be registered at HM Land Registry under the provisions of the Land Registration Act 2002, the Chargor shall immediately apply for first registration of the estate acquired in Form FR1 (or procure that such application is made on its behalf) and shall disclose or procure that the existence of this Deed is disclosed to HM Land Registry either in the Form DL accompanying such application or in panel 12 of Form FR1, and
- (c) if the title to any such property represents the transfer of either part of a commonhold unit or part of the common parts of land registered as a freehold estate in commonhold land under the Commonhold and Leasehold Reform Act 2002, the Chargor shall also procure that the application to register the transfer is accompanied by an application in Form CM3 to register the commonhold community statement that has been amended in relation to the transfer as required by Rule 15 or, as the case may be, Rule 16 of the Commonhold (Land Registration) Rules 2004,

and, in each such case, the Chargor shall, immediately after registration of it as the proprietor of the relevant registered estate, provide the Security Agent with an official copy of the register recording the same

Notices of Charge

- 5 6 At any time after a Restriction Event has occurred, the Chargor shall, promptly upon the request of the Security Agent from time to time, give or join the Security Agent in giving
- (a) a notice in the form set out in Part 1 of Schedule 3 (*Form of Notice of Charge – Accounts not with the Security Agent*) or in such other form as the Security

Agent may reasonably require to each of the counterparties to each Specified Contract and to each bank or financial institution (other than the Security Agent) in respect of each account of the Chargor opened or maintained with it, and

- (b) in respect of any other asset which is charged pursuant to Clause 3 (*Fixed Security*), a notice of charge in such form as the Security Agent may reasonably require to the relevant obligor, debtor or other third party (as the case may be)

Each such notice shall be duly signed by or on behalf of the Chargor and it shall procure that each of the persons on whom any such notice is served promptly provides to the Security Agent a duly signed acknowledgement of that notice in the form set out in Part 2 of Schedule 3 or in such other form in any case as the Security Agent may reasonably require

Acknowledgement of Notice

- 5 7 The execution of this Deed by the Chargor and the Security Agent shall constitute notice to the Security Agent of the charge created by this Deed over any account opened or maintained by the Chargor with the Security Agent

Deposit of Documents of Title

- 5 8 Following the Senior Discharge Date and subject to the terms of the Intercreditor Agreement, the Chargor shall promptly deposit with the Security Agent (unless already held by its solicitors on behalf of and to the Security Agent's order or at HM Land Registry for the purpose of registration of the security constituted by this Deed) all deeds, certificates and other documents of title from time to time relating to the Mortgaged Property

Deposit of Securities

- 5 9 Following the Senior Discharge Date and subject to the terms of the Intercreditor Agreement, the Chargor shall, in respect of any Securities which are in certificated form, promptly
 - (a) deposit with the Security Agent or as it may direct all stock and share certificates and other documents of title or evidence of ownership from time to time relating to such Securities, and
 - (b) execute and deliver to the Security Agent all share transfers and other documents as the Security Agent may from time to time request in order to enable the Security Agent (or its nominee(s)) to be registered as the owner or otherwise obtain a legal title to or to perfect its security interest in such Securities, to the intent that the Security Agent may at any time without notice complete and present such transfers and documents for registration
- 5 10 The Chargor shall, in respect of any Securities which are in uncertificated form, promptly upon being requested to do so by the Security Agent, give or procure the giving of, in accordance with and subject to the facilities and requirements of the relevant system, all instructions necessary to effect a transfer of title to such Securities

into an account in the name of the Security Agent (or its nominee(s)) and to cause the Operator to register on the relevant register of securities the transfer of such title

- 5 11 For the purposes of Clauses 5 9 and 5 10 above, the expressions "**certificated**", "**instruction**", "**Operator**", "**relevant system**" and "**uncertificated**" shall have the meanings given to those terms in the Uncertificated Securities Regulations 2001

6 Further Assurance

Further Assurance

- 6 1 The Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or any Receiver may reasonably specify (and in such form as the Security Agent or any Receiver may reasonably require in favour of the Security Agent or its nominee(s)) to
- (a) perfect the security created or intended to be created in respect of the Charged Property (which may include the execution by the Chargor of a mortgage, charge, assignment or other Security over all or any of the assets forming part of, or which are intended to form part of, the Charged Property),
 - (b) confer on the Security Agent Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this Deed,
 - (c) facilitate the exercise of any rights, powers and remedies of the Security Agent or any Receiver or Delegate provided by or pursuant to this Deed or by law,
 - (d) facilitate the realisation of the assets which form part of, or are intended to form part of, the Charged Property, and/or
 - (e) create any charge by way of legal mortgage over any freehold, commonhold or leasehold property which becomes vested in the Chargor after the date of this Deed

Necessary Action

- 6 2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Security Agent by or pursuant to this Deed

Acquisition of New Land

- 6 3 The Chargor shall immediately notify the Security Agent of any acquisition by it of any freehold, commonhold or leasehold property or of any agreement entered into by it or of which it has the benefit for the acquisition of any such property

Implied Covenants for Title

- 6 4 Each of the mortgages and charges granted by the Chargor under this Deed are granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, save that the covenants set out in Section 2(1)(a), Section 3 and Section 4 of that Act shall extend to the Chargor without, in each case, the benefit of Section 6(2) of that Act

7 Undertakings

General

- 7 1 The undertakings in this Clause 7 remain in force from the date of this Deed for so long as any amount is outstanding under this Deed

Negative Pledge

- 7 2 The Chargor shall not create or extend or permit to arise or subsist any Security or Quasi-Security over the whole or any part of the Charged Property, other than as permitted under the Mezzanine Facility Agreement

Access

- 7 3 The Chargor shall permit the Security Agent and any other person nominated by it free access at all reasonable times and on reasonable notice to enter upon and/or view the state and condition of the Charged Property (without, in any case, becoming liable to account as mortgagee in possession)

Proceeds of Insurance

- 7 4 All moneys received or receivable by the Chargor under any Insurances in respect of the Premises or any other Charged Property of an insurable nature shall be held on trust for the Security Agent (as trustee for the Finance Parties) and applied (subject to the rights and claims of any person having prior rights thereto)

- (a) in accordance with the terms of the Mezzanine Facility Agreement, or
- (b) after the security constituted by this Deed has become enforceable and if the Security Agent so directs, in or towards satisfaction of the Secured Liabilities in accordance with clause 27 27 (*Application of Proceeds*) in the Mezzanine Facility Agreement

Authorisations

- 7 5 The Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and supply certified copies to the Security Agent of, any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Deed

Compliance with Laws and Regulations

- 7 6 The Chargor shall comply in all respects with all laws and regulations to which it or any Charged Property may be subject, if failure so to comply would materially impair its ability to perform its obligations under this Deed

Environmental Compliance

- 7 7 Without limiting Clause 7 6 (*Compliance with Laws and Regulations*), the Chargor shall

- (a) comply with all Environmental Law,
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits, and
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so might reasonably be expected to have a Material Adverse Effect

Environmental Permits and Claims

- 7 8 The Chargor shall, promptly upon becoming aware of the same, inform the Security Agent in writing of

- (a) any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Permit, and
- (b) any facts or circumstances which are reasonably likely to result in any modification, suspension or revocation of any Environmental Permit or in any Environmental Permit not being extended, reviewed, granted or (where necessary) transferred,

where the modification, suspension or revocation, if implemented, or, as the case may be, the failure to extend, review, grant or transfer, might reasonably be expected to have a Material Adverse Effect

- 7 9 The Chargor shall, promptly upon becoming aware of the same, inform the Security Agent in writing of

- (a) any Environmental Claim against it which is current, pending or threatened, and
- (b) any facts or circumstances which might reasonably be expected to result in any Environmental Claim being commenced or threatened against it,

where the claim, if determined against it, might reasonably be expected to have a Material Adverse Effect

Voting Rights and Dividends relating to Securities

Before Enforcement

- 7 10 At any time prior to the occurrence of an Event of Default which is continuing
- (a) the Chargor shall be entitled to exercise all voting and other rights and powers in respect of the Charged Property or, if any of the same are exercisable by the Security Agent or any of its nominees, to direct in writing the exercise of those voting and other rights and powers, **provided that**
 - (b) it shall not do so in any manner which would breach the provisions of the Finance Documents or for any purpose inconsistent with the Finance Documents, and
 - (c) the exercise of or failure to exercise those voting or other rights and powers would not, in the opinion of the Security Agent, have an adverse effect on the value of the Charged Property or otherwise prejudice the interests of any Finance Party under the Finance Documents,
- 7 11 At any time prior to the occurrence of a Restriction Event
- (a) the Chargor shall be entitled to retain and apply for its own use all dividends, interest and other moneys paid or payable in respect of the Charged Property and, if any of the same are paid or payable to the Security Agent or any of its nominees, the Security Agent will hold all such dividends, interest and other moneys received by it for the account of the Chargor and will pay such moneys to the Chargor promptly on request subject always to the terms of the Mezzanine Facility Agreement

After Enforcement

- 7 12 At any time after the occurrence of an Event of Default which is continuing and subject to the terms of the Intercreditor Agreement, the Security Agent may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor and irrespective of any direction given by the Chargor)
- (a) exercise or direct the exercise of (or refrain from exercising) all voting and other rights and powers in respect of the Charged Property (and the Chargor shall comply or procure compliance with any directions of the Security Agent in respect of the exercise of those voting and other rights and powers and shall (and shall procure that any of its nominees shall) accept short notice for and attend any meeting of the holders of any Charged Property and shall promptly execute and/or deliver to the Security Agent such forms of proxy as the Security Agent requires with a view to enabling such person as it selects to exercise those voting and other rights and powers),
- 7 13 At any time after the occurrence of a Restriction Event, the Security Agent may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor and irrespective of any direction given by the Chargor)

- (a) apply all dividends, interest and other moneys paid or payable in respect of the Charged Property in accordance with clause 27 27 (*Application of Proceeds*) in the Mezzanine Facility Agreement and, if any of the same are paid or payable to the Chargor, the Chargor shall hold all such dividends, interest and other moneys on trust for the Security Agent (as trustee for the Finance Parties) and pay the same immediately to the Security Agent or as it may direct to be applied in accordance with that Clause,
- (b) if not already so transferred, transfer the Charged Property into the name of, or (as applicable) into an account in the name of, the Security Agent or any of its nominees, and
- (c) in addition to any other power created under this Deed, exercise or direct the exercise of (or refrain from exercising) all the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Property and, except as expressly provided for in the Deed, all the powers and discretions conferred on trustees by the Trustee Act 1925 and the Trustee Act 2000, including, without limitation, the general power of investment set out in Section 3 of the Trustee Act 2000, **provided that** the duty of care set out in Section 1(1) of the Trustee Act 2000 shall not apply to the exercise of any other power of investment (however conferred) by the Security Agent or any of its nominees in respect of securities or property subject to a trust

Book Debts and Other Debts

- 7 14 The Chargor shall not at any time deal with its book debts and other debts and monetary claims except by getting in and realising them in the ordinary and usual course of its business and paying all Debt Proceeds into such Specified Account of the Chargor with Danske Bank which is a current account or into such other account with a bank or financial institution in the United Kingdom as the Security Agent shall have approved in advance (such approval not to be unreasonably withheld or delayed)
- 7 15 Subject to Clauses 7 18 and 7 19 below, the Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance which arises on any account of the Chargor with any bank or financial institution referred to in Clause 7 14 above as a result of Debt Proceeds being credited or transferred to that account from time to time

Bank Accounts

- 7 16 The Chargor shall promptly deliver to the Security Agent, on the date of this Deed and, if any change occurs thereafter, on the date of such change, details of each account maintained by it with any bank or financial institution (other than the Security Agent)
- 7 17 The Chargor undertakes that it shall not, without the Security Agent's prior written consent
 - (a) permit or agree to any variation of the rights attaching to any account referred to in Clause 7 16 above, or

(b) close any such account

7 18 Notwithstanding any term express or implied pursuant to which any of the Deposit Moneys or Debt Proceeds are or may be deposited in or paid to the credit of the Account, the Chargor may at any time subject to Clause 7 19 below

(a) make any request or demand to the Account Bank for the payment or repayment of all or any part of the Debt Proceeds and/or Deposit Moneys, and/or

(b) withdraw all or any part of the Debt Proceeds and/or Deposit Moneys,

in the ordinary course of business and unless expressly prohibited by the Mezzanine Facility Agreement (the "**Collection Entitlement**") or a Restriction Event has occurred and the Security Agent has revoked the Collection Entitlement

7 19 On the revocation of the Collection Entitlement by the Security Agent pursuant to Clause 7 18 above the Chargor undertakes and agrees with the Security Agent that it shall not

(a) make any request or demand to the Account Bank for the payment or repayment of all or any part of the Debt Proceeds and/or Deposit Moneys, and/or

(b) withdraw all or any part of the Debt Proceeds and/or Deposit Moneys,

Premises, Plant and Machinery

7 20 The Chargor shall at all times, to the Security Agent's satisfaction, repair and keep

(a) the Premises in good and substantial repair and condition and adequately and properly painted and decorated, and

(b) the fixtures, plant, machinery, implements and other effects and chattels owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition and shall, as and when necessary, renew and replace such items when they shall become obsolete, worn out or destroyed with items of similar quality and of equal or greater value

7 21 If default shall be made by the Chargor in complying with Clause 7 20 above, the Security Agent may (but shall not be obliged to) carry out any necessary repairs and the Chargor shall permit the Security Agent and its agents and contractors to take any of the steps referred to in Clause 7 28 below for this purpose All moneys expended by the Security Agent in taking any such steps shall be reimbursed by the Chargor to the Security Agent on demand and until so reimbursed shall carry interest at the rate specified in Clause 2 2 (*Interest*) from the date of payment by the Security Agent until reimbursed (after as well as before any judgment)

7 22 The Chargor shall not, without the prior written consent of the Security Agent carry out or permit to be carried out any material demolition, rebuilding, reconstruction or structural alteration of any Premises

Mortgaged Property

- 7 23 The Chargor shall not, except as expressly permitted under the Mezzanine Facility Agreement or with the prior written consent of the Security Agent
- (a) exercise any statutory or other power of leasing or letting, or accept or agree to accept surrenders of any leases, or enter into any agreement for lease or letting, in respect of any Mortgaged Property, or
 - (b) create any licence in respect of any Mortgaged Property, or let any person into occupation of, or share occupation of, any Mortgaged Property or grant any other proprietary or other right or interest in any Mortgaged Property
- 7 24 The Chargor shall
- (a) observe and perform all the terms on its part contained in any lease or agreement for lease comprised within the Mortgaged Property, and
 - (b) duly and punctually perform and observe and indemnify the Security Agent for any breach of any covenants, stipulations and obligations (restrictive or otherwise) affecting the Mortgaged Property
- 7 25 The Chargor shall not
- (a) enter into any onerous or restrictive covenants affecting the Mortgaged Property, or
 - (b) sever or unfix or remove any of the fixtures from any Mortgaged Property (except for the purpose of effecting necessary repairs to any such items or renewing or replacing the same in accordance with Clause 7 20 above)
- 7 26 The Chargor shall punctually pay or cause to be paid (except when contested on reasonable grounds) and shall indemnify the Security Agent and any Receiver or Delegate on demand against all present and future rents, rates, Taxes, assessments and outgoings of whatsoever nature imposed upon or payable in respect of the Mortgaged Property or by the owner or occupier of the Mortgaged Property upon the same becoming due and payable or within any applicable grace period. If any of the foregoing shall be paid by the Security Agent or any Receiver or Delegate they shall be reimbursed by the Chargor to the Security Agent or such Receiver or Delegate on demand and shall carry interest at the rate specified in Clause 2 2 (*Interest*) from the date of payment by the Security Agent or such Receiver or Delegate until reimbursed (after as well as before any judgment)
- 7 27 The Chargor shall not, without the prior written consent of the Security Agent
- (a) make or, insofar as it is able, permit others to make any application for planning permission in respect of any Mortgaged Property,
 - (b) carry out or permit to be carried out on any Mortgaged Property any development (within the meaning of that expression in the Planning Acts), or
 - (c) make any VAT election in relation to any Mortgaged Property

Remedying Mortgaged Property Defaults

- 7 28 In case of any default which is outstanding by the Chargor in performing or complying with any covenant, undertaking, restriction, applicable law or regulations affecting the Mortgaged Property, the Chargor shall permit the Security Agent and its agents and contractors to
- (a) enter on the Mortgaged Property,
 - (b) comply with or object to any notice served on the Chargor in respect of the Mortgaged Property, and
 - (c) take any action as the Security Agent may reasonably consider necessary or desirable to prevent or remedy any breach of any such covenant, undertaking, restriction, applicable law or regulations or to comply with or object to any such notice
- 7 29 All moneys expended by the Security Agent in taking any steps referred to in Clause 7 28 above shall be reimbursed by the Chargor to the Security Agent on demand and until so reimbursed shall carry interest at the rate specified in Clause 2 2 (*Interest*) from the date of payment by the Security Agent until reimbursed (after as well as before any judgment)

Information

- 7 30 The Chargor shall promptly supply to the Security Agent such information as the Security Agent may reasonably require about the Charged Property and its compliance with the terms of this Deed and such further information regarding its financial condition, assets and operations as the Security Agent may reasonably request
- 7 31 The Chargor shall promptly notify the Security Agent in writing of any action, claim or demand made by or against it in connection with all or any part of the Charged Property or of any fact, matter or circumstance which may with the passage of time give rise to such an action, claim or demand, together with the Chargor's proposals for settling, liquidating, compounding or contesting the same and shall, subject to the Security Agent's approval of such proposals, implement them at its own expense

Notices relating to Charged Property

- 7 32 The Chargor shall, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to the whole or any part of the Charged Property
- (a) deliver a copy to the Security Agent,
 - (b) inform the Security Agent of the steps taken or proposed to be taken by it to comply with the relevant application, requirement, order or notice, and
 - (c) comply with any reasonable request by the Security Agent to take such action as the Security Agent may believe necessary to preserve or protect the

Charged Property or the security constituted or intended to be constituted by this Deed

Not Jeopardise Security

- 7 33 The Chargor shall not do or cause or permit to be done anything which might in any way depreciate, jeopardise or otherwise prejudice the value to the Security Agent of the security constituted or intended to be constituted by this Deed, except to the extent expressly permitted by the terms of this Deed

8 Enforcement of Security

When Security becomes Enforceable

- 8 1 Subject to the terms of the Intercreditor Agreement, if the Secured Liabilities have not been fully or partially paid when due and payable and such payment default is continuing (an "**Enforcement Event**"), the Security Agent (acting on behalf of the Finance Parties) may (in addition to any rights and remedies the Finance Parties may have under any of the Finance Documents or by law) enforce its rights hereunder and realise the Charged Property and the power of sale and other powers conferred by Section 101 of the LPA, as varied or extended by this Deed, shall be immediately exercisable
- 8 2 Upon the occurrence of an Enforcement Event and the lapse of a period of not less than five (5) Business Days after the Security Agent has notified the Chargor in writing of the occurrence of an Enforcement Event, demanding from the Chargor the curing of the Enforcement Event and notifying the Chargor that the Security over the Charged Property constituted by this Deed will be enforced if no such curing occurs within said period (the "**Enforcement Notification**")

Right of Appropriation

- 8 3 To the extent that any of the Charged Property constitutes "**financial collateral**" and this Deed and the obligations of the Chargor under this Deed constitute a "**security financial collateral arrangement**" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (the "**FCA Regulations**")), the Security Agent shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of such financial collateral shall be (in the case of cash) the amount standing to the credit of each bank account of the Chargor, together with any accrued but unpaid interest, at the time the right of appropriation is exercised and (in the case of Securities) the market price of such Securities by reference to a public index (if applicable) or by an independent expert on the valuation of such Securities appointed by the Security Agent acting reasonably. In each case, the parties agree that the manner of valuation provided for in this Clause 8 3 shall constitute a commercially reasonable manner of valuation for the purposes of the FCA Regulations

Redemption of Prior Mortgages

- 8 4 The Security Agent or any Receiver may at any time
- (a) redeem any prior Security over any Charged Property, or
 - (b) procure the transfer of that Security to the Security Agent, or
 - (c) settle and pass the accounts of the person or persons entitled to such Security (and any accounts so settled and passed shall be conclusive and binding on the Chargor)
- 8 5 All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption or transfer shall be paid by the Chargor to the Security Agent and every Receiver on demand and shall be secured by this Deed

9 Extension and Variation of the LPA

General

- 9 1 For the purposes of all powers implied by the LPA, such powers shall arise (and the Secured Liabilities shall be deemed to have become due and payable for that purpose) on the date of this Deed
- 9 2 Section 103 of the LPA (restricting the power of sale) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to the security constituted by this Deed
- 9 3 The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent and any Receiver at any time after the security constituted by this Deed has become enforceable to make any lease or agreement for lease, accept surrenders of leases and/or grant options on such terms as it or he shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the LPA

Privileges

- 9 4 Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers

10 Appointment of Receiver and Administrator

Appointment

- 10 1 At any time after the security constituted by this Deed has become enforceable or if an application is presented for the making of an administration order in relation to the Chargor or any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court or if the Chargor so requests the Security Agent in writing (in which case, in each such case, the security constituted by this Deed shall become immediately enforceable), the Security Agent may without prior notice to the Chargor

- (a) appoint free from the restrictions imposed by Section 109(1) of the LPA either under seal or in writing under its hand any one or more persons to be a Receiver of the whole or any part or parts of the Charged Property in like manner in every respect as if the Security Agent had become entitled under the LPA to exercise the power of sale conferred under the LPA, or
- (b) appoint one or more persons to be an administrator of the Chargor

Removal

- 10 2 The Security Agent may by writing under its hand (or by an application to the court where required by law)
- (a) remove any Receiver appointed by it, and
 - (b) may, whenever it deems it expedient, appoint any one or more persons to be a new Receiver in the place of or in addition to any Receiver

Statutory Powers of Appointment

- 10 3 The powers of appointment of a Receiver conferred by this Deed shall be in addition to all statutory and other powers of appointment of the Security Agent under the LPA (as extended by this Deed) or otherwise and such powers shall be and remain exercisable from time to time by the Security Agent in respect of any part or parts of the Charged Property

Capacity of Receiver

- 10 4 Each Receiver shall be deemed to be the agent of the Chargor for all purposes. The Chargor alone shall be responsible for a Receiver's contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him
- 10 5 The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Agent
- 10 6 If there is more than one Receiver holding office at the same time, each Receiver shall (unless the document appointing him states otherwise) be entitled to act (and to exercise all of the powers conferred on a Receiver under this Deed) individually or together with any other person appointed or substituted as Receiver

Remuneration of Receiver

- 10 7 The Security Agent may fix the remuneration of any Receiver appointed by it without any restriction imposed by Section 109(6) of the LPA 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 Security Agent

11 Powers of Receiver

General

- 11.1 Each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred by law
- 11.2 Without prejudice to the generality of this Clause 11, each Receiver shall have all the rights, powers and discretions of an administrative receiver under Schedule 1 to the Insolvency Act 1986 whether he falls within the statutory definition of an administrative receiver or not

Specific Powers

- 11.3 Each Receiver shall have the following powers (and every reference in this Clause 11.3 to the "**Charged Property**" shall be read as a reference to that part or parts of the Charged Property in respect of which that Receiver was appointed)
- (a) power to purchase or acquire land and purchase, acquire or grant any interest in or right over land as he thinks fit,
 - (b) power to take immediate possession of, get in and collect any Charged Property,
 - (c) power to carry on the business of the Chargor as he thinks fit,
 - (d) power (but without any obligation to do so) to
 - (i) make and effect all repairs, alterations, additions and insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as well for the protection as for the improvement of the Charged Property,
 - (ii) commence or complete any building operations on the Charged Property,
 - (iii) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence, and
 - (iv) negotiate for compensation with any authority which may intend to acquire or be in the process of acquiring all or any part of the Charged Property and make objections to any order for the acquisition of all or any part of the Charged Property and represent the Chargor at any enquiry to be held to consider such objections or otherwise relating to any such acquisition,in each case as he thinks fit,
 - (e) power to appoint and discharge managers, officers, agents, advisers, accountants, servants, workmen, contractors, surveyors, architects, lawyers and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit and power to discharge any such persons appointed

by the Chargor (and the costs incurred by any Receiver in carrying out such acts or doing such things shall be reimbursed to that Receiver by the Chargor on demand and until so reimbursed shall carry interest at the rate specified in Clause 2.2 (*Interest*) from the date of payment by the Receiver until reimbursed (after as well as before any judgment)),

- (f) power to raise and borrow money either unsecured or (with the prior consent of the Security Agent) on the security of any Charged Property either in priority to the security constituted by this Deed or otherwise and generally on any terms and for whatever purpose he thinks fit,
- (g) power to sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms as he thinks fit,
- (h) power to sever and sell separately any fixtures from the property containing them without the consent of the Chargor,
- (i) power to let any Charged Property for any term and at any rent (with or without a premium) as he thinks fit and power to accept a surrender of any lease or tenancy of any Charged Property on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender),
- (j) power to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Charged Property,
- (k) power to bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Charged Property or in relation to the Chargor which may seem to him to be expedient,
- (l) power to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any Charged Property;
- (m) power to form a subsidiary of the Chargor and transfer to that subsidiary any Charged Property,
- (n) power to do all such acts as may seem to him to be necessary or desirable in order to initiate or continue any development of any Charged Property and for these purposes to appoint and to enter into such contracts with such building and engineering contractors or other contractors and professional advisers as he may think fit,
- (o) power to call any meeting of the members or directors of the Chargor in order to consider such resolutions or other business as he thinks fit,
- (p) power to exercise in relation to any Charged Property all the powers and rights which he would be capable of exercising if he were the absolute beneficial owner of the same,

- (q) power to do all other acts and things which he may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed, and
- (r) power to exercise any of the above powers in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor

Security Agent's Powers

- 11 4 To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) upon a Receiver may after the security constituted by this Deed has become enforceable be exercised by the Security Agent in relation to any Charged Property, irrespective of whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver

12 Discretions and Delegation

Discretion

- 12 1 Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Agent or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

Delegation

- 12 2 Each of the Security Agent and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney)
- 12 3 Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Agent or any Receiver (as the case may be) shall think fit
- 12 4 Neither the Security Agent nor any Receiver shall 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

13 Power of Attorney

Appointment and Powers

- 13 1 The Chargor, by way of security, irrevocably appoints the Security Agent, every Receiver and every Delegate severally and independently to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for

- (a) carrying out any obligation imposed on the Chargor by this Deed, and

- (b) enabling the Security Agent or any Receiver or Delegate to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on it or him by or pursuant to this Deed or by law (including the exercise of any right of an absolute legal or beneficial owner of the Charged Property)

Ratification

- 13 2 The Chargor shall ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under Clause 13 1 (*Appointment and Powers*)

14 Protection of Purchasers

Consideration

- 14 1 The receipt of the Security Agent or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property (including a disposal by a Receiver or Delegate to any subsidiary of the Chargor) or in making any acquisition in the exercise of their respective powers, the Security Agent, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit

Protection of Third Parties

- 14 2 No person (including a purchaser) dealing with the Security Agent, any Receiver or any Delegate shall be bound to enquire

- (a) whether the Secured Liabilities have become payable, or
- (b) whether any power which the Security Agent or any Receiver or Delegate is purporting to exercise has arisen or become exercisable, or
- (c) whether any money remains due under the Finance Documents, or
- (d) how any money paid to the Security Agent or to any Receiver or Delegate is to be applied,

or shall be concerned with any propriety, regularity or purpose on the part of the Security Agent or any Receiver or Delegate in such dealings or in the exercise of any such power

15 Application of Proceeds

New Accounts

- 15 1 Subject to the terms of the Intercreditor Agreement, if the Security Agent (acting in its capacity as trustee for the Finance Parties or otherwise) or any other Finance Party at any time receives, or is deemed to have received, notice of any subsequent Security or other interest affecting any Charged Property, the Security Agent and/or any other relevant Finance Party may open a new account with the Chargor

- 15 2 If the Security Agent and/or any other Finance Party 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. As from that time all payments made by or on behalf of the Chargor shall be credited or be treated as having been credited to the new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

Currency Conversion

- 15 3 For the purpose of or pending the discharge of any of the Secured Liabilities, the Security Agent and each other Finance Party may (in its absolute discretion) convert any moneys received or recovered by it or any Receiver or Delegate pursuant to this Deed or any moneys subject to application by it or any Receiver or Delegate pursuant to this Deed from one currency to another and any such conversion shall be made at the Security Agent's (or that Finance Party's) spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Liabilities shall be discharged only to the extent of the net proceeds of such conversion realised by the Security Agent or that Finance Party. Nothing in this Deed shall require the Security Agent to make, or shall impose any duty of care on the Security Agent or any other Finance Party in respect of, any such currency conversion.

16 No Liability as Mortgagee in Possession

Neither the Security Agent nor any Receiver or Delegate shall in any circumstances (either by reason of entering into or taking possession of any Charged Property or for any other reason and whether as mortgagee in possession or on any other basis) be liable to account to the Chargor for anything, except actual receipts, or be liable to the Chargor for any costs, charges, losses, liabilities or expenses arising from the realisation of any Charged Property or from any act, default or omission of the Security Agent, any Receiver, any Delegate or any of their respective officers, agents or employees in relation to the Charged Property or from any exercise or purported exercise or non-exercise by the Security Agent or any Receiver or Delegate of any power, authority or discretion provided by or pursuant to this Deed or by law or for any other loss of any nature whatsoever in connection with the Charged Property or the Finance Documents.

17 Set-Off

Without limiting any other rights conferred on the Security Agent and/or any other Finance Party by law or by any other agreements entered into with the Chargor, the Security Agent and each other Finance Party may (but shall not be obliged to) set off any matured obligation due from the Chargor under this Deed (to the extent beneficially owned by the Security Agent or, as the case may be, that Finance Party) against any obligation (whether matured or not) owed by the Security Agent or, as the case may be, that Finance Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent or, as the case may be, that Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If the obligation owed by the Security Agent and/or any other Finance Party is unliquidated or unascertained, the Security Agent or, as the case may

be, that Finance Party may set off in an amount estimated by it in good faith to be the amount of that obligation

18 Effectiveness of Security

Continuing Security

- 18.1 The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, unless and until discharged by the Security Agent, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part

Cumulative Rights

- 18.2 The security constituted by this Deed and all rights, powers and remedies of the Security Agent provided by or pursuant to this Deed or by law shall be cumulative and in addition to, and independent of, any other guarantee or Security now or subsequently held by the Security Agent or any other Finance Party for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Finance Parties over the whole or any part of the Charged Property shall be superseded by, or supersede or merge into, the security constituted by this Deed

Reinstatement

- 18.3 If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any Obligor or any Security for those obligations or otherwise) is made by the Security Agent or any other Finance Party in whole or in part on the faith of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under the security constituted by this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred
- 18.4 The Security Agent may concede or compromise any claim that any payment or any discharge is liable to avoidance or restoration

No Security held by Chargor

- 18.5 The Chargor shall not take or receive any Security from any Obligor or any other person in connection with its liability under this Deed. However, if any such Security is so taken or received by the Chargor
- (a) it shall be held by the Chargor on trust for the Security Agent (as trustee for the Finance Parties), together with all moneys at any time received or held in respect of such Security, for application in or towards payment and discharge of the Secured Liabilities, and
 - (b) on demand by the Security Agent, the Chargor shall promptly transfer, assign or pay to the Security Agent all Security and all moneys from time to time held on trust by the Chargor under this Clause 18.5

19 Payments

Manner of Payments

- 19.1 The Chargor shall make all payments required to be made by it under this Deed available to the Security Agent (unless a contrary indication appears in this Deed) for value on the due date at the time and in such funds specified by the Security Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment. Payment shall be made in the currency in which the relevant indebtedness is denominated or, if different, is expressed to be payable and to such account in the principal financial centre of the country of that currency with such bank as the Security Agent specifies.

No Set-off by Chargor

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

Tax Gross-Up

- 19.3 The Chargor shall make all payments to be made by it under this Deed without any deduction or withholding for or on account of Tax, unless such a deduction or withholding is required by law. The Chargor, promptly upon becoming aware that it must make such a deduction or withholding (or that there is any change in the rate or the basis of such a deduction or withholding), shall notify the Security Agent accordingly.
- 19.4 If a deduction or withholding for or on account of Tax from a payment under this Deed is required by law to be made by the Chargor, the amount of the payment due from the Chargor shall be increased to an amount which (after making any such deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.
- 19.5 If the Chargor is required to make a deduction or withholding for or on account of Tax from a payment under this Deed, the Chargor shall make that deduction or withholding and any payment required in connection with that deduction or withholding within the time allowed and in the minimum amount required by law. Within thirty days of making such a deduction or withholding or any payment required in connection with that deduction or withholding, the Chargor shall deliver to the Security Agent evidence reasonably satisfactory to the Security Agent that the deduction or withholding has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

20 Expenses, Stamp Taxes and Indemnities

Expenses

- 20.1 The Chargor shall, subject to a maximum amount agreed separately, promptly on demand pay to the Security Agent and each Receiver or Delegate the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of this Deed and any other documents referred to in this Deed and in responding to,

evaluating, negotiating or complying with any request for an amendment, waiver or consent made by the Chargor in relation to this Deed

- 20 2 The Chargor shall, within three business days of demand, pay to the Security Agent and each Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the enforcement of, or the defence, protection and/or preservation of, any rights, remedies and powers under this Deed or the security constituted, or intended to be constituted, by this Deed and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the security constituted, or intended to be constituted, by this Deed or enforcing any such rights, powers and remedies

Stamp Taxes

- 20 3 The Chargor shall pay, and shall promptly on demand indemnify the Security Agent and every Receiver or Delegate against any cost, loss or liability any of them incurs in relation to, all stamp duty, registration and similar Taxes payable in connection with the entry into, performance or enforcement, of this Deed, the security constituted by this Deed or any judgment given in connection with this Deed

General Indemnity

- 20 4 The Chargor shall, notwithstanding the release or discharge of all or any part of the security constituted by this Deed, promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss, liability or damage incurred by any of them as a result of
- (a) any default or delay by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed (including, without limitation, any arising from any actual or alleged breach by any person of any Environmental Law or Environmental Permits),
 - (b) the taking, holding, protection or enforcement of the security constituted by this Deed, and
 - (c) the exercise of any of the rights, powers, discretions and remedies vested in the Security Agent and each Receiver and Delegate by this Deed or by law in respect of the Charged Property

Currency Indemnity

- 20 5 If any sum owing by the Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of
- (a) making or filing a claim or proof against the Chargor,
 - (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, or
 - (c) applying the Sum in satisfaction of any of the Secured Liabilities,

the Chargor shall as an independent obligation, within three Business Days of demand, indemnify the Security Agent and each Receiver or Delegate to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between

- (d) the rate of exchange used to convert that Sum from the First Currency into the Second Currency, and
- (e) the rate or rates of exchange available to that person at the time of its receipt of any amount paid to it in satisfaction, in whole or in part, of such claim, proof, order, judgment or award

- 20 6 The Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is denominated or, if different, is expressed to be payable

Value Added Tax

- 20 7 Any cost or expense referred to in this Clause 20 is exclusive of any VAT that might be chargeable in connection with that cost or expense. If any VAT is so chargeable, it shall be paid by the Chargor at the same time as it pays the relevant cost or expense

21 Certificates and Determinations

Any certificate or determination by the Security Agent of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates

22 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired and, if any part of the security constituted, or intended to be constituted, by this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security

23 Remedies and Waivers

- 23 1 No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any right, remedy or power under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, remedy or power prevent any further or other exercise or the exercise of any other right, remedy or power. The rights, remedies and powers provided in this Deed are cumulative and not exclusive of any rights, remedies or powers provided by law
- 23 2 Any amendment, waiver or consent by the Security Agent under this Deed must be in writing and may be given subject to any conditions thought fit by the Security Agent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given

24 Notices

Communications in writing

- 24 1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter

Addresses

- 24 2 The address, email and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Chargor and the Security Agent for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below

PREFERE RESINS UK LIMITED

Address Aycliffe Industrial Park, Heighington Lane, Newton
Aycliffe, County Durham, England, DL6 6UE

Fax Number +44 (0) 1325 303 218

For the Attention of Anja Plugge / David Green / John Machin

E-Mail david.green@prefere.com

With a copy to

Prefere Resins Holding GmbH

Address Berliner Straße 9, 15537 Erkner, Germany

Fax +49 3362 72258

Attention Dr Arno Knebelkamp / Ingo Schubert

E-Mail arno.knebelkamp@prefere.com /
ingo.schubert@prefere.com

INTERMEDIATE CAPITAL GROUP PLC.

Address Juxon House, 100 St Paul's Churchyard, London EC4M
8BU, United Kingdom

Fax Number +44 (0) 20 7248 2536

For the Attention of Mark Brown / Mike Hey

E-Mail mark.brown@icgplc.com / michael.hey@icgplc.com

or any substitute address, email, fax number or department or officer as the Chargor may notify to the Security Agent or, as the case may be, the Security Agent may notify to the Chargor, in each case by not less than five Business Days' notice

Delivery

24 3 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective

- (a) if by way of fax or email, when received in legible form, or
- (b) if by way of letter, when it has been left at the relevant address or five business days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 24 2 (*Addresses*), if addressed to that department or officer

24 4 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's name in Clause 24 2 (*Addresses*) (or any substitute department or officer as it shall specify for this purpose)

25 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Delivery of an electronic counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

26 Assignment

The Security Agent may, subject to the limitations set forth in the Finance Documents, assign, charge or transfer all or any of its rights under this Deed without the consent of the Chargor. The Security Agent may disclose any information about the Chargor and this Deed as the Security Agent shall consider appropriate to any actual or proposed direct or indirect successor or to any person to whom information is required to be disclosed by any applicable law or regulation.

27 Releases

Upon the expiry of the Liability Period (but not otherwise) and subject to Clauses 18 3 and 18 4 (*Reinstatement*), the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release the Charged Property from the security constituted by this Deed.

28 Governing Law

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

IN WITNESS of which this Deed has been entered into as a deed and is intended to be and is delivered on the day and year first before written

SCHEDULE 1

Real Property

Part 1 Registered Land

(Freehold, commonhold or leasehold property (if any) in England and Wales of which the Chargor is registered as the proprietor at the Land Registry)

Premises at:	County/District	Registered at HM Land Registry under Title No:
Freehold land at Newton Aycliffe	Newton Aycliffe	DU230819 and DU298422

Part 2 Unregistered Land

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at the Land Registry of which the Chargor is the owner)

The freehold/leasehold property comprised in the following title deed(s) or other document(s) of title

None as at the date of this Deed.

SCHEDULE 2
Specified Accounts

Accounts				
Account Holder (Pledgor)	Account Bank	Account Number / IBAN	Bank Sort Code / BIC	Mailing Address
Prefere Resins UK Limited				75 King William Street, London, EC4N 7DT
Prefere Resins UK Limited				75 King William Street London, EC4N 7DT
Prefere Resins UK Limited				75 King William Street London EC4N 7DT
Prefere Resins UK Limited				75 King William Street London, EC4N 7DT
Prefere Resins UK Limited				1 Great Winchester Street London EC2N 2DB
Prefere Resins UK Limited				1 Great Winchester Street London EC2N 2DB
Prefere Resins UK Limited				1 Great Winchester Street London EC2N 2DB
Prefere Resins UK Limited				1 Great Winchester Street London, EC2N 2DB

SCHEDULE 3

Form of Notice of Charge – Accounts not with the Security Agent

Part 1 Form of Notice

To [Name of relevant bank or financial institution]

Address [•]

[Date]

Dear Sirs

[insert name of Security Agent] (the "Security Agent") and [insert name of Chargor] (the "Company") HEREBY GIVE NOTICE that by a charge contained in a debenture dated [•] and made between the Company and the Security Agent (the "Debenture") the Company charged to the Security Agent by way of fixed charge all of its present and future right, title and interest in and to all moneys from time to time deposited in or standing to the credit of any bank account with any bank or financial institution, including the following account(s) (each a "Relevant Account") maintained with you

[Specify accounts account name, account number, details of branch etc]

Accordingly, the Company hereby irrevocably and unconditionally instructs and authorises you

- (a) to disclose to the Security Agent, without any reference to or further authority from the Company and without any enquiry by you as to the justification for such disclosure, such information relating to any of the Relevant Accounts and the moneys from time to time deposited in or standing to the credit of any of the Relevant Accounts as the Security Agent may at any time and from time to time request you to disclose to it,
- (b) not to permit any withdrawal by the Company of all or any part of the moneys from time to time deposited in or standing to the credit of any of the Relevant Accounts without the prior written consent of the Security Agent or except as expressly permitted under the Debenture,
- (c) to hold all moneys from time to time deposited in or standing to the credit of any of the Relevant Accounts to the order of the Security Agent and to pay or release all or any part of such moneys in accordance with the written instructions of the Security Agent at any time and from time to time, and
- (d) to comply with the terms of any other written notice or instructions that you receive at any time and from time to time from the Security Agent in any way relating to the Debenture, any of the Relevant Accounts or the moneys from time to time deposited in or standing to the credit of any of the Relevant Accounts without any reference to or further authority from the Company and without any enquiry by you as to the justification for or validity of such notice or instructions

The Security Agent has agreed that the Company may withdraw any moneys from any of the Relevant Accounts without any reference to or further authority from the Security Agent except to the extent that the Security Agent gives you notice to the contrary. Upon and after the giving of such notice, the Company shall cease to be entitled to make any such withdrawal to the extent specified in the notice.

The Company confirms that

- (i) in the event of any conflict between communications received from it and from the Security Agent, the communication from the Security Agent shall prevail,
- (ii) none of the instructions, authorisations or confirmations in this Notice of Charge (the “**Notice**”) can be revoked or varied in any way except with the Security Agent’s specific written consent, and
- (iii) any written notice or instructions given to you by the Security Agent in accordance with this Notice shall be conclusive.

Kindly acknowledge receipt of this Notice and confirm your agreement to it by signing the enclosed form of acknowledgement and returning it to the Security Agent at [address] for the attention of [officer/department].

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

Yours faithfully,

for and on behalf of
[insert name of Chargor]

for and on behalf of
[insert name of Security Agent]

Part 2
Part 2 - Form of Acknowledgement

[on duplicate]

To *[insert name of Security Agent]*

Address *[•]*

Attention *[•]*

[Date]

Dear Sirs

We acknowledge receipt of the Notice of Charge of which this is a copy. Terms and expressions defined in that Notice shall have the same meanings when used in this acknowledgment. We agree to and confirm the following:

- (a) we accept and will comply with the terms of the Notice,
- (b) we have not received notice of any other charge, assignment or other third party right or interest whatsoever in, of, over or affecting any of the Relevant Accounts,
- (c) we have not claimed or exercised and will not claim or exercise (except with the Security Agent's prior written consent) any security interest, right of set-off, consolidation or counterclaim or any other right against or in respect of any of the Relevant Accounts, except in respect of our usual administrative and transactional fees and charges in relation to the Relevant Account in question, and
- (d) we shall not permit the Company to make any withdrawal from any of the Relevant Accounts after receipt by us of a notice from the Security Agent prohibiting such withdrawals to the extent specified in that notice.

Yours faithfully

for and on behalf of
[name of relevant bank or financial institution]

EXECUTION PAGE

THE CHARGOR

EXECUTED AS A DEED by
PREFERE RESINS UK LIMITED
on being signed by
a Director
in the presence of

)
)
)
)
)



(Director) Arno Knobelkamp

Witness signature

...



Witness name

Sabine Harnack

Witness address



Witness occupation



THE SECURITY AGENT

INTERMEDIATE CAPITAL GROUP PLC

By

By

EXECUTION PAGE

THE CHARGOR

EXECUTED AS A DEED by)
PREFERE RESINS UK LIMITED)
on being signed by)
a Director)
in the presence of) (Director)

Witness signature

Witness name:

Witness address

Witness occupation.

• • • • •

• • • • •

THE SECURITY AGENT

INTERMEDIATE CAPITAL GROUP PLC

By

By