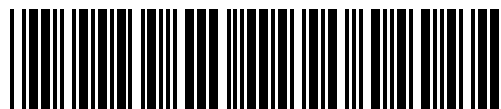




Registration of a Charge

Company Name: **SHEPHERD NEAME LIMITED**

Company Number: **00138256**



XBGUOEVV

Received for filing in Electronic Format on the: **15/11/2022**

Details of Charge

Date of creation: **09/11/2022**

Charge code: **0013 8256 0012**

Persons entitled: **LLOYDS BANK PLC (AS SECURITY TRUSTEE FOR THE SECURED PARTIES (AS DEFINED IN THE INSTRUMENT))**

Brief description: **N/A**

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 S859G OF THE COMPANIES ACT 2006, THIS IS A TRUE, COMPLETE AND CORRECT COPY OF THE ELECTRONICALLY EXECUTED ORIGINAL INSTRUMENT**

Certified by: **RADINA DENKOVA, SOLICITOR, DLA PIPER UK LLP, LONDON**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 138256

Charge code: 0013 8256 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th November 2022 and created by SHEPHERD NEAME LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th November 2022 .

Given at Companies House, Cardiff on 16th November 2022

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**



LONDON, 14 November 2022
I certify that, save for the material redacted
pursuant to s.859B of the Companies Act 2006,
this is a true, complete and correct copy
of the electronically executed original document.
DLP, DLA PIPER UK LLP

DATED 9 NOVEMBER 2022

**(1) SHEPHERD NEAME LIMITED
as Chargor**

-and-

**(2) LLOYDS BANK PLC
as Security Agent**

SECURITY AGREEMENT

This Deed is subject to and has the benefit of an Intercreditor Agreement originally dated 31 October 2018 as amended and restated from time to time and made between, among others, (1) the Chargor, (2) the Security Agent and (3) the Secured Parties (as each such term is defined in this Deed).

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THIS SECURITY AGREEMENT (the "**Deed**") is made on

9 November 2022

BETWEEN:

- (1) **SHEPHERD NEAME LIMITED**, a company incorporated in England and Wales with registered number 00138256 and whose registered office is at 17 Court Street, Faversham, Kent ME13 7AX (the "**Chargor**"); and
- (2) **LLOYDS BANK PLC** (as security trustee for the Secured Parties (as defined below)) (in such capacity, the "**Security Agent**").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Intercreditor Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and
- (b) at all times the following terms shall have the following meanings:

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

"**Charge Security**" means the security created or evidenced by or pursuant to this Deed;

"**Default Rate**" means the rate of interest determined in accordance with clause 11.3 (*Default interest*) of the Initial Credit Facilities Agreement or any Refinancing Equivalent;

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

"**Existing Security Agreements**" means each of the First Existing Security Agreement and the Second Existing Security Agreement;

"**Finance Documents**" means the Intercreditor Agreement, the Hedging Agreements, the Credit Facility Documents, the Note Documents and the Security Documents;

"**First Existing Security Agreement**" means the security agreement dated 31 October 2018 and made between the Chargor and the Security Agent;

"**Intercreditor Agreement**" means the intercreditor agreement originally dated 31 October 2018 and made between, among others, the Chargor as the Company, the Security Agent, Lloyds Bank plc as Credit Facility Agent, the Credit Facility Lenders, the Noteholders and the Intra-Group Lenders (each as defined therein) as amended, restated, supplemented and/or novated from time to time including pursuant to an amendment and restatement deed dated on or about the date of this Deed;

"**Party**" means a party to this Deed;

"Perfection Requirements" has the meaning given to such term in the Initial Credit Facilities Agreement (or any Refinancing Equivalent) any Note Subscription Agreement;

"Permitted Security" means any Security permitted under the Credit Facility Documents and the Note Documents;

"Quasi-Security" has the meaning given to such term in the Initial Credit Facilities Agreement (or any Refinancing Equivalent) and any Note Subscription Agreement;

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

"Second Existing Security Agreement" means the security agreement dated 1 July 2020 and made between the Chargor and the Security Agent;

"Security Assets" means all of the assets and undertaking of the Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Deed; and

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

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents.

1.2 Interpretation

- (a) Unless a contrary indication appears in this Deed, the provisions of clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed, except that references to "*this Deed*" will be construed as references to this Deed.
- (b) Unless a contrary indication appears, any reference in this Deed to:
 - (i) the "**Chargor**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (ii) "**this Deed**", the "**Intercreditor Agreement**", any other "**Finance Document**" or any other agreement or instrument is a reference to this Deed, the Intercreditor Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of the Chargor or provides for further advances); and
 - (iii) "**Secured Obligations**" includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Chargor.

- (c) Each undertaking of the Chargor under this Deed (other than a payment obligation) contained in this Deed: (i) must be complied with at all times during the Security Period; and (ii) is given by the Chargor for the benefit of the Security Agent and each other Secured Party.
- (d) The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Agent reasonably considers that an amount paid by the Chargor to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

1.3 Inconsistency between this Deed and the Intercreditor Agreement

If there is any conflict or inconsistency between any provision of this Deed and any provision of the Intercreditor Agreement, the provision of the Intercreditor Agreement shall prevail.

1.4 Trust

All Security and dispositions made or created, and all obligations and undertakings contained in this Deed, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent for itself and as trustee for the Secured Parties from time to time on the terms of this Deed and the Intercreditor Agreement.

1.5 Third party rights

Save as expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

1.6 Existing Security Agreements

- (a) On or around the date of this Deed:
 - (i) the Initial Credit Facilities Agreement will be amended and restated pursuant to the terms of an amendment and restatement agreement; and
 - (ii) the Initial Note Subscription Agreement will be amended and restated pursuant to the terms of an amendment and restatement deed.
- (b) It is a condition precedent to the amendment and restatement agreement referred to in paragraph (a)(i) and the amendment and restatement deed referred to in paragraph (a)(ii) above that the Chargor enters into this Deed.

- (c) Notwithstanding any other provision of this Deed, the parties acknowledge and agree that the Chargor enters into this Deed in addition to, and without prejudice to, the Existing Security Agreements and that any references in this Deed to the Security created hereunder being first ranking are subject to any prior ranking Security created under the Existing Security Agreements.

2. COVENANT TO PAY

2.1 Covenant to pay

The Chargor covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.

2.2 Default interest

Any amount which is not paid under this Deed when due shall bear interest on a daily basis (both before and after judgment and payable on demand) at the Default Rate from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full.

3. GRANT OF SECURITY

3.1 Nature of security

All Security created or made by or pursuant to this Deed is created or made:

- (a) in favour of the Security Agent;
- (b) over present and future assets of the Chargor;
- (c) with, subject to the Existing Security Agreements, full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 provided that:
 - (i) the covenant implied under section 4(1)(b) of that act shall not be given hereunder;
 - (ii) the covenant implied under section 3(1)(a) of that act shall not be breached to the extent to which any property is subject to any Security Interest permitted by the Finance Documents; and
 - (iii) the covenant implied under section 3(1)(b) of that act shall not be breached to the extent to which such rights exercisable by third parties would not be reasonably likely to have a material adverse effect on the business, property or financial condition of the Chargor; and
- (d) as continuing security for the payment of the Secured Obligations.

3.2 Qualifying floating charge

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

4. FLOATING CHARGE

As a continuing security for the payment and discharge of the Secured Obligations, the Chargor charges and agrees to charge by way of a first floating charge all of its present and future assets and undertaking (wherever located) and all heritable property and all other property and assets in Scotland.

5. CONVERSION OF FLOATING CHARGE

5.1 Conversion by notice

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

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

5.2 Small companies

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

5.3 Assets acquired after any floating charge has been converted

Any asset acquired by the Chargor after any conversion of the floating charge created under this Deed that, but for the conversion, would be subject to a floating charge under this Deed, shall (unless the Security Agent confirms otherwise to the Chargor in writing) be charged to the Security Agent by way of first fixed charge.

5.4 Automatic conversion

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

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

5.5 Scottish property

Clause 5.4 (*Automatic conversion*) above will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

5.6 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 5.1 (*Conversion by notice*) in relation to any asset or class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other asset or class of assets or of any other right of the Security Agent and/or the other Secured Parties.

6. CONTINUING SECURITY

6.1 Continuing security

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

6.2 Additional and separate security

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

6.3 Right to enforce

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

7. LIABILITY OF THE CHARGOR RELATING TO SECURITY ASSETS

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

8. REPRESENTATIONS AND WARRANTIES

8.1 General

The Chargor makes the representations and warranties set out in this clause 8 to the Security Agent and each other Secured Party.

8.2 General representations

- (a) It is a limited liability corporation, duly incorporated and validly existing under the law of England and Wales.

- (b) Subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations.
- (c) Subject to the Legal Reservations and the Perfection Requirements, this Deed is and will continue to be effective security over all and every part of the Security Assets in accordance with its terms.
- (d) The entry into and performance by it of, and the transactions contemplated by, this Deed do not conflict with any law or regulation applicable to it and do not and will not conflict with its constitutional documents.
- (e) Subject to the Legal Reservations and the Perfection Requirements, it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- (f) No limit on its powers will be exceeded as a result of the granting of security contemplated by this Deed.

8.3 Security Assets

- (a) It is the sole legal and beneficial owner of the Security Assets.
- (b) The Security Assets are free from any Security other than the Security created by this Deed, the Existing Security Agreements and any Permitted Security.
- (c) There is no breach of any law or regulation which materially and adversely affects the Security Assets.

8.4 Nature of security

The Chargor represents to each Primary Creditor that this Deed creates the Security it purports to create and that such Security is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise.

8.5 Times for making representations

The representations set out in this Deed (including in this clause) are made on the date of this Deed and on each date on which the Repeating Representations (under and as defined in the Initial Credit Facilities Agreement or any Refinancing Equivalent) are deemed to be repeated, in each case by reference to the facts and circumstances then existing.

9. COVENANTS

9.1 Negative pledge and disposal restrictions

The Chargor may not:

- (a) create, purport to create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed, the Existing Security Agreements or a Permitted Security; or

- (b) sell, assign, transfer, licence, lease or otherwise dispose of any Security Asset, except as expressly permitted under each of the Initial Credit Facilities Agreement (or any Refinancing Equivalent) and the Note Subscription Agreement.

9.2 Notice of misrepresentations and breaches

The Chargor shall, promptly on becoming aware of any of the same, notify the Security Agent in writing of:

- (a) any representation or warranty set out in clause 8 (*Representations and warranties*) which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Deed.

9.3 Information

The Chargor shall:

- (a) subject to any obligations of confidentiality to which the Chargor is subject, give the Security Agent such information concerning the location, condition, use and operation of the Security Assets as the Security Agent may reasonably request; and
- (b) if an Event of Default is continuing, permit any persons designated by the Security Agent and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice.

10. WHEN SECURITY BECOMES ENFORCEABLE

10.1 When enforceable

This Charge Security shall become immediately enforceable upon the occurrence of an Acceleration Event.

10.2 Statutory powers

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

10.3 Enforcement

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

11. ENFORCEMENT OF SECURITY

11.1 General

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

11.2 Powers of leasing

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

11.3 Powers of Security Agent

- (a) At any time after the Charge Security becomes enforceable (or if so requested by the Chargor by written notice at any time), the Security Agent may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor; and/or
 - (iii) exercise (in the name of the Chargor and without any further consent or authority of such Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Security Asset is registered or who is the holder of any of them.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of the Chargor solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

11.4 Redemption of prior mortgages

- (a) At any time after the Charge Security has become enforceable, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset, and/or
 - (ii) procure the transfer of that Security to itself, and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer, any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Agent within 3 Business Days of demand.

11.5 Privileges

- (a) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargor under this Deed constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Security Agent shall have the right after this Charge Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 11.5(b) above, the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

11.6 No liability

- (a) Neither the Security Agent, any other Secured Party nor any Receiver or Delegate shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 11.6(a) above, neither the Security Agent, any other Secured Party nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

11.7 Protection of third parties

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

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

12. RECEIVER

12.1 Removal and replacement

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

12.2 Multiple Receivers

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

12.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent). The maximum rate specified in section 109(6) of the Act will not apply.

12.4 Payment by Receiver

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

12.5 Agent of the Chargor

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

12.6 Relationship with Security Agent

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

13. POWERS OF RECEIVER

13.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 11.3 (*Powers of Security Agent*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

13.2 Additional powers

In addition to the powers referred to in clause 13.1 (*General powers*), a Receiver shall have the following powers:

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

- (l) to form one or more Subsidiaries of the Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- (m) to operate any rent review clause in respect of any real property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease;
- (n) to:
 - (i) give valid receipts for all monies and do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and/or
 - (iii) use the name of the Chargor for any of the above purposes;
- (o) to delegate his powers in accordance with this Deed;
- (p) to lend money or advance credit to any customer of the Chargor;
- (q) to:
 - (i) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
 - (ii) commence and/or complete any building operation, and/or
 - (iii) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit; and/or
- (r) to do all such other acts and things as he may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets.

14. APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT

14.1 Application

All monies received by the Security Agent or any Receiver after this Charge Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to this Charge Security) be applied in accordance with and subject to the terms of the Intercreditor Agreement. This clause does not prejudice the right of any Secured Party to recover any shortfall from the Chargor.

14.2 Contingencies

If the Charge Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may or will become so due), the Security Agent (or

the Receiver or Delegate) may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Security Agent usually grants for accounts of that size and nature.

14.3 Appropriation, Intercreditor Agreement and suspense account

- (a) Subject to the Intercreditor Agreement and clause 14.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by the Chargor.
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent usually grants for accounts of that size and nature) without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations.

15. SET-OFF

15.1 Set-off rights

- (a) Following the occurrence of an Event of Default which is continuing, the Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by the Chargor and unpaid (whether under the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by the Chargor) against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) At any time after the Charge Security has become enforceable (and in addition to its rights under clause 15.1(a)), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Chargor under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

15.2 Time deposits

Without prejudice to clause 15 (*Set-off*) and any right of set-off any Primary Creditor may have under any other Finance Document or otherwise, if any time deposit matures on any account the Chargor has with any Primary Creditor within the Security Period when:

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

that time deposit will automatically be renewed for any further maturity which that Primary Creditor considers appropriate.

16. EXPENSES AND INDEMNITY

The Chargor must:

- (a) after an Event of Default has occurred, within 3 Business Days of demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Secured Party, Receiver, attorney, manager, agent or other person appointed by the Security Agent under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

17. DELEGATION

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

18. FURTHER ASSURANCES

- (a) Subject to the Agreed Security Principles, the Chargor shall at its own expense, promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or a Receiver may reasonably require) in favour of the Security Agent, a Receiver or its nominees in order to:
 - (i) perfect the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to this Deed or by law; and/or
 - (ii) confer on the Security Agent, any Receiver or the Secured Parties Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
 - (iii) facilitate the realisation of the assets which are, or are intended to be, the subject of the Charge Security.

- (b) 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 or the Secured Parties by or pursuant to this Deed.
- (c) Without prejudice to the generality of clause 18(a), the Chargor will as soon as reasonably practicable following request by the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 5 (*Conversion of floating charge*)).

19. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action while an Event of Default is continuing or the Charge Security has become enforceable which the Chargor is obliged to take under this Deed, including under clause 18 (*Further Assurances*). The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

20. CURRENCY CONVERSION

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

21. CHANGES TO THE PARTIES

21.1 Chargor

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

21.2 Security Agent

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

22. MISCELLANEOUS

22.1 New accounts

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for the Chargor. If it does not open a

new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.

- (b) As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

22.2 Tacking

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

23. NOTICES

- (a) Clause 23 (*Notices*) of the Intercreditor Agreement is incorporated into this Deed as if fully set out in this Deed.
- (b) The address, email address and fax numbers (as applicable) of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Intercreditor Agreement or this Deed.

24. CALCULATIONS AND CERTIFICATES

Any certificate of or determination by a Secured Party, the Security Agent or the Agent specifying the amount of any Secured Obligation due from the Chargor (including details of any relevant calculation thereof) is, in the absence of manifest error, conclusive evidence against the Chargor of the matters to which it relates.

25. PARTIAL INVALIDITY

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

26. REMEDIES AND WAIVERS

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

27. AMENDMENTS AND WAIVERS

Subject to the terms of the Intercreditor Agreement:

- (a) any provision of this Deed may be amended in writing by the Security Agent and the Chargor;

- (b) any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing; and
- (c) a waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

28. COUNTERPARTS

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

29. RELEASE

29.1 Release

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

29.2 Reinstatement

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

30. GOVERNING LAW

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

31. ENFORCEMENT AND JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 31 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

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

THE SECURITY AGENT

Signed by John Togher for)
and on behalf of **LLOYDS BANK PLC:**)
)

DocuSigned by:
Signature _____

Address: 150 Fountainbridge, Edinburgh, EH3 9PE

Email: [REDACTED]

Attention: John Togher