



Registration of a Charge

Company name: **George Banco.Com Limited**

Company number: **08804623**



X5A7NUAX

Received for Electronic Filing: **30/06/2016**

Details of Charge

Date of creation: **23/06/2016**

Charge code: **0880 4623 0002**

Persons entitled: **SECURITY TRUSTEE SERVICES LIMITED (AS SECURITY AGENT)**

Brief description: **ALL CURRENT AND FUTURE LAND (EXCEPT FOR ANY RESTRICTED LAND) AND INTELLECTUAL PROPERTY (EXCEPT FOR ANY RESTRICTED IP) OWNED BY THE COMPANY, IN EACH CASE AS SPECIFIED (AND DEFINED) IN THE DEBENTURE REGISTERED BY THIS FORM MR01 (THE "DEBENTURE"). FOR MORE DETAILS PLEASE REFER TO THE DEBENTURE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **RHODRI LEWIS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8804623

Charge code: 0880 4623 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd June 2016 and created by George Banco.Com Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th June 2016 .

Given at Companies House, Cardiff on 1st July 2016

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

23 June 2016

GEORGE BANCO.COM LIMITED
(as Chargor)

- and -

SECURITY TRUSTEE SERVICES LIMITED
(as Security Agent)

Save for material redacted pursuant to s859G of the Companies Act 2006, I certify that this is a true and complete copy of the composite original seen by me

Name: RHODRS LEWIS
Title: Solicitor

DEBENTURE

Date: 29 June 2016

Hogan Lovells International LLP (Ref:)
Atlantic House, Holborn Viaduct, London EC1A 2FG



Ref: F3EMH/PCA/5133675
159025.000002

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

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BETWEEN:

- (1) **George Banco.Com Limited** (Company No. 08804623) whose registered office is at The Blue Building Dairy House Farm, Stubbs Lane, Beckington, Frome, BA11 6TE (the "Chargor") and
- (2) **Security Trustee Services Limited** (Company No. 08492303) whose registered office is at 6th Floor, 55 Bishopsgate, London EC2N 3AS as Security Agent.

WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Definitions:** Unless the context otherwise requires, words or expressions defined in the Facility Agreement shall have the same meanings in this Debenture and this construction shall survive the termination of the Facility Agreement. In addition, in this Debenture:

"Account Bank" means Barclays Bank PLC acting through its branch at 15 Queen Square, Harborside, BS1 4NP;

"Assets" means in relation to the Chargor, all its undertaking, property, assets, revenues and rights of every description, or any part of them.

"Assigned Agreement" means each Customer Loan.

"Beneficiary" means each Finance Party and any Receiver or Delegate.

"Collections Account" has the meaning given to that term in the Facility Agreement.

"Customer Loan" has the meaning given to that term in the Facility Agreement.

"Declared Default" means that an Event of Default has occurred and as a result RateSetter has taken steps to exercise any of its rights under Clause 16.15 (*Acceleration*) of the Facility Agreement.

"Default" means a Default under and as defined in the Facility Agreement.

"Derivative Rights" includes:

- (a) allotments, rights, money or property arising at any time in relation to any Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (b) dividends, distributions, interest and other income paid or payable in relation to any Investments; and
- (c) stock, shares and securities offered in addition to or in substitution for any Investments.

"Event of Default" means an Event of Default under and as defined in the Facility Agreement.

"Facility Agreement" means the facility agreement originally dated 28 January 2014 as amended on 23 July 2015 and as amended and restated on or around the date of this Debenture, between Retail Money Market Limited (acting as agent for and on behalf of the RateSetter Lenders), George Banco.Com Limited as Borrower, George Banco Limited as Parent and Security Trustee Services Limited as Security Agent.

"Finance Document" means the Facility Agreement, the Security Documents and any other document designated as such by RateSetter and the Chargor.

"Finance Party" means each of RateSetter, the RateSetter Lenders and the Security Agent.

"Financial Collateral" in relation to the Chargor, means any of its Assets comprising financial collateral within the meaning of the Financial Collateral Regulations.

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended.

"Fixed Security Asset" means an Asset for the time being comprised within an assignment created by Clause 3.1 (*Assignments*) or within a mortgage or fixed charge created by Clause 3.2 (*Fixed security*) or arising on crystallisation of a floating charge whether under Clause 4 (*Crystallisation*) or otherwise.

"Floating Charge Asset" means an Asset for the time being comprised within the floating charge created by Clause 3.3 (*Creation of Floating Charge*) but, in relation to Assets situated in Scotland and charged by clause 3.3(b) only in so far as concerns the floating charge over that Asset.

"Insurance Policy" means any contract or policy of insurance of the Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest at any time but excluding any liability insurance and any directors' and officers' insurance.

"Intellectual Property" means patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs (including in relation to semiconductor products) anywhere in the world and, in each case, any extensions and renewals of, and any applications for, such rights.

"Intellectual Property Rights" in relation to the Chargor, means all and any of its Intellectual Property and all other intellectual property rights, causes of action, interests and assets charged by it pursuant to Clauses 3.2(b)(xii) to 3.2(b)(xvii) (*Fixed security*) inclusive.

"Investments" means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Schedule 2, Part II of the Financial Services and Markets Act 2000), whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise.

"Land" means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures).

"Liability" means any liability, damage, loss, costs, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise.

"Party" means a party to this Debenture.

"Provisioning Account" has the meaning given to that term in the Facility Agreement.

"RateSetter" means Retail Money Market Limited (Company No. 07075729) whose registered office is at 6th Floor, 55 Bishopsgate, London EC2N 3AS acting as agent for and on behalf of RateSetter Lenders.

"Receivables" in relation to the Chargor, means all sums of money receivable by it at any time consisting of or payable under or derived from any Assigned Agreement.

"Receiver" means any receiver or receiver and manager appointed under Clause 15 (*Appointment of a Receiver or an Administrator*) including (where the context requires or permits) any substituted receiver or receiver and manager.

"Relevant System" has the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, Investments.

"Restricted IP" means any Intellectual Property owned by or licensed to the Chargor which, in each case, precludes either absolutely or conditionally the Chargor from creating a charge over its interest in that Intellectual Property and in respect of which consent has not yet been obtained pursuant to Clause 3.4(b) (*Third Party Consents*).

"Restricted Land" means any leasehold property held by the Chargor under a lease which precludes either absolutely or conditionally the Chargor from creating a mortgage or charge over its leasehold interest in that property and in respect of which consent has not yet been obtained pursuant to Clause 3.4(a) (*Third Party Consents*).

"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether incurred jointly or severally and whether as principal or surety or in any other capacity whatsoever and whether incurred originally by the Chargor or by some other person) of the Chargor to all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with:

- (a) all costs, charges and expenses incurred by any Beneficiary in connection with the protection, preservation or enforcement of its rights under any Finance Document; and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents.

"Security Agent" means Security Trustee Services Limited acting as security agent and trustee for the Beneficiaries including any successor appointed by the Beneficiaries pursuant to the Finance Documents.

"Specified Intellectual Property" means the Intellectual Property listed in Schedule 2 (*Specified Intellectual Property*).

"Specified Investments" means, in relation to the Chargor, all Investments which at any time:

- (a) represent a holding in a Subsidiary of the Chargor or an undertaking which would be its subsidiary undertaking if in section 1162(2)(a) of the Companies Act 2006 "30 per cent or more" were substituted for "a majority";
- (b) are held in the name of the Security Agent or its nominee or to its order; or

- (c) the Chargor has deposited certificates for with the Security Agent or which, if uncertificated, are held in an escrow or other account in favour of the Security Agent or its nominee.

1.2 **Interpretation:** Unless the context otherwise requires, the interpretative provisions set out in the paragraphs below shall apply in this Debenture.

- (a) References to any Party shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees.
- (b) **"Including"** and **"in particular"** shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing".
- (c) A **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- (d) **"Property"** includes any interest (legal or equitable) in real or personal property and any thing in action.
- (e) **"Variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly.
- (f) **"Writing"** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Debenture to be signed and **"written"** has a corresponding meaning.
- (g) Subject to Clause 30.4 (*Variations*), references to this Debenture or to any other document (including any Finance Document) include references to this Debenture or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this Debenture or such other document or to the nature or amount of any facilities made available under such other document.
- (h) References to uncertificated Investments are to Investments the title to which can be transferred by means of an electronic or other entry in a Relevant System and references to certificated Investments are to Investments which are not uncertificated Investments.
- (i) The singular shall include the plural and vice versa and any gender shall include the other genders.
- (j) Clauses, paragraphs and Schedules shall be construed as references to Clauses and paragraphs of, and Schedules to, this Debenture.
- (k) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances.
- (l) Headings in this Debenture are inserted for convenience and shall not affect its interpretation.

- (m) A Default (other than an Event of Default) is "**continuing**" for the purposes of the Finance Documents if it has not been remedied or waived and an Event of Default for those purposes is "continuing" if it has not been waived.
- (n) "**Blank stock transfer form**" means a stock transfer form validly executed by the Chargor but with the section relating to the consideration and the transferee left blank and left undated.

2. COVENANT TO PAY

- 2.1 **Covenant to pay:** The Chargor (as primary obligor and not merely as surety) covenants with the Security Agent (as trustee for the Beneficiaries) that it will, on the Security Agent's written demand, pay or discharge the Secured Sums when due at the times and in the manner provided in the relevant Finance Documents.
- 2.2 **Proviso:** The covenants contained in this Clause and the security created by this Debenture shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.
- 2.3 **Demands:**
 - (a) The making of one demand shall not preclude the Security Agent from making any further demands.
 - (b) Any third party dealing with the Security Agent or any Receiver shall not be concerned to see or enquire as to the validity of any demand under this Debenture.

3. CREATION OF SECURITY

- 3.1 **Security assignments:** The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) to the Security Agent (as trustee for the Beneficiaries):
 - (a) the benefit of all of the Assigned Agreements; and
 - (b) all of its rights, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies.
- 3.2 **Fixed Security:** The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges in favour of the Security Agent (as trustee for the Beneficiaries):
 - (a) by way of legal mortgage, all Land in England and Wales now vested in it and registered at the Land Registry or which will be subject to first registration at the Land Registry upon the execution and delivery of this Debenture, in each case as described in Schedule 1 (*Registered Land to be Mortgaged*);
 - (b) by way of fixed charge:
 - (i) with the exception of any Restricted Land, all other Land which is now, or in the future becomes, its property;

- (ii) all Land which has ceased to fall within the definition of Restricted Land by virtue of receipt of the relevant landlord's consent to charge that Land, but only with effect from the date on which that consent is obtained;
- (iii) all other interests and rights in or relating to Land or in the proceeds of sale of Land now or in the future belonging to it;
- (iv) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 3.2;
- (v) all rental and other income and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land;
- (vi) all Specified Investments which are now its property, including all proceeds of sale derived from them;
- (vii) all Specified Investments in which the Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them;
- (viii) all Derivative Rights of a capital nature now or in the future accruing or offered in respect of its Specified Investments;
- (ix) all Derivative Rights of an income nature now or in the future accruing or offered at any time in respect of its Specified Investments;
- (x) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are now or in the future deposited by it with the Security Agent, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in this Debenture;
- (xi) all its goodwill and uncalled capital for the time being;
- (xii) all Specified Intellectual Property belonging to it;
- (xiii) with the exception of any Restricted IP, all other Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- (xiv) with the exception of any Restricted IP, all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- (xv) with the exception of any Restricted IP, the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world;
- (xvi) all Intellectual Property (including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others, and the benefit of all agreements and licences now or in the future entered into or

enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world) which by virtue of obtaining third party consent to charge such Intellectual Property has ceased to fall within the definition of Restricted IP, but only with effect from the date on which that consent is obtained;

- (xvii) all its rights now or in the future in relation to trade secrets, confidential information and knowhow in any part of the world;
- (xviii) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs (b)(xii) to (xvii) inclusive of this Clause;
- (xix) all trade debts now or in the future owing to it;
- (xx) all other debts now or in the future owing to it;
- (xxi) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under Clause 3.1 (*Assignments*);
- (xxii) any beneficial interest, claim or entitlement it has to any pension fund now or in the future;
- (xxiii) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of this Debenture;
- (xxiv) all moneys at any time standing to the credit of the Provisioning Account, and the debt represented by any such credit balance;
- (xxv) all moneys at any time standing to the credit of the Collection Account, and the debt represented by any such credit balance; and
- (xxvi) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them.

3.3 **Creation of floating charge:** The Chargor, with full title guarantee, charges to the Security Agent (as trustee for the Beneficiaries) as security for the payment or discharge of all Secured Sums, by way of floating charge:

- (a) all its Assets, except to the extent that such Assets are for the time being effectively assigned by way of security by virtue of Clause 3.1 (*Assignments*) or charged by any fixed charge contained in Clause 3.2 (*Fixed security*), including any Assets comprised within a charge which is reconverted under Clause 4.4 (*Reconversion*); and
- (b) without exception, all its Assets in so far as they are for the time being situated in Scotland,

but in each case so that the Chargor shall not create any Security over any such Floating Charge Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in Clause 7 (*Negative pledge and other*

restrictions) with respect to any such Floating Charge Asset, and the Chargor shall not, without the consent of the Security Agent, sell, transfer, part with or dispose of any such Floating Charge Asset (except as permitted by Clause 15.9 (*Disposals*) of the Facility Agreement).

3.4 Third Party Consents:

- (a) If the Chargor has an interest in any Restricted Land, the Chargor shall:
 - (i) within 10 Business Days of its execution of this Debenture, use its reasonable endeavours to obtain the consent of each landlord of such Restricted Land to the creation of the charges envisaged by Clause 3.2(b)(ii) (*Fixed Security*) (including paying the reasonable costs and any reasonable consent fee of any such landlord);
 - (ii) on request, keep the Security Agent informed of the progress of its negotiations with any such landlord; and
 - (iii) provide the Security Agent with a copy of each such consent promptly after its receipt.
- (b) If the Chargor has an interest in any Restricted IP, the Chargor shall:
 - (i) within 10 Business Days of its execution of this Debenture, use its reasonable endeavours to obtain the consent of each counterparty whose consent is required to the creation of the charges over such Restricted IP envisaged by sub-paragraph (b)(xvi) of Clause 3.2 (*Fixed Security*) (including paying the reasonable costs and any reasonable consent fee of any such counterparty);
 - (ii) on request, keep the Security Agent informed of the progress of its negotiations with any such counterparty; and
 - (iii) provide the Security Agent with a copy of each such consent promptly after its receipt.

3.5 Notices:

- (a) The Chargor shall, promptly upon request by the Security Agent following the occurrence of a Declared Default, execute a notice of assignment in respect of each Assigned Agreement in substantially the form set out in Part 1 of Schedule 3 (*Forms of Notice of Assignment/Charge*), deliver each notice to the relevant Customer, and provide evidence satisfactory to the Security Agent (acting reasonably) of the delivery of that notice.
- (b) The Chargor shall, upon the request of the Security Agent, execute a notice of charge to the insurers (and any broker) of the security over the Insurance Policies and their proceeds created by this Debenture in substantially the form set out in Part 2 of Schedule 3 (*Forms of Notice of Assignment/Charge*) and, as soon as reasonably practicable, serve that notice on each such insurer and broker.
- (c) The Chargor shall, on the date of this Debenture, give notice to the Account Bank substantially in the form set out in Part 3 of Schedule 3 (*Forms of Notice of Assignment/Charge*) and shall use its best endeavours to procure that the Account Bank signs and delivers the form of acknowledgement to that notice.

- (d) The Chargor shall use all reasonable endeavours (including expending reasonable costs and expenses) to procure the execution and delivery to the Security Agent of acknowledgments by the addressees of the notices delivered to them pursuant to paragraphs (a), (b) and (c) above.

3.6 Priority:

- (a) Any fixed Security created by the Chargor and subsisting in favour of the Security Agent shall (save as the Security Agent may otherwise declare at or after the time of its creation) have priority over the floating charge created by Clause 3.3 (*Creation of floating charge*).
- (b) Any Security created in the future by the Chargor (except in favour of the Security Agent) shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created by this Debenture (except to the extent mandatorily preferred by law).

3.7 Application to the Land Registry: The Chargor:

- (a) in relation to each register of title of any present and future Land of the Chargor which is charged to the Security Agent under this Debenture or pursuant to the further assurance undertakings in the Facility Agreement, consents to the Security Agent (or its solicitors) at any time submitting to the Land Registry any and all of the following:
 - (i) a form AP1 (*application to change the register*) in respect of the security created by this Debenture;
 - (ii) a form AN1 (*application to enter an agreed notice*) in respect of the security created by this Debenture;
 - (iii) a form RX1 (*application to register a restriction*) in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [Chargee] referred to on the charges register or their conveyancer."; and
 - (iv) a form CH2 (*application to enter an obligation to make further advances*); and
- (b) covenants to submit an application to the appropriate Land Registry for the first registration of any unregistered Land in England and Wales mortgaged by Clause 3.2 (*Fixed security*) at its own expense, immediately following its execution of this Debenture.

4. CRYSTALLISATION

- 4.1 Crystallisation by notice:** The floating charge created by the Chargor in Clause 3.3 (*Creation of floating charge*) may, subject to Clause 4.5 (*Moratorium Assets*), be crystallised into a fixed charge by notice in writing given at any time by the Security Agent to the Chargor if:

- (a) a Declared Default has occurred and is continuing;

- (b) a Default under Clause 16.7 (*Insolvency*) or Clause 16.8 (*Insolvency Proceedings*) of the Facility Agreement has occurred and is continuing; or
- (c) the Security Agent in good faith considers that any of the Assets expressed to be charged to the Security Agent by this Debenture may be in danger of being seized or sold pursuant to any form of legal process; or
- (d) a circumstance envisaged by paragraph (a) of Clause 4.2 (*Automatic Crystallisation*) occurs and the Security Agent in good faith considers that such crystallisation is desirable in order to protect the priority of its security.

Such crystallisation shall take effect over the Floating Charge Assets or class of Assets specified in the notice. If no Floating Charge Assets are specified, it shall take effect over all Floating Charge Assets of the Chargor.

4.2 Automatic crystallisation: If, without the Security Agent's prior written consent:

- (a) the Chargor, in contravention of any Finance Document, resolves to take or takes any step to:
 - (i) charge or otherwise encumber any of its Floating Charge Assets;
 - (ii) create a trust over any of its Floating Charge Assets; or
 - (iii) dispose of any Floating Charge Asset (except by way of sale in the ordinary course of the Chargor's business to the extent that such disposal is not otherwise prohibited by any Finance Document); or
- (b) any person resolves to take or takes any step to seize or sell any Floating Charge Asset pursuant to any form of legal process; or
- (c) an Event of Default under Clause 16.7 (*Insolvency*) or 16.8 (*Insolvency Proceedings*) of the Facility Agreement has occurred,

then the floating charge created by Clause 3.3 (*Creation of floating charge*) shall, subject to Clause 4.5 (*Moratorium Assets*), be automatically and instantly crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset or, in the case of paragraph (c) above into a fixed charge over all Floating Charge Assets of the Chargor.

4.3 Future Floating Charge Assets: Except as otherwise stated in any notice given under Clause 4.1 (*Crystallisation by notice*) or unless the crystallisation relates to all its Floating Charge Assets, prospective Floating Charge Assets acquired by the Chargor after crystallisation has occurred under Clause 4.1 (*Crystallisation by notice*) or Clause 4.2 (*Automatic crystallisation*) shall become subject to the floating charge created by Clause 3.3 (*Creation of floating charge*), so that the crystallisation shall be effective only as to the specific Floating Charge Assets affected by the crystallisation.

4.4 Reconversion: Any charge which has crystallised under Clause 4.1 (*Crystallisation by notice*) or Clause 4.2 (*Automatic crystallisation*) may, by notice in writing given at any time by the Security Agent to the Chargor, be reconverted into a floating charge in relation to the Assets specified in such notice.

4.5 Moratorium Assets: The floating charge created by the Chargor in Clause 3.3 (*Creation of floating charge*) may not be converted into a fixed charge on Assets for which a moratorium is in force if and for so long as such conversion would breach paragraph 13 and/or paragraph 43 of Schedule A1 of the Insolvency Act 1986.

5. **TITLE DOCUMENTS, INSURANCE POLICIES AND TRANSFERS**

5.1 **Documents:** Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Security Agent, the Chargor shall:

- (a) deposit with the Security Agent, and the Security Agent shall be entitled to retain during the continuance of the security created by this Debenture, all deeds and documents of title relating to its Fixed Security Assets that are necessary to give effect to or to perfect the fixed security described in Clause 3.2 (*Fixed Security*), including:
 - (i) certificates of registration;
 - (ii) certificates constituting or evidencing Specified Investments and Specified Intellectual Property;
 - (iii) all deeds and documents of title relating to any Intellectual Property Right which, by virtue of obtaining third party consent pursuant to paragraph (b) of Clause 3.4 (*Third Party Consents*) has ceased to fall within the definition of Restricted IP; and
 - (iv) all deeds and documents of title relating to any Land which by virtue of receipt of the relevant landlord's consent to charge that Land pursuant to paragraph (a) of Clause 3.4 (*Third Party Consents*) has ceased to fall within the definition of Restricted Land;
- (b) as soon as reasonably practicable, and in any event within 5 Business Days of request, execute and deliver to the Security Agent such documents and transfers and give such instructions and perform such other acts as the Security Agent may reasonably require at any time to constitute or perfect an equitable charge or legal mortgage (at the Security Agent's option) over its Specified Investments, including any eligible to participate in a Relevant System.

5.2 **Insurance:**

If any default shall be made by the Chargor at any time in effecting or maintaining any insurance required by the terms of the Facility Agreement, or if the Chargor fails within 5 Business Days of demand to produce such evidence as the Security Agent reasonably requires to prove such compliance (including copies of insurance policies and/or premium receipts), then:

- (a) the Security Agent may take out or renew such insurances in such sums as the Security Agent reasonably considers to be appropriate (at the Chargor's expense); and
- (b) all money expended by the Security Agent under this provision shall be recoverable by the Security Agent in accordance with Clause 10 (*Taxes, costs and indemnities*) of the Facility Agreement.

6. **RECEIVABLES**

6.1 **Collection Account:** Except where moneys are to be paid into the Provisioning Account in accordance with the terms of any other Finance Document, the Chargor shall collect and realise all its Receivables and, immediately on receipt, pay all money so collected into the Collection Account. The Chargor shall, pending such payment, hold all money so received upon trust for the Security Agent.

- 6.2 **Restriction:** The Chargor shall not purport, without the Security Agent's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery unless such action is permitted under the Facility Agreement.
- 6.3 **Factoring:** If the Security Agent releases, waives or postpones its rights in respect of any Receivable to enable the Chargor to factor or discount them to any person (the "**factor**"), the charges created by this Debenture shall in all other respects remain in full force and effect. In particular, all amounts becoming due to the Chargor from the factor and any Receivables reassigned, or due to be reassigned to the Chargor, shall be subject to the charges created by this Debenture, subject only to any defences or rights of set-off which the factor may have against the Chargor.
- 6.4 **Provisioning Account:** The Chargor may withdraw any monies from time to time standing to the credit of the Provisioning Account, except as prohibited by the Facility Agreement.

7. **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

Without the prior written consent of the Security Agent, except as specifically permitted by the Facility Agreement, the Chargor shall not:

- (a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets; or
- (b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so.

8. **RIGHT OF APPROPRIATION**

- 8.1 **Financial Collateral Arrangement:** The Parties acknowledge and intend that the charges over the Chargor's Financial Collateral provided under or pursuant to this Debenture will each constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.
- 8.2 **Right of Appropriation:** The Security Agent may, on or at any time after the security constituted by this Debenture becomes enforceable in accordance with its terms, by notice in writing to the Chargor appropriate with immediate effect all or any of its Financial Collateral charged by this Debenture which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Security Agent or otherwise.
- 8.3 **Value:** The value of any Financial Collateral appropriated under Clause 8.2 shall be:
- (a) in the case of cash, its face value at the time of appropriation; and
 - (b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Security Agent by reference to a public index or other applicable generally recognised source or such other process as the Security Agent may reasonably select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Security Agent;

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Security Agent.

8.4 **Surplus or Shortfall:** The Security Agent will account to the Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums and the Chargor shall remain liable to the Security Agent for any amount by which the value of the appropriated Assets is less than the Secured Sums.

8.5 **Confirmation:** The Chargor agrees that the method of valuing Financial Collateral under Clause 8.3 is commercially reasonable.

9. **CONTINUING SECURITY**

This Debenture shall be a continuing security for the Beneficiaries, notwithstanding any intermediate payment or settlement of accounts or other matter whatever, and shall be in addition to and shall not prejudice or be prejudiced by any right of set-off, combination, lien or other rights exercisable by any Beneficiary as banker against the Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by any Beneficiary.

10. **LAND**

10.1 **Positive Covenants:** The Chargor covenants that it shall:

(a) **Compliance with lease:** punctually pay the rents reserved by and observe and perform in all material respects the other material covenants, agreements or obligations on its part to be observed and performed which are contained in any lease, agreement for lease, tenancy agreement or licence to occupy relating to any Land and, to the extent that it makes commercial sense to do so, enforce the observance and performance by the landlord or licensor of its material obligations under any such document; and

(b) **Acquisitions:** notify the Security Agent promptly following its acquisition of any Land.

10.2 **Supplemental Legal Mortgage:** if, at any time and from time to time, the Chargor has any interest in any Land which is registered at the Land Registry (or which would be subject to first registration at the Land Registry on the creation of a mortgage over it), but which is not Restricted Land at that time, and which (for any reason) is also not subject to a legal mortgage under this Debenture at that time, the Chargor will, to the extent required to do so by (and in accordance with) Clause 15.19 (*Further Assurance*) of the Facility Agreement, promptly execute and deliver to the Security Agent a supplemental legal mortgage, in the agreed terms, over that Land as security for the Secured Sums.

10.3 **Negative covenants:** The Chargor shall not (without the prior written consent of the Security Agent):

(a) **No onerous obligations:** enter into any onerous or restrictive obligation affecting its Land or create or permit to arise any overriding interest or any easement or right whatever in or over it which, in each case, would be reasonably likely to affect materially and adversely its value or the value of the Security constituted by this Debenture over it; or

(b) **No sharing:** share the occupation of any Land with any other person (or agree to do so) to the extent that to do so would materially adversely affect (i) the value of such Land; or (ii) the interests of the Beneficiaries.

- 10.4 **Consolidation of Mortgages:** Section 93 of the Law of Property Act 1925, dealing with the consolidation of mortgages, shall not apply to this Debenture.

11. **INTELLECTUAL PROPERTY RIGHTS**

11.1 **Filings and registrations:**

- (a) The Chargor shall, as soon as reasonably practicable, file and register at any relevant patent, trade mark or other intellectual property register or authority as may be available for the purpose (to the extent that such register or authority is located in the jurisdiction of incorporation of the Chargor and including, if appropriate the European Patents Office and Office of Harmonisation for the Internal Market) in such name as may be required by the law of the place of registration, such of the following as must be filed or registered there in order to register or perfect the Security created under this Debenture or to give notice to third parties to protect the priority of the security created by this Debenture:

- (i) this Debenture;
- (ii) if so requested by the Security Agent, all licences of Intellectual Property granted to or acquired by it; and
- (iii) all future assignments, mortgages and/or charges of Intellectual Property Rights made pursuant to this Debenture,

and, to the extent necessary to register or perfect the Security created under this Debenture or to give notice to third parties to protect the priority of the security created by this Debenture, maintain or renew such filings and registrations where applicable.

- (b) The Chargor irrevocably authorises the Security Agent to effect such registrations, renewals, payments and notifications at the expense of the Chargor as shall, in the reasonable opinion of the Security Agent, be necessary to register the Security created by this Debenture at any patent, trade mark or other intellectual property register or authority as may be available for the purpose (to the extent that such register or authority is located in the jurisdiction of incorporation of the Chargor and including, if appropriate, at the European Patents Office or Office of Harmonization for the Internal Market).

- 11.2 **Negative covenants:** Without the prior written consent of the Security Agent, the Chargor shall not:

- (a) **Trade marks:** amend the specification of any registered trade mark included in its Intellectual Property Rights; or
- (b) **Patents:** amend the specification or drawings referred to in any granted patent.

12. **SPECIFIED INVESTMENTS**

- 12.1 **Voting and other rights:** The Chargor undertakes not to exercise any voting powers or rights in a way which would be reasonably likely to prejudice the value of its Specified Investments or otherwise to jeopardise the Security constituted by this Debenture over them.

- 12.2 **Before Enforcement:** Unless and until the occurrence of a Declared Default:

- (a) all voting powers and rights attaching to Specified Investments (including Derivative Rights) belonging to the Chargor shall continue to be exercised by the Chargor for so long as it remains their registered owner and the Chargor shall not permit any person other than the Chargor, the Security Agent or the Security Agent's nominee to be registered as holder of such Specified Investments or any part of them; and
- (b) if Specified Investments belonging to the Chargor are registered in the name of the Security Agent or the Security Agent's nominee, all voting powers and rights attaching to them (including Derivative Rights) shall be exercised by the Security Agent or the Security Agent's nominee in accordance with instructions in writing from time to time received from the Chargor and, in the absence of any such instructions, the Security Agent or the Security Agent's nominee shall not exercise any such rights.

12.3 After Enforcement: At any time after the occurrence of a Declared Default:

- (a) the Security Agent may, for the purpose of protecting its interests in relation to the Secured Sums, exercise (but is not obliged to exercise) in the name of the Chargor or otherwise and without any further consent or authority on the part of the Chargor, all voting powers and rights attaching to the Specified Investments (including Derivative Rights) as it sees fit, including any rights to nominate or remove a director, as if the Security Agent were the sole beneficial owner of the Specified Investments;
- (b) all Derivative Rights shall, if received by the Chargor or the Security Agent's nominee, be held on trust for and forthwith paid or transferred to the Security Agent; and
- (c) the Chargor shall (and shall procure that the Security Agent's nominees shall) accept short notice for and attend any shareholders meetings relating to the Specified Investments, appoint proxies and exercise voting and other rights and powers exercisable by the holders of the Specified Investments as the Security Agent may direct from time to time as it sees fit for the purpose of protecting its interests in relation to the Secured Sums.

For the avoidance of doubt, unless and until the Security Agent takes any steps to exercise any voting powers or rights attaching to the Specified Investments after becoming entitled (but not obliged) to do so under this Clause, all such powers and rights remain with the Chargor.

12.4 Negative covenant: The Chargor covenants with the Security Agent that it will not, without the prior written consent of the Security Agent consent to its Specified Investments being consolidated, sub-divided or converted or any rights attached to them being varied.

13. OPENING OF NEW ACCOUNTS

13.1 Creation of new account: On receiving notice that the Chargor has granted Security over or otherwise encumbered or disposed of any of its Assets in contravention of any Finance Document, a Beneficiary may rule off all its accounts and open new accounts with the Chargor.

13.2 Credits to new account: If a Beneficiary does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day.

From that day, all payments made by the Chargor to that Beneficiary shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to such Beneficiary at the time when it received such notice.

14. POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS

14.1 Section 103 of the LPA: Section 103 of the Law of Property Act 1925 shall not apply to this Debenture, and the statutory power of sale shall arise on, and be exercisable at any time after, the execution of this Debenture. However, the Security Agent shall not exercise such power of sale until this Debenture has become enforceable.

14.2 Powers of sale extended: The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Agent by virtue of this Debenture are extended so as to authorise the Security Agent (whether in its own name or that of the Chargor) to:

- (a) grant a lease of any Land vested in the Chargor or in which it has an interest on such terms and conditions as the Security Agent shall think fit; and
- (b) sever any fixtures from Land vested in the Chargor and sell them separately.

15. APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR

15.1 Appointment: Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Debenture and the floating charges contained in this Debenture. At any time after:

- (a) the occurrence of a Declared Default;
- (b) in relation to the Chargor, a step or proceeding is taken, or a proposal made, for the appointment of an administrator or for a voluntary arrangement under Part I of the Insolvency Act 1986; or
- (c) a request has been made by the Chargor to the Security Agent for the appointment of a Receiver or an administrator over its Assets or in respect of the Chargor,

then this Debenture shall become enforceable and, notwithstanding the terms of any other agreement between the Chargor and any Beneficiary, the Security Agent may (unless precluded by law) appoint in writing any person or persons to be a receiver or a receiver and manager (or receivers or receivers and managers) of all or any part of the Assets of the Chargor or, an administrator or administrators of the Chargor, as the Security Agent may choose in its entire discretion.

15.2 Power to act separately: Where more than one Receiver or administrator is appointed, the appointees shall have power to act separately unless the Security Agent shall specify to the contrary.

15.3 Receiver's remuneration: The Security Agent may from time to time determine the remuneration of a Receiver.

15.4 Removal of Receiver: The Security Agent may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Assets of which he is the Receiver.

15.5 Further appointments of a Receiver: Such an appointment of a Receiver shall not preclude:

- (a) the Security Agent from making any subsequent appointment of a Receiver over all or any Assets over which a Receiver has not previously been appointed or has ceased to act; or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act.

15.6 **Receiver's agency:** The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Security Agent or any other Beneficiary.

16. **POWERS OF A RECEIVER**

The Receiver may exercise, in relation to the Chargor over whose Assets he is appointed, all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Assets of the Chargor, without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, Investments or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of the Chargor;
- (b) promote the formation of a Subsidiary of the Chargor with a view to such Subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Assets of the Chargor;
- (c) sever any fixtures from Land and/or sell them separately;
- (d) exercise all voting and other rights attaching to Investments owned by the Chargor;
- (e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the Chargor by any Subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, Investments, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such Subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit;
- (f) make any arrangement or compromise with any Beneficiary or others as he shall think fit;
- (g) make and effect all repairs, renewals and improvements to the Assets of the Chargor and effect, renew or increase insurances on such terms and against such risks as he shall think fit;
- (h) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine;

- (i) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (j) pay the proper administrative charges of any Beneficiaries in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor;
- (k) commence and/or complete any building operations upon any Land of the Chargor and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit;
- (l) take all steps necessary to effect all registrations, renewals, applications and notifications as the Receiver may in his discretion think prudent to maintain in force or protect any of the Chargor's Intellectual Property Rights; and
- (m) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Assets.

17. POWER OF ATTORNEY

17.1 **Appointment of attorney:** The Chargor, by way of security and to more fully secure the performance of its obligations under this Debenture, hereby irrevocably appoints the Security Agent and separately any nominee and/or any Receiver to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise (whether or not a Receiver or administrator has been appointed) to:

- (a) do anything which the Chargor is obliged to do (but has not done within 5 Business Days of being notified by the Security Agent of such failure and being requested to comply) in accordance with this Debenture, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document; and
- (b) enable the Security Agent or any such nominee and/or Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Debenture or by statute in relation to this Debenture or the Assets charged, or purported to be charged, by it.

17.2 **Ratification:** The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to his appointment under this clause.

17.3 **Sums recoverable:** All sums expended by the Security Agent, any nominee and/or any Receiver under this Clause 17 shall be recoverable from the Chargor under the terms of Clause 10 (*Taxes, costs and indemnities*) of the Facility Agreement.

18. OTHER POWERS EXERCISABLE BY THE SECURITY AGENT

18.1 **Receiver's powers:** All powers of a Receiver conferred by this Debenture may be exercised by the Security Agent after this Debenture has become enforceable. In that event, paragraph (i) of Clause 16 (*Powers of Receiver*) shall be read and construed as if the words "be charged on the Assets of the Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver".

18.2 **Receipt of debts:** Following the occurrence of a Declared Default, the Security Agent, its nominee or any manager, officer or agent of the Security Agent is hereby irrevocably empowered to:

- (a) receive all trade debts and other debts and claims which may be assigned to the Security Agent pursuant to this Debenture and/or under any other Transaction Security Document;
- (b) on payment give an effectual discharge for them and on non-payment to take and institute (if the Security Agent in its sole discretion so decides) all steps and proceedings either in the name of the Chargor or in the name of the Security Agent for their recovery; and
- (c) agree accounts and make allowances and give time to any surety.

The Chargor ratifies and confirms whatever the Security Agent or any manager or officer of the Security Agent shall do or purport to do under this clause.

18.3 **Security Agent's powers:** The Security Agent shall have no liability or responsibility to the Chargor arising out of the exercise or non-exercise of the powers conferred on it by this Clause 18, except for gross negligence or wilful default.

18.4 **No duty of enquiry:** The Security Agent need not enquire as to the sufficiency of any sums received by it in respect of any debt or claim or make any claim or take any other action to collect in or enforce them.

19. APPLICATION OF MONEY RECEIVED BY THE SECURITY AGENT OR A RECEIVER

19.1 **Order of priority:** Any money received or realised under the powers conferred by this Debenture shall be paid or applied in accordance with the terms of the Facility Agreement.

19.2 **Suspense account:** Until all the Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Security Agent may place and keep to the credit of a suspense account any money received from or realised in respect of the Chargor's liability under this Debenture. The Security Agent shall have no intermediate obligation to apply such money in or towards the discharge of any of the Secured Sums. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Security Agent in good faith to be a fair market rate.

19.3 **Discretion to apply:** Until all Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Security Agent may refrain from applying or enforcing any other moneys, security or rights held by it in respect of the Secured Sums or may apply and enforce such moneys, security or rights in such manner and in such order as it shall decide in its unfettered discretion.

20. PROTECTION OF THIRD PARTIES

20.1 **No duty to enquire:** No purchaser from, or other person dealing with, the Security Agent, its nominee or any Receiver or administrator appointed under this Debenture shall be concerned to enquire whether any of the powers which the Security Agent has exercised or purported to exercise has arisen or become exercisable, or whether this Debenture has become enforceable, or whether any nominee, Receiver or administrator has been validly appointed, or whether any event or cause has happened to authorise the Security Agent, any nominee or a Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a

purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

- 20.2 **Receipt:** The receipt of the Security Agent shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Security Agent.

21. **PROTECTION OF THE SECURITY AGENT, ANY NOMINEE AND RECEIVER**

- 21.1 **Limitation:** Neither the Security Agent nor any nominee nor Receiver shall be liable in respect of any Liability which arises out of the exercise or the purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Debenture, except if and in so far as such Liability results from its own gross negligence or wilful default.

- 21.2 **Entry into possession:** Without prejudice to the generality of Clause 21.1 (*Limitation*), neither the Security Agent, any nominee nor any Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively. If and whenever the Security Agent, or any nominee enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession.

22. **SECURITY AGENT**

- 22.1 **Security Agent as trustee:** The Security Agent declares itself to be a trustee of this Debenture (and any other Security created in its favour pursuant to this Debenture) for the Beneficiaries.

- 22.2 **Trustee Act 2000:** The Parties agree that the Security Agent shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000.

- 22.3 **No partnership:** Nothing in this Debenture shall constitute or be deemed to constitute a partnership between any of the Beneficiaries and the Security Agent.

23. **INTEREST ON OVERDUE AMOUNTS**

Any amount not paid in accordance with this Debenture when due shall carry interest at the rate and in accordance with the terms contained in the relevant Finance Document in relation to overdue sums or at such other rate as may be agreed between the Chargor and the relevant Beneficiary from time to time.

24. **SET-OFF**

After the occurrence of an Event of Default which is continuing, the Security Agent may (but is not obliged to) retain any money it is holding (in any capacity) standing to the credit of the Chargor in any currency upon any account or otherwise (whether or not in the Chargor's name) as cover for any Secured Sums and/or at any time or times without notice to the Chargor set off all or any of such money against all or such part of the Secured Sums due, owing or incurred by the Chargor as the Security Agent may select. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

25. **CURRENCY INDEMNITY**

If, for any reason, any amount payable to a Beneficiary by the Chargor under this Charge is paid or recovered in a currency other than that in which it is required to be paid (the "**contractual currency**"), then, to the extent that the payment to such Beneficiary (when

converted into the contractual currency at its then applicable rate of exchange) falls short of the amount payable in the contractual currency, the Chargor shall, as a separate and independent obligation, fully indemnify such Beneficiary on demand against the amount of the shortfall.

26. **TRANSFER BY A BENEFICIARY**

Any Beneficiary may at any time assign and transfer all or any of its rights in relation to this Debenture to any person or otherwise grant an interest in them to any person to the extent that it is permitted to transfer its rights under the terms of the Facility Agreement.

27. **RELEASE OF SECURITY**

27.1 **Redemption:** Subject to Clause 27.2 (*Avoidance of Payments*), if all Secured Sums have been irrevocably paid in full and none of the Beneficiaries are under any further actual or contingent liability to make advance or provide other financial accommodation to any person under any Finance Document, the Security Agent will (at the request and cost of the Chargor), execute and do all such reasonable acts as may be necessary to release the Assets from the Security constituted by this Debenture.

27.2 **Avoidance of Payments:** If the Security Agent considers in good faith that any amount received in payment or purported payment of the Secured Sums is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of the Chargor under this Debenture and the Security constituted by this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

28. **THIRD PARTY RIGHTS**

28.1 **Directly enforceable rights:** Pursuant to the Contracts (Rights of Third Parties) Act 1999:

- (a) the provisions of Clause 24 (*Set-off*), Clause 25 (*Currency Indemnity*) and Clause 26 (*Transfer by a Beneficiary*) shall be directly enforceable by a Beneficiary;
- (b) the provisions of Clause 15 (*Appointment of a Receiver or an Administrator*) to Clause 21 (*Protection of the Security Agent and Receiver*) inclusive shall be directly enforceable by any nominee or Receiver; and
- (c) the provisions of Clause 20 (*Protection of third parties*) shall be directly enforceable by any purchaser.

28.2 **Exclusion of Contracts (Rights of Third Parties) Act 1999:** Save as otherwise expressly provided in Clause 28.1 (*Directly enforceable rights*), no person other than a Party shall have any right by virtue of either the Contracts (Rights of Third Parties) Act 1999 or any other provision of English law under which rights might accrue to persons other than a Party, to enforce any term (express or implied) of this Debenture.

28.3 **Rights of the Parties to vary:** The Parties (or the Chargor and the Security Agent (on behalf of the Beneficiaries)) may by agreement vary any term of this Debenture (including this Clause 28) without the necessity of obtaining any consent from any other person.

29. **JOINT AND SEPARATE LIABILITY**

All covenants, agreements, representations and warranties on the part of the Chargor contained in this Debenture are given by them jointly and separately and shall be construed accordingly.

30. **FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS**

30.1 **Delay etc:** All rights, powers and privileges under this Debenture shall continue in full force and effect, regardless of any Beneficiary, nominee or Receiver exercising, delaying in exercising or omitting to exercise any of them.

30.2 **Severability:** No provision of this Debenture shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable.

30.3 **Illegality, invalidity, unenforceability:** Any provision of this Debenture which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Debenture.

30.4 **Variations:** No variation of this Debenture shall be valid and constitute part of this Debenture, unless such variation shall have been made in writing and signed by the Security Agent (on behalf of the Beneficiaries) and the Chargor or by all Parties.

30.5 **Consents:** Save as otherwise expressly specified in this Debenture, any consent of the Security Agent may be given absolutely or on any terms and subject to any conditions as the Security Agent may determine in its entire discretion.

31. **COUNTERPARTS**

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

32. **NOTICES**

Any communications to be made under or in connection with this Debenture shall be made in accordance with the notice provisions of the Facility Agreement.

33. **SECURITY AGENT**

The provisions of Clause 19 (*Security Agent*) and Schedule 1 (*The Security Agent*) of the Facility Agreement shall apply to the Security Agent's rights, obligations and duties under this Debenture as if set out in this Debenture in full.

34. **GOVERNING LAW**

This Debenture and all non-contractual obligations arising in any way whatsoever out of or in connection with this Debenture shall be governed by, construed and take effect in accordance with English law.

35. **ENFORCEMENT**

(a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or any claim for set-off) or the legal

relationships established by this Debenture (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by the Chargor.

- (b) Where a Dispute is the subject of proceedings commenced by one or more Beneficiaries, the Beneficiaries are entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England). If the Chargor raises a counter-claim in the context of proceedings commenced by one or more of the Beneficiaries, the Chargor shall bring such counter-claim before the court seized of the Beneficiary's claim and no other court.
- (c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude any Beneficiary from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not.
- (d) To the extent allowed by law, the Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum.

THIS DEBENTURE has been executed by the Chargor as a deed and signed by the Security Agent and it has been delivered and shall take effect on the date stated at the beginning of this document.

SCHEDULE 1

Registered Land to be mortgaged

None at the date of this Debenture

Unregistered land subject to first registration upon the execution of this Debenture

None at the date of this Debenture

The address for service of the Security Agent in the case of registered land is 6th Floor, 55 Bishopsgate, London EC2N 3AS, attention [***].

SCHEDULE 2

Specified Intellectual Property

None at the date of this Debenture

SCHEDULE 3

Forms of Notice of Assignment/Charge

Part 1

FORM OF NOTICE OF ASSIGNMENT OF ASSIGNED AGREEMENTS

Served by Recorded Delivery

To: *[insert name and address of Customer]*

*[*date*]*

Dear Sirs,

Notice of Assignment

We refer to the loan dated [***] made between you and George Banco.Com Limited (the "**Loan Agreement**").

We refer to a Debenture (the "**Debenture**") dated [***] made between, inter alia, [***] (the "**Security Agent**") and ourselves. We hereby give you notice that all our right, title and interest in the Loan Agreement has been assigned to the Security Agent by Clause 3.1 (*Security Assignments*) of the Debenture.

We further notify you that:

1. we may not amend or terminate the Loan Agreement without the prior written consent of the Security Agent;
2. you may continue to deal with us in relation to the Loan Agreement until you receive written notice to the contrary from the Security Agent. Thereafter, we will cease to have any right to deal with you in relation to the Loan Agreement and therefore from that time you should deal only with the Security Agent;
3. you are authorised to disclose information in relation to the Loan Agreement to the Security Agent on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which we are entitled under the Loan Agreement direct to the Security Agent (and not to us) unless the Security Agent otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of the Security Agent.

This notice and all non-contractual obligations arising in any way whatsoever out of or in connection with this notice shall be governed by, construed and take effect in accordance with English law.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to us) by way of confirmation that:

- a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- b) you have not received notice that George Banco.Com Limited has assigned or charge its rights under the Loan Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Loan Agreement in favour of a third party; and
- c) you have not claimed or exercise, nor do you have any outstanding right to claim or exercise against George Banco.Com Limited any right of set-off, counter-claim or other right relating to the Loan Agreement.

Signed

for and on behalf of

George Banco.Com Limited

[on copy]

ACKNOWLEDGEMENT

To: Security Trustee Services Limited, 6th Floor, 55 Bishopsgate, London EC2N 3AS

Copy: George Banco.Com Limited, The Blue Building Dairy House Farm, Stubbs Lane, Beckington, Frome, BA11 6TE

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above.

For and on behalf of

[insert name of Customer]

Dated:

SCHEDULE 3

Part 2

FORM OF NOTICE OF ASSIGNMENT - INSURANCES

Served by Recorded Delivery

To: *[insert name and address of Insurer]*

[Date]

Dear Sirs

Re: *[describe relevant policies]* dated *[date]* between (1) you and (2) George Banco.Com Limited

1. We give notice that, by a debenture (the "**Debenture**") dated [***] made between Security Trustee Services Limited (the "**Security Agent**") and ourselves, we have assigned by way of security to the Security Agent all our rights, title and interest from time to time in respect of any sums payable to us pursuant to the Policies (together with any other agreement supplementing or amending the same, the "**Policies**").
2. We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure) such information relating to the Policies as the Security Agent may from time to time request;
 - (b) to hold all sums from time to time due and payable by you to us under the Policies to the order of the Security Agent and to pay or release all or any part of those sums only in accordance with the written instructions given to you by the Security Agent from time to time;
 - (c) to comply with any written notice or instructions relating to the Debenture, the sums payable by you to us from time to time under the Policies (or the debts represented by them) which you may receive from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
 - (d) to send copies of all notices and other information given or received under the Policies to the Security Agent.
3. We irrevocably instruct you to note on the relevant Policies the Security Agent's interest as first priority assignee of the proceeds under the Policies and the rights, remedies, proceeds and claims referred to above.

4. This notice may only be revoked or amended with the prior written consent of the Security Agent.
5. Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to us) that you:
 - (a) accept the instructions and authorisations contained in this notice and undertake to comply with this notice; and
 - (b) have not received notice of the grant of any security or the existence of any other interest of any third party in or to the Policies or any proceeds of them.
6. This notice is governed by English law.

Yours faithfully

for and on behalf of

George Banco.Com Limited

[on copy]

To: Security Trustee Services Limited
as Security Agent
6th Floor, 55 Bishopsgate, London EC2N 3AS

Copy to: George Banco.Com Limited

Dear Sirs

We acknowledge receipt of the above notice and consent and agree to its terms.

for and on behalf of

[Name of Insurer]

Dated:

SCHEDULE 3

Part 3

FORM OF NOTICE TO ACCOUNT BANK

[***Account Bank***]

[***Address***]

For the attention of [***]

[***date***]

Dear Sirs

NOTICE OF CHARGE: DEBENTURE DATED [*] (THE "DEBENTURE") BETWEEN (1) GEORGE BANCO.COM LIMITED (THE "CHARGOR") AND (2) SECURITY TRUSTEE SERVICES LIMITED (THE "SECURITY AGENT") AS TRUSTEE FOR THE BENEFICIARIES (AS DEFINED IN THE DEBENTURE)**

1. We refer to the following accounts held by George Banco.Com Limited with you:
 - (a) [insert details of Provisioning Account] (the "**Provisioning Account**"); and
 - (b) [insert details of Collection Account] (the "**Collection Account**")(the Provisioning Account and the Collection Account together the "**Accounts**").
2. This letter constitutes notice to you that, under the Debenture, we have:
 - (a) charged our Receivables to the Security Agent;
 - (b) undertaken to the Security Agent to pay into the Collection Account all money which we receive in respect of our Receivables and, pending such payment, to hold all money so received on trust for the Security Agent; and
 - (c) charged all our interests and rights (if any) in or to any money at any time standing to the credit of the Accounts to the Security Agent.
3. We hereby irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions which we may have given you to the contrary):
 - (a) to disclose to the Security Agent, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to each Account and the amount from time to time standing to its credit as the Security Agent may, at any time and from time to time, request you to disclose to it.
 - (b) at any time after the Security Agent has notified you that the Debenture has become enforceable:
 - (i) at any time and from time to time upon receipt by you of instructions in writing from the Security Agent, to pay or release to the Security Agent all or any of the money standing to the credit of the Accounts (after your exercise of any rights of set-off then available to you in accordance with the Finance Documents) and generally to act in accordance with such

instructions in relation to the Accounts, without any reference to or further authority from us and without any enquiry by you as to the justification for such instructions or their validity;

- (ii) to comply with the terms of any written instructions in any way relating or purporting to relate to our Accounts which you may receive at any time and from time to time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for such notice, statement or instructions or its or their validity;
 - (iii) not to act upon our instructions with regard to the Accounts unless and until the Security Agent confirms those instructions to you in writing and, in particular but without limitation, in these circumstances we shall not be permitted to withdraw any amount from any Account without the prior written consent of the Security Agent; and
 - (iv) after your exercise of any rights of set-off then available to you in accordance with the Finance Documents, to hold all sums from time to time standing to the credit of our Accounts to the order of the Security Agent.
4. The instructions and authorisations which are contained in this letter shall remain in full force and effect until we and the Security Agent together give you notice in writing revoking them.
5. This letter and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter shall be governed by and construed in accordance with English law.
6. Please will you acknowledge receipt of this letter and confirm your acceptance of the instructions and authorisations contained in it by signing and returning to the Security Agent the attached copy of this letter.

Yours faithfully

For and on behalf of

George Banco.Com Limited

[On copy:

For the benefit of the Security Agent (for itself and on behalf of the Beneficiaries) we:

- 1. hereby acknowledge receipt of this letter; and
- 2. accept the instructions contained in the letter and agree to act in accordance them.

We also confirm that we have not received notice of any interest of any third party in any of the Accounts.

For and on behalf of [*** the Account Bank ***]

EXECUTION PAGE

THE CHARGOR

Executed as a
Deed by **George Banco.Com Limited**
(pursuant to a resolution of its Board
of Directors) acting by:

) Director

in the presence of:

Signature of witness:

Name of witness:

Address of witness:

J. M. WALTON

THE SECURITY AGENT

Signed by
for and on behalf of **Security Trustee**
Services Limited:

)
)
) Authorised Signatory

EXECUTION PAGE

THE CHARGOR

Executed as a)
Deed by **George Banco.Com Limited**)
(pursuant to a resolution of its Board)
of Directors) acting by:) **Director**

in the presence of:

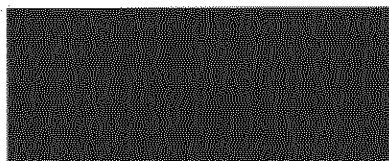
Signature of witness:

Name of witness:

Address of witness:

THE SECURITY AGENT

Signed by)
for and on behalf of **Security Trustee**)
Services Limited:)



Authorised Signatory