



Registration of a Charge

Company name: **CPL DISTRIBUTION LIMITED**

Company number: **00544782**



X77L4NYI

Received for Electronic Filing: **07/06/2018**

Details of Charge

Date of creation: **31/05/2018**

Charge code: **0054 4782 0038**

Persons entitled: **LLOYDS BANK PLC AS SECURITY TRUSTEE**

Brief description: **FIXED CHARGES OVER ALL LAND AND INTELLECTUAL PROPERTY OWNED BY THE COMPANY AT ANY TIME.**

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 COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

DAVID PARRY



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 544782

Charge code: 0054 4782 0038

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st May 2018 and created by CPL DISTRIBUTION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th June 2018 .

Given at Companies House, Cardiff on 8th June 2018

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

31 May

2018

- (1) CPL INDUSTRIES GROUP LIMITED, and others
- (2) LLOYDS BANK PLC, as security trustee

Debenture

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We certify this document as a true copy of the original. Save for
material redacted pursuant to S. 8596
Companies Act 2006
Eversheds Sutherland (International) LLP
Date: 31/6/18
EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP

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THIS DEED is dated

31 May

2018 and made between:

- (1) **CPL INDUSTRIES GROUP LIMITED** (company number 07717350), (the "First Chargor");
- (2) **THE COMPANIES** listed in Schedule 1 to this agreement as Chargors (together with the First Chargor, the "Original Chargors"); and
- (3) **LLOYDS BANK PLC** as security trustee for the Secured Parties (the "Security Trustee")

1. INTERPRETATION

1.1 Expressly defined terms

In this Deed, the following words and phrases have the specified meanings.

"Applicable Representations" means those representations and warranties set out in clause 22 (*Representations*) of the Facility Agreement other than those at clause 22.12 (*No misleading information*), 22.26 (*Group Structure Chart*) and 22.33 (*Dormant Companies*).

"Applicable Undertakings" means those undertakings set out in clauses 18.4 (*Indemnity to the Security Trustee*), 20.4 (*Enforcement and preservation costs*), 25.1 (*Authorisations*) to 25.8 (*Change of business*) inclusive, 25.12 (*Preservation of assets*), 25.16 (*Disposals*), 25.24 (*Insurance*) and 25.26 (*Access*) to 25.31 (*Group bank accounts*) inclusive, of the Facility Agreement in each case so far as applicable to each Chargor.

"Associated Rights" means, in relation to any asset, all proceeds of sale of such asset, all rights, powers, benefits, covenants, warranties, guarantees or Security given or implied in respect of such asset, all rights under any agreement for sale, agreement for lease or licence of or in respect of such asset, and any monies and proceeds paid or payable in respect of such asset.

"Bank Balances" means all monies (including interest) from time to time standing to the credit of any and all present or future accounts which a Chargor has, or has an interest in, with any bank, financial institution, or other person (including the Specified Bank Balances and any other cash cover or suspense account established pursuant to any of the Finance Documents) and all indebtedness represented by any such accounts.

"Charged Contracts" means, in relation to any Chargor, those contracts (if any) brief particulars of which are set out in Schedule 3 (*Charged Contracts*) in respect of such Chargor.

"Charged Debts" means all book and other debts and all other rights and claims charged to the Security Trustee pursuant to Clause 3.1.8.

"Chargor" means each of the Original Chargors and any company which becomes a Party by executing and delivering a Deed of Accession (together the "Chargors").

"Collection Account" means, in relation to any Chargor, such specially designated account with the Security Trustee or such other account with such other bank as the Security Trustee may from time to time direct for the purposes of Clause 7.9 (*Collection of Book Debts*).

"COMI" means centre of main interests (as that term is used in Article 3(1) of the EC Regulation).

"Companies Act" means the Companies Act 2006.

"Deed of Accession" means a deed substantially in the form set out in Schedule 9 (*Form of Deed of Accession*) subject to such variations as the Security Trustee shall agree.

"Delegate" means any delegate, agent, attorney or trustee appointed by the Security Trustee.

"Derivative Payment" means, in relation to an asset, any damages, compensation, remuneration, profit, bonus, royalties, fee, rent, income or other benefit which the relevant Chargor may derive from or be awarded or entitled to in respect of such asset.

"Designated Chattels" means the plant, machinery, equipment, vehicles, and other chattels (if any) listed in respect of any Chargor in Schedule 6 (*Designated Chattels*) and shall include any additions, modifications and/or equipment ancillary to any such plant, machinery, equipment, vehicles or other chattels.

"Discharge Date" means the date with effect from which the Security Trustee confirms to the First Chargor that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Secured Parties cancelled.

"Distribution Rights" means all Dividends, all shares or other property derived from any relevant Investment (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise) and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to any relevant Investment.

"Dividends" means all dividends, distributions, interest and other income paid or payable on or derived from any relevant Investment.

"EC Regulation" means The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings.

"Enforcement Party" means any of the Security Trustee, a Receiver or a Delegate.

"Establishment" means, in relation to any Chargor, an establishment as that term is defined in relation to a debtor in Article 2 (h) of the EC Regulation.

"Facility Agreement" means the facility agreement 20 March 2013 between, amongst others, the First Chargor, and Lloyds Bank plc (in various capacities) as amended and/or restated from time to time.

"Fixtures" means any fixtures (but excluding landlord's fixtures), fittings, fixed plant or machinery from time to time situated on or forming part of any Property.

"Floating Charge Assets" means, at any time, all of the Secured Assets which are at that time the subject of any floating charge created by this Deed.

"Insolvency Act" means the Insolvency Act 1986.

"Insurance Proceeds" means the proceeds of any insurance claim received by any Chargor (after deduction of (a) any reasonable expenses incurred in relation to the relevant claim and payable by such Chargor to any person which is not a member of the Group and (b) amounts paid to meet third party claims), together with the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of any Chargor's ownership of any Insurances and all such Chargor's interest in any of the foregoing.

"Insurances" means all contracts or policies of insurance of whatever nature which, from time to time, are taken out or maintained by or on behalf of any Chargor or (to the extent of its relevant interest) in which any Chargor has an interest.

"Investment" means, in respect of any Chargor, any negotiable instrument, certificate of deposit, debenture, share (including, save where the context otherwise requires, any of the Shares) or other investment (as specified for the purposes of section 22 of the Financial Services and Markets Act 2000 as at the date of this Deed) now or in the future.

owned by such Chargor, in each case whether held directly by, or to the order of, such Chargor or by any trustee, nominee, fiduciary or clearance system on behalf of such Chargor, and also including any rights in respect of such Investment against any such trustee, nominee, fiduciary or clearing system.

"LPA" means the Law of Property Act 1925.

"Party" means an original party to this Deed or any person which becomes a party by the execution and delivery of a Deed of Accession.

"Property" means the Real Property from time to time owned by each Chargor or in which any Chargor has any right, title or interest. Any reference to **"Property"** also includes a reference to each separate part or parts of such Real Property.

"Real Property" means (a) any freehold, leasehold or immovable property, wherever situated, and (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property.

"Receiver" means any one or more receivers and managers or (if the Security Trustee so specifies in the relevant appointment) receivers appointed by the Security Trustee pursuant to this Deed in respect of any Chargor or in respect of the Secured Assets of any Chargor.

"Secured Assets" means the assets the subject of any Security created by this Deed.

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor and each grantor of Security to the Secured Parties (or any of them) under each or any of the Finance Documents together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities PROVIDED THAT **"Secured Obligations"** shall not include any obligation or liability to the extent that if it were so included this Deed (or any part of it) would give rise to financial assistance within the meaning of section 677(1) of the Companies Act unless such financial assistance is not prohibited by virtue of the provisions of sections 678, 679, 681 and 682 of the Companies Act.

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

"Security Trustee" means Lloyds Bank plc acting in its capacity as trustee for the Secured Parties (including itself) in relation to the Transaction Security Documents for the purpose of and in accordance with the terms of the Finance Documents, or such other or additional trustee or trustees as may from time to time be appointed in that capacity pursuant to the Security Trust Agreement.

"Shares" means (in relation to each Chargor) the relevant Specified Shares and also all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by such Chargor from time to time, or any in which it has an interest.

"Specified Bank Balances" means all monies (including interest) from time to time standing to the credit of the accounts specified in Schedule 2 (*Bank accounts*) (if any) or standing to the credit of the Collection Account, the Holding Account or the Mandatory Prepayment Account, as each such account may be re-designated and/or re-numbered from time to time, and all indebtedness represented by any such account.

"Specified Shares" means in relation to a Chargor the Shares specified in Schedule 5 (*Shares*) opposite its name.

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

1.2 Definitions contained in Facility Agreement

Unless a contrary indication appears each term used in this Deed which is defined in the Facility Agreement shall have the same meaning as in the Facility Agreement.

1.3 Construction

In this Deed:

1.3.1 unless a contrary indication appears, a reference to:

1.3.1.1 **"assets"** includes present and future properties, revenues, rights and interests of every kind and reference to an **"asset"** includes any part or parts of such asset;

1.3.1.2 **"guarantee"** includes any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to pay any deposit on behalf of, or make an investment in, or loan to, any person or to purchase assets of any person, where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

1.3.1.3 **"indebtedness"** includes any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;

1.3.1.4 **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

1.3.1.5 **"regulation"** includes any regulation, rule, official directive, request or guideline (in each case, whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

1.3.1.6 **"set-off"** includes analogous rights and obligations in jurisdictions other than England and Wales; and

1.3.1.7 the **"First Chargor"**, the **"Security Trustee"** or any **"Chargor"**, **"Party"** or **"Obligor"**, or any of the **"Secured Parties"**, shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

1.3.2 where something (or a list of things) is introduced by the word **"including"**, or by the phrase **"in particular"**, or is followed by the phrase **"or otherwise"**, the intention is to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);

1.3.3 unless this Deed expressly states otherwise or the context requires otherwise, (a) each reference in this Deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this Deed) and (b) each reference in this Deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this Deed and whether amended or re-enacted since the date of this Deed);

- 1.3.4 each reference to this Deed (or to any other agreement, instrument or deed) means, at any time, this Deed (or as applicable such other agreement, instrument or deed) as amended, novated, supplemented, extended, or restated, at that time, provided that the relevant amendment, novation, supplement, extension, substitution or restatement does not breach any term of this Deed or of any of the Finance Documents;
- 1.3.5 the Index and Clause and Schedule headings are for ease of reference only;
- 1.3.6 a Default or an Event of Default is "**continuing**" if it has not been remedied or waived;
- 1.3.7 In relation to any Chargor which becomes a Party upon the execution and delivery of a Deed of Accession, (a) where any assets are identified by reference to a Schedule this includes assets identified in any corresponding or analogous schedule to such Deed of Accession and (b) provisions which apply by reference to the date of execution of this Deed shall apply by reference to the date of execution of such Deed of Accession; and
- 1.3.8 references to any Security "**created by this Deed**" are to be deemed to include such Security created, constituted, given, made or extended by, under or pursuant to this Deed, or by, under or pursuant to any Deed of Accession.

1.4 Third Party Rights

No person has any right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed, other than an Enforcement Party, which may do so, or any other person, to the extent that this Deed or any other of the Finance Documents expressly provides for it to do so. No consent of any person who is not a Party is required to rescind or vary this Deed at any time. This Clause 1.4 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act.

1.5 Incorporation of other terms

- 1.5.1 The terms of the other Finance Documents under which the Secured Obligations arise and of any side letters between any Chargor and the Secured Parties or any of them relating to the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of the Secured Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.5.2 Without prejudice to the operation of any applicable term of the Facility Agreement or any other Finance Document, the provisions of clauses 12.3 (*Default interest*), 28.7 (*Resignation and release of security on disposal*), 32.8 (*Currency of account*), 32.9 (*Change of currency*), 34.1 (*Communications in writing*), 34.3 (*Delivery*), 34.5 (*Electronic communication*), 34.6 (*English language*), 35 (*Calculations and certificates*), 36 (*Partial Invalidity*), 37 (*Remedies and waivers*), 38.2 (*Required consents*), 38.3 (*Exceptions*) and 40 (*Counterparts*) of the Facility Agreement shall apply (*mutatis mutandis*) to this Deed as if set out in this Deed in full and as if any reference in any such clause to "this Agreement" were a reference to "this Deed".

2. COVENANT TO PAY

Each Chargor, as primary obligor and not merely as surety, covenants with the Security Trustee that it will pay, discharge and perform the Secured Obligations on demand made on or at any time after the due date for payment provided in the Finance Documents and in the manner provided in the Finance Documents.

3. SECURITY

3.1 Fixed charges

Each Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges in favour of the Security Trustee the following assets:

- 3.1.1 by way of fixed legal mortgage, all its Property (if any) identified in Schedule 4 (*Details of Property*);
- 3.1.2 by way of fixed charge, (a) all the Property from time to time owned by it, (b) any other rights, title or interest of such Chargor in Property, wherever situated, and (c) all Associated Rights in relation to its Property;
- 3.1.3 by way of fixed charge, (a) the Designated Chattels (if any) in respect of such Chargor (but not including any of the assets which are subject to a valid fixed mortgage or valid fixed charge under Clauses 3.1.1 or 3.1.2), and (b) all Associated Rights in relation to such Designated Chattels;
- 3.1.4 by way of fixed charge, (a) all plant, machinery, vehicles and computer equipment now or in the future owned by it (but not including any such asset which is subject to a valid fixed mortgage or valid fixed charge under Clauses 3.1.1, 3.1.2 or 3.1.3 nor any chattel for the time being forming part of such Chargor's stock-in-trade or work in progress), (b) its rights, title or interest in any chattel now or in the future in its possession which is not owned by it, but which had it been so owned would have been validly charged by paragraph (a) of this Clause 3.1.4 and (c) the benefit of all Associated Rights relating to any chattel validly charged by this Clause 3.1.4;
- 3.1.5 by way of fixed charge, (a) the Specified Shares (if any) listed in respect of such Chargor and (b) the Distribution Rights (if any) from time to time accruing to or on such Specified Shares;
- 3.1.6 by way of fixed charge, (a) all Investments (but not including Shares which are subject to a valid fixed charge under Clause 3.1.5) and (b) all Distribution Rights from time to time accruing to or on such Investments;
- 3.1.7 to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to Clause 3.2.3 but are capable of being effectively charged, by way of fixed charge, the Insurances owned by or written in favour of such Chargor and all Insurance Proceeds either now or in the future held by or payable to such Chargor or in which such Chargor otherwise has an interest (to the extent of such interest);
- 3.1.8 by way of fixed charge, (a) all present and future book and other debts, revenues and monetary claims of or owing to such Chargor and (b) all rights and claims of whatever nature of such Chargor now, or which may at any time be, held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims;
- 3.1.9 by way of fixed charge, all of the Specified Bank Balances in respect of such Chargor;
- 3.1.10 by way of fixed charge, all of its Bank Balances (but not including any Specified Bank Balances which are subject to a valid fixed charge under Clause 3.1.9);
- 3.1.11 to the extent that such Intellectual Property is incapable for any reason of being effectively assigned pursuant to Clause 3.2.4, by way of fixed charge, all Intellectual Property (if any) owned by such Chargor or in which such Chargor has an interest (to the extent of such interest);

- 3.1.12 to the extent that such Authorisations and Derivative Payments are incapable for any reason of being effectively assigned pursuant to Clauses 3.2.1 or 3.2.5 respectively but are capable of being effectively charged, by way of fixed charge, (a) the benefit of all Authorisations held or utilised by such Chargor in connection with its business or the use of any of its assets and (b) the right to recover and receive all Derivative Payments which may at any time become payable to such Chargor in respect of such Authorisations;
- 3.1.13 to the extent that they do not fall within any other provision of this Clause 3.1 (*Fixed Charges*) and are not effectively assigned under Clause 3.2.2, by way of fixed charge all of its rights under each agreement or document to which such Chargor is a party;
- 3.1.14 by way of fixed charge, all the goodwill and uncalled capital of such Chargor; and
- 3.1.15 by way of fixed charge, the benefit of all Associated Rights relating to any of the assets of such Chargor, in each case to the extent that such Associated Rights are capable of being made the subject of a fixed charge and are not otherwise the subject of any valid fixed charge pursuant to this Deed.

3.2 Assignments by way of security

As further continuing security for the payment of the Secured Obligations, each Chargor assigns absolutely to the Security Trustee all (if any) its rights, title and interest in and to the following assets:

- 3.2.1 all Authorisations held or utilised by such Chargor in connection with its business or the use of any of its assets and the benefit of any Derivative Payment in respect of such Authorisations;
- 3.2.2 the Charged Contracts and the benefit of any Derivative Payment in respect of the Charged Contracts;
- 3.2.3 the Insurances and the benefit of all Insurance Proceeds of such Chargor;
- 3.2.4 the Intellectual Property (if any) owned by such Chargor or in which such Chargor has an interest (to the extent of such interest), together with the benefit of any Derivative Payments in respect of such Intellectual Property, but in the case of any such assignment of Intellectual Property the Security Trustee shall grant to such Chargor a licence to use such Intellectual Property in the ordinary course of its business and for so long as no Event of Default exists and is continuing; and
- 3.2.5 any Associated Rights or Derivative Payment which are not the subject of a valid fixed charge pursuant to Clause 3.1 (*Fixed charges*) of this Deed or valid assignment pursuant to Clauses 3.2.1 to 3.2.4 and which relate to any of the assets of such Chargor, whether or not such assets are subject to a valid legal mortgage, fixed charge or assignment pursuant to this Deed.

3.3 Notice of charge or assignment

- 3.3.1 Each Chargor shall, promptly upon the occurrence of a Default which is continuing and upon receiving a request to that effect from the Security Trustee, give notice of each charge or assignment of all (if any) its right, title and interest in and to the Insurances and Insurance Proceeds, by sending a notice in the form of Part 1 of Schedule 7 (*Notices*) (with such amendments as the Security Trustee may agree and/or require) duly completed to each of the other parties to the Insurances.
- 3.3.2 Each Chargor shall, promptly upon receiving a request to that effect from the Security Trustee, give notice of each charge or assignment of all (if any) its

right, title and interest in and to the Charged Contracts, by sending a notice in the form of Part 2 of Schedule 7 (*Notices*) (with such amendments as the Security Trustee may agree and/or require) duly completed to each of the other parties to the Charged Contracts, and for the purposes of this Clause 3.3.2, the Security Trustee shall be deemed to have given such request to the First Chargor in relation to the sale and purchase agreement referred to at paragraph 1 of Schedule 3 (*Charged Contracts*) by virtue of its execution of this Deed.

- 3.3.3 Each Chargor shall procure that, in relation to the sale and purchase agreement referred to at paragraph 1 of Schedule 3 (*Charged Contracts*), and in all other cases, shall use its reasonable endeavours to procure that within 5 Business Days of the date of its receiving a request under Clause 3.3.1 and/or 3.3.2 to give notice to the relevant other party, each such other party delivers an acknowledgement to the Security Trustee in the form of the acknowledgement of notice endorsed on a copy of the relevant notice as set out in Part 1 or Part 2 of Schedule 7 (*Notices*).

3.4 Exercise of rights under Charged Contracts

- 3.4.1 Whilst no Event of Default exists and is continuing, the Security Trustee shall permit the relevant Chargor to exercise its rights under any of the Charged Contracts to which it is party, provided that the exercise of those rights in the manner proposed would not result in the occurrence of an Event of Default.
- 3.4.2 Where an Event of Default exists and is continuing, the relevant Chargor shall, if requested by the Security Trustee, exercise its rights under the Charged Contracts only in accordance with the instructions of the Security Trustee.

3.5 Floating charge

- 3.5.1 As further continuing security for the payment, discharge and performance to the Security Trustee of the Secured Obligations, each Chargor charges in favour of the Security Trustee, by way of first floating charge, all its assets and undertaking, wherever located, both present and future.
- 3.5.2 The floating charge created by Clause 3.5.1 is deferred, in relation to each Chargor, in point of priority to all fixed Security validly and effectively created by such Chargor under any of the Transaction Security Documents in favour of the Security Trustee as security for the Secured Obligations.

3.6 Conversion of floating charge

- 3.6.1 The Security Trustee may, at any time, by notice in writing to any Chargor, convert any floating charge created by this Deed into a fixed charge as regards such assets as it shall specify in the relevant notice if:
- 3.6.1.1 an Event of Default has occurred which is continuing; or
- 3.6.1.2 (a) such assets are in danger of being seized, (b) any legal process or execution is being enforced against such assets, (c) such assets are otherwise in jeopardy, or (d) steps have been taken which would, in the reasonable opinion of the Security Trustee, be likely to lead to the appointment of an administrator or administrative receiver in relation to such Chargor (or such administrator or administrative receiver has been appointed) or to the winding-up of such Chargor.
- 3.6.2 By way of further assurance, such Chargor shall, promptly following service of such notice upon it, execute a fixed charge over such assets in such form as the Security Trustee shall require.

3.7 Automatic conversion of floating charge

In addition to any circumstances in which any floating charge created under this Deed will crystallise automatically under the general law, and without prejudice to the operation of Clause 3.6 (*Conversion of floating charge*):

- 3.7.1 If any Chargor creates (or purports to create) any Security on or over any of the Floating Charge Assets (other than Permitted Security) without the prior written consent of the Security Trustee; or
- 3.7.2 If any Chargor convenes any meeting of its members to consider a resolution in relation to its winding up, or if a liquidator, administrative receiver, receiver, administrator or another similar officer is appointed in respect of such Chargor or any of its assets,

then and in any such event, any floating charge created by this Deed in relation to such Chargor shall, without any notice being given under Clause 3.6 (*Conversion of floating charge*) and immediately upon such event occurring, be converted into a fixed charge over all the assets which immediately prior to such conversion comprised the Floating Charge Assets of such Chargor.

3.8 Continuing security

The provisions of this Deed will apply at all times (a) regardless of the date on which any of the Secured Obligations was incurred and (b) in respect of the full amount of the Secured Obligations at the relevant time even if, at some other time, the amount of the Secured Obligations has been less than the amount at the relevant time or there has been no part of the Secured Obligations outstanding.

3.9 Miscellaneous

- 3.9.1 All the Security created by this Deed by any Chargor is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- 3.9.2 Clauses 3.1.1 to 3.1.15 inclusive shall be read and construed as if each asset described, and each asset comprised within any category of asset described, in each such Clause were expressed, separately and specifically, to have been made subject to a first fixed charge; and the validity and effectiveness of each such fixed charge will not be prejudiced by any other such first fixed charge being found not to be fully valid or effective as such.
- 3.9.3 The fact that no, or incomplete, details of any particular Secured Assets are included or inserted in any relevant Schedule shall not affect the validity or enforceability of the charges created by this Deed.

4. FURTHER ASSURANCE

- 4.1 Each Chargor shall (and the First Chargor shall procure that each other Chargor will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify (and in such form as the Security Trustee may reasonably require) in favour of the Security Trustee or its nominee(s):
 - 4.1.1 to perfect the Security created or intended to be created or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed;
 - 4.1.2 to confer on the Security Trustee or the Finance Parties Security over any property or assets of such Chargor located in England and Wales or any other jurisdiction equivalent or similar to the Security intended to be created, or expressed to be created, by this Deed; and/or

- 4.1.3 to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed,

provided always that:

- 4.1.3.1 It is not unlawful for the relevant person to undertake any of the obligations required of it pursuant to clauses 4.1.1 to 4.1.3 (inclusive);
- 4.1.3.2 that person undertaking any of the obligations required of it pursuant to clauses 4.1.1 to 4.1.3 (inclusive) would not result in personal liability for that person's directors or other management; and
- 4.1.3.3 the costs (namely income tax costs, registration taxes payable on the creation or enforcement or for the continuance of any such guarantee, stamp duties, notarial fees, out-of-pocket expenses and other fees and expenses directly incurred by any member of the Group for that purpose) of attending to the same is proportionate (in the reasonable opinion of the Majority Lenders) to the benefit accruing to the Secured Parties.

- 4.2 Each Chargor shall (and the First Chargor shall procure that each other Chargor will) take all such action as is available to it (including making all filings and registrations and the payment of all fees and Taxes) 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 Trustee by or pursuant to this Deed.

5. **NEGATIVE PLEDGE**

5.1 During the Security Period:

- 5.1.1 no Chargor shall (and the First Chargor shall ensure that no other Chargor will) create, extend, or permit to subsist, any Security over any of the Secured Assets without the prior written consent of the Security Trustee;
- 5.1.2 no Chargor shall (and the First Chargor shall ensure that no other Chargor will) without the prior written consent of the Security Trustee:
 - 5.1.2.1 sell, transfer or otherwise dispose of any of its assets on terms that they are or may be leased to or re-acquired by any of the Obligors or by any other member of the Group;
 - 5.1.2.2 sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - 5.1.2.3 enter into any arrangement under which money, debts or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - 5.1.2.4 enter into any other preferential arrangement having a similar effect to any of the arrangements or transactions previously described in this Clause 5.1,

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

- 5.2 Clause 5.1 does not apply to any Security or Quasi-Security which is Permitted Security or a Permitted Transaction.

6. **REPRESENTATIONS AND WARRANTIES**

6.1 Each Chargor represents and warrants to the Security Trustee on the date of this Deed or, in the case of a New Chargor (as defined in Clause 17.5) on the date of the relevant Deed of Accession, in the terms of the Applicable Representations, in each case as if expressly set out in this Deed and so far as applicable to such Chargor or the Secured Assets of such Chargor. Each of the Applicable Representations is made by reference to the facts and circumstances existing at the date of this Deed or the date of the relevant Deed of Accession or, where deemed, pursuant to Clause 6.3, to be repeated at a later date, by reference to the facts and circumstances existing at each such later date.

6.2 Each Chargor further represents and warrants as follows.

6.2.1 **Commercial benefit** - It enters into this Deed in good faith and for the purposes of the promotion of the success of its business and has given due consideration to the terms and conditions of the documents evidencing the Secured Obligations and of this Deed and has satisfied itself that there are reasonable grounds for believing that by executing this Deed it will derive commercial benefit.

6.2.2 **Matters affecting Shares -**

6.2.2.1 It is and will (save as otherwise permitted by the Facility Agreement) remain the sole beneficial owner of the Specified Shares and of any other Shares acquired by it, or in which it has acquired a beneficial interest, after the date of this Deed.

6.2.2.2 It has not nominated another person or persons to enjoy or exercise all or any of its rights as the registered holder of the Specified Shares and (save where the Specified Shares have been registered in the name of the Security Trustee or its nominee pursuant to the provisions of this Deed and save as otherwise agreed by the Security Trustee or permitted by the Facility Agreement) it is and will remain the absolute legal owner of the Specified Shares.

6.2.2.3 Neither the Shares nor the Distribution Rights attributable to the Shares are subject to any lien, charge, equity, encumbrance, option to purchase or similar rights of any person, other than a Permitted Security or Permitted Transaction.

6.2.2.4 The Security Trustee is entitled to be registered or to require a nominee to be registered as a member of each of the relevant companies to which such Shares relate without any right of the board of directors of any such company to refuse registration or to consent to such registration only subject to satisfaction of conditions.

6.2.3 **Priority of Security** - Subject to the Legal Reservations and the terms of the Ranking Agreements, the Security created by this Deed constitutes first priority Security over the assets which are expressed to be subject to such Security and those assets are not subject to any Security other than Permitted Security.

6.3 Each of the Repeating Representations and each of the further representations and warranties set out in Clause 6.2 (other than those at Clauses 6.2.1 (*Commercial benefit*) and 6.2.2.1 which are not repeated) shall be deemed to be repeated on each day during the Security Period on which representations and warranties set out in clause 20 (*Representations*) of the Facility Agreement are, or are deemed to be, made or repeated by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be repeated.

7. UNDERTAKINGS

Throughout the Security Period, each Chargor undertakes to the Security Trustee in the terms of the Applicable Undertakings, in each case so far as applicable to such Chargor or the Secured Assets of such Chargor, (as if expressly set out in this Deed) and also in the terms of the following provisions of this Clause 7.

- 7.1 **Perform** - It will at all times comply with the terms (express or implied) of this Deed and of all other Finance Documents.
- 7.2 **Not jeopardise Security** - It will not (and, without prejudice to Clause 7.10.4, will procure that no nominee will) do or omit to do anything, or allow anything to be done or omitted, the result of which may be in any way to materially depreciate, jeopardise or otherwise prejudice the value to the Security Trustee of the Security created by this Deed or the priority of its ranking as expressed in this Deed.
- 7.3 **Observe covenants** - It will observe and perform all material covenants and material stipulations from time to time on its part to be performed or observed and affecting any of the assets owned by it or in which it has an interest or the way in which it uses or benefits from such assets.
- 7.4 **Observe laws** - It will not do or omit to do or allow anything to be done in relation to the Secured Assets which would infringe any laws affecting (whether directly or indirectly) the Secured Assets and will comply with all notices, orders, injunctions and mandatory proposals served on it, issued or made by any local or other authority or governmental agency, or by its landlords relating to any of the Secured Assets or its use of them, and will serve within any relevant time limit any counter-notice necessary or desirable to preserve the value of any such Secured Assets.
- 7.5 **Effect registrations** - It will effect all registrations, make all filings or applications and pay all Taxes, rents, fees or dues necessary to keep in full force and effect, and where necessary to renew or extend, all the Secured Assets and such Chargor's right to make full use and enjoy the full benefit of the Secured Assets.
- 7.6 **Proceedings** - At its own cost and expense, it will use its reasonable endeavours to enforce, institute, continue or defend all proceedings affecting the Secured Assets, their state or condition or continued use or value so as to preserve to the fullest extent the value to the Security Trustee of the Security created by this Deed.
- 7.7 **Chattels** - Following the occurrence of an Event of Default which is continuing and if so requested in writing by the Security Trustee, it will place and maintain on each chattel the value of which exceeds £250,000 and which is expressed to be subject to a fixed charge under this Deed, in a conspicuous place, an identification marking in the following terms and not conceal, alter or remove such marking or permit it to be concealed, altered or removed:

"Notice of Charge - This [*specify the chattel*] and additions and ancillary equipment are subject to a first fixed charge in favour of [*insert name of Security Trustee*]."

7.8 Land Registry:

- 7.8.1 In relation to all Property Identified in Schedule 4 (*Details of Property*), it shall apply to the Land Registrar to enter on the register against the title number of or to be allocated to the relevant Property 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 [*name and description of Security Trustee*] referred to in the charges register, or its conveyance"

and, where applicable, notice of an obligation to make further advances.

7.8.2 It shall submit the relevant applications no later than the date of submission of the initial application for registration of the Security created by this Deed, and pay all fees, costs and expenses incurred in connection with the applications.

7.8.3 The Security Trustee, in its absolute discretion, may make any of the applications referred to in this clause 7.8 in place of such Chargor. In such a case, such Chargor consents to the entry of the relevant restriction and will pay all fees, costs and expenses incurred in connection with the application.

7.9 Collection of book debts -

7.9.1 Subject to the Priority Agreement (FP), following the occurrence of an Event of Default which is continuing and written notice from the Security Trustee requiring it to do so, it will collect (as agent for the Security Trustee) all Charged Debts and pay into such specially designated account with the Security Trustee or such other account with such other bank as the Security Trustee may from time to time direct all money which it shall receive in respect of such Charged Debts immediately upon receipt and pending such payment it will hold all such money upon trust for the Security Trustee.

7.9.2 It will not, without the prior written consent of the Security Trustee, charge, factor, discount or assign any of the Charged Debts in favour of any other person or purport to do so.

7.9.3 Where the Collection Account attributable to it is not maintained with the Security Trustee in its capacity as Security Trustee but with the Security Trustee in some other capacity or with some other bank or financial institution, and/or where any other Bank Balances are charged to the Security Trustee pursuant to the provisions of Clauses 3.1.9 or 3.1.10, it will procure that the Security Trustee (if such account is maintained with the Security Trustee in some other capacity than as Security Trustee) or such other bank or financial institution with whom the Collection Account attributable to it is maintained or where such other Bank Balances are held has received a notice in the form set out in Schedule 8 (*Form of notice to bank operating secured account*) and has issued a receipt and confirmation in respect of that notice as provided in such form.

7.9.4 It will not, without the prior consent of the Security Trustee or in accordance with the Facility Agreement, withdraw all or any monies from time to time standing to the credit of the Collection Account attributable to it or any other Specified Bank Balances charged to the Security Trustee pursuant to the provisions of Clause 3.1.9.

7.10 Shares and other Investments -

7.10.1 It will, promptly upon receipt of them, deliver to the Security Trustee copies of all material notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares.

7.10.2 It will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so the Security Trustee may pay the calls or other payments on its behalf.

7.10.3 Save with the prior written consent of the Security Trustee, it will not (a) take any action by or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this Deed is increased, nor (b) participate in any rights issue relating to the Shares, nor (c) apply for, or consent to, the conversion of any Shares held in certificated form into uncertificated form.

- 7.10.4 Except where the Security Trustee requires it to do so, it will not nominate another person or persons to enjoy or exercise all or any of its rights as the registered holder of the Shares.
- 7.10.5 If the Security Trustee requires it to do so, it will take all steps within its power to procure that any of the companies to which the Shares relate will make such changes to its respective articles of association as may be necessary, pursuant to section 145 of the Companies Act 2006, to permit it to nominate the Security Trustee or a nominee of the Security Trustee to exercise or enjoy all or any of such Chargor's rights as a registered holder of the Shares of such company.
- 7.10.6 In respect of the Specified Shares which are held within CREST or otherwise in uncertificated form, and any further Shares in uncertificated form which it subsequently acquires, it will provide such information, give such instructions and enter into such documents as the Security Trustee may reasonably require to perfect the Security created by this Deed over such Shares.
- 7.10.7 Immediately following a request by the Security Trustee it will deliver to the Security Trustee (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the Shares executed in blank (except for the number and class of Shares and the name of the transferor) and left undated.
- 7.10.8 If it acquires Investments, whether pursuant to its Distribution Rights or for any other reason, after the date of this Deed, the provisions of Clause 7.10.3 and the remaining provisions of this Clause 7.10 shall apply to such Investments.
- 7.10.9 The Security Trustee may, at any time following the occurrence of an Event of Default and while it is continuing, complete the instruments of transfer on behalf of such Chargor in favour of itself or such other person as it shall select, and such Chargor shall procure that such instruments of transfer are immediately registered in the statutory registers of the relevant company and that share certificates in the name of the Security Trustee and/or its nominee(s) in respect of the Shares to which such instrument of transfer relates are delivered to the Security Trustee as soon as reasonably practicable, but in any event no later than 5 Business Days after the date upon which the Security Trustee has delivered the relevant instrument of transfer.
- 7.10.10 Until the occurrence of an Event of Default, but not after such occurrence while such Event of Default is continuing, such Chargor will be entitled to receive and retain all Dividends and will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of the Security Trustee to realise, the Security created by this Deed.
- 7.10.11 Throughout the period following the occurrence of an Event of Default and while it is continuing (the "**default period**"), any Dividends will be received by such Chargor on trust for the Security Trustee and paid into a separate account or otherwise dealt with as directed by the Security Trustee, and such Chargor shall, if the Security Trustee so requires, during the default period, exercise all voting and other rights and powers attaching to the Shares as the Security Trustee shall direct.
- 7.10.12 At any time when any Investments are registered in the name of the Security Trustee or its nominee:
- 7.10.12.1 for so long as there is no Event of Default which is continuing, the Security Trustee will (so far as is consistent with the Security

created by this Deed) exercise any applicable voting or other rights and powers in accordance with the directions of such Chargor and account to such Chargor for any Dividends; but

7.10.12.2 upon the occurrence of an Event of Default and while it is continuing the Security Trustee may exercise or refrain from exercising such voting or other rights and powers as it thinks fit and may retain any Dividends, but in any case the Security Trustee will not be under any duty to ensure that any Dividends are duly and promptly paid or received by it or its nominee, nor to verify that the correct amounts are paid or received by it or its nominee, nor to take any action in connection with the taking up of any Distribution Rights in respect of or in substitution for, any of those Investments.

7.11 **Charged Contracts** - It will perform all its obligations under the Charged Contracts in a diligent and timely manner, not make or agree to make any amendments or modifications to the Charged Contracts, nor waive any of its rights under the Charged Contracts, nor exercise any right to terminate any of the Charged Contracts, except, in any case, with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed) and will promptly inform the Security Trustee of any material disputes relating to the Charged Contracts.

7.12 **Deposit of documents** - It will promptly at the Security Trustee's request deposit with the Security Trustee (or as the Security Trustee directs) (a) all policies of Insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this Deed and (b) all such other documents relating to the Secured Assets as the Security Trustee may from time to time reasonably require.

7.13 **Retention of documents** - The Security Trustee may retain any document delivered to it pursuant to Clause 7.12 (*Deposit of documents*) or otherwise until the Discharge Date and if, for any reason, the Security Trustee ceases to hold any such document before such time, the Security Trustee may, by notice to such Chargor, require that the relevant document be redelivered to it and such Chargor shall immediately comply (or where the relevant document is held by a third party, shall use its reasonable endeavours to promptly procure compliance) with such notice, and following the Discharge Date the Security Trustee shall promptly deliver such documents to the Chargor.

7.14 **Power to remedy** - If such Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 7.1 (*Perform*) to 7.13 (*Retention of documents*) inclusive, it will allow (and irrevocably authorises) the Security Trustee and/or such persons as the Security Trustee nominates to take on behalf of such Chargor such action (including the making of payments) as is necessary to protect any relevant assets against the consequences of such failure to comply and/or to ensure compliance with such covenants and undertakings.

8. **ENFORCEABILITY**

For the purposes of all powers implied by the LPA or any other applicable legislation, the Secured Obligations shall be deemed to have become due and payable and this Deed will become immediately enforceable and the powers of the Security Trustee and any Receiver will become exercisable on the date of this Deed, but, as between the Security Trustee and each Chargor, the power of the Security Trustee to enforce the Security created by this Deed shall be exercisable only upon the occurrence of an Event of Default and for so long as it is continuing (unless there has been a request from such Chargor to the Security Trustee for the appointment of a Receiver, in which case it will be exercisable at any time following the making of such request).

9. **ENFORCEMENT OF SECURITY**

9.1 At any time after the Security Trustee's power of sale has become exercisable, the Security Trustee may, without further notice, (a) appoint one or more than one person to be Receiver in respect of the Secured Assets or any of them and, if more than one person

is appointed as Receiver, such appointees may act jointly and severally or individually, (b) take possession of the Secured Assets, and/or (c) in its absolute discretion enforce all or any part of the Security created by this Deed in such other lawful manner as it thinks fit. The Security Trustee may remove any person from appointment as Receiver and may appoint another person as Receiver. The Security Trustee may also appoint an additional Receiver.

- 9.2 The Receiver will, so far as the law permits, be the agent of each Chargor in respect of which the Receiver is appointed and each such Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Security Trustee will not be responsible for any misconduct, negligence or default of the Receiver. The powers of the Receiver will continue in full force and effect following any liquidation of the relevant Chargor.
- 9.3 The remuneration of the Receiver may be fixed by the Security Trustee but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.
- 9.4 The Receiver will have the power, on behalf and at the cost of each Chargor in respect of which the Receiver is appointed, (a) to do or omit to do anything which he considers appropriate in relation to the Secured Assets and (b) to exercise all or any of the powers conferred on the Receiver or the Security Trustee under this Deed or conferred upon administrative receivers by the Insolvency Act (even if he is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision) but so that if there is any ambiguity or conflict between the powers contained in such legislation and those contained in this Deed, those contained in this Deed shall prevail.
- 9.5 Without prejudice to the general powers set out in Clause 9.4, a Receiver will also have the powers and discretions set out in Schedule 10 (*Receiver's specific powers*).
- 9.6 The Security Trustee or any Receiver may sever any Fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Obligations.
- 9.7 If the Security Trustee or the Receiver obtains possession of the Property, the Security Trustee or the Receiver may use and remove, store or sell any chattels on the Property, whether or not forming part of the Secured Assets, without being under any liability to any Chargor other than to account for their net proceeds of the sale. All costs, losses and liabilities incurred by the Security Trustee or the Receiver in connection with the removal, storage and sale of such chattels will form part of the Secured Obligations.
- 9.8 If (notwithstanding any representation or warranty to the contrary contained in this Deed) there shall be any Security affecting the Secured Assets or any of them which ranks in priority to the Security created by this Deed and the holder of such prior Security takes any steps to enforce such Security, the Security Trustee or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such Security.
- 9.9 The Security Trustee may, at any time after this Deed has become enforceable pursuant to Clause 8 (*Enforceability*), exercise, to the fullest extent permitted by law, all or any of the powers, authorities and discretions conferred on a Receiver by this Deed, whether as attorney of any Chargor or otherwise and whether or not a Receiver has been appointed.
- 9.10 The Security Trustee may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on a Receiver by this Deed.
- 9.11 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this Deed.

10. **PAYMENTS, ACCOUNTS AND APPLICATION OF PROCEEDS**

- 10.1 **Right of appropriation** - Subject to the provisions of Clause 10.9 (*Recoveries by Receiver*), the Security Trustee is entitled to appropriate money and/or assets to the Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.
- 10.2 **No set-off by Chargors** - No Chargor shall exercise any right of set-off or counterclaim it might have in respect of any payment due to the Security Trustee under this Deed.
- 10.3 **Combination or consolidation of accounts** - The Security Trustee may, at any time after this Deed has become enforceable, and without notice (a) combine or consolidate all or any of a Chargor's then existing accounts with, and liabilities to, the Security Trustee and/or (b) set-off or transfer any sums standing to the credit of any one or more of such accounts; and if any amount is in a different currency from the amount against which it is to be set-off, the Security Trustee may convert either amount (or both) at any reasonable time and at any reasonable rate. The Security Trustee shall notify such Chargor in writing that any such transaction has taken place.
- 10.4 **Security Trustee's rights of set-off** - The Security Trustee may set off any matured obligation due from any Chargor under the Finance Documents (to the extent beneficially owned by the Security Trustee) against any matured obligation owed by the Security Trustee to such Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- 10.5 **Suspense Account** - The Security Trustee may, at any time, credit to a suspense account any money received by it under this Deed, to be held for so long as and on such terms as the Security Trustee may determine pending its application towards paying discharging the Secured Obligations.
- 10.6 **New account** - If the Security Trustee receives notice of a subsequent mortgage or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Security Trustee does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.
- 10.7 **Time deposit** - Without prejudice to the provisions of Clauses 10.3 (*Combination or consolidation of accounts*) and 10.4 (*Security Trustee's rights of set-off*), if at any time any Chargor has made a deposit with the Security Trustee on terms that it will be repaid on a specified date (a "Time Deposit") then: (a) if the Security Trustee has made any demand under Clause 2 (*Covenant to pay*), it may vary the terms of such Time Deposit so that it becomes repayable immediately or on any other date before such specified date; or (b) if an Event of Default has arisen which is continuing but no amount of Secured Obligations has fallen due before such specified date, the Security Trustee may renew such Time Deposit for such further maturity as the Security Trustee in its absolute discretion determines.
- 10.8 **Calculations** - The Security Trustee's calculation of any amount payable by any Chargor under this Deed at any time will be conclusive (unless it has made an obvious mistake).
- 10.9 **Recoveries by Receiver** - The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the direction of the Receiver in or towards discharging or satisfying the following amounts in the following order of priority: (a) the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration; (b) any costs, charges, expenses and liabilities of or incurred by any Enforcement Party in the exercise of any of its powers including all rents, Taxes, rates and outgoings whatever affecting the Secured Assets, all premiums on Insurances properly payable under this Deed or any applicable legislation, the cost of executing necessary or proper repairs to the Secured Assets, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Obligations; (c) the remaining

Secured Obligations, in accordance with the provisions of the Finance Documents; and (d) the claims of those persons entitled to any surplus.

10.10 **Tax gross-up** - The provisions of clause 16.2 (*Tax gross-up*) of the Facility Agreement shall apply to any payments made by any Chargor under or pursuant to this Deed.

10.11 **Currency of payment** - No payment to the Security Trustee (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of any Chargor in respect of which it was made unless and until the Security Trustee shall have received payment in full in the relevant currency specified in clause 30.8 (*Currency of account*) of the Facility Agreement. To the extent that the amount of any such payment shall, on actual conversion into such currency, fall short of such obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action against such Chargor and shall be entitled to enforce the Security created by this Deed to recover the amount of the shortfall.

10.12 **Currency conversion** - All money received or held by the Security Trustee or any Receiver under this Deed may be converted into such other currency as the Security Trustee considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Trustee's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

11. PROTECTION OF THIRD PARTIES

11.1 **No duty to enquire** - A buyer from, or other person dealing with, any Enforcement Party will not be concerned to enquire whether any of the powers which such Enforcement Party has exercised or purported to exercise has arisen or become exercisable and may assume that it is acting in accordance with this Deed.

11.2 **Receipt conclusive** - The receipt of the Security Trustee or any Receiver shall be an absolute and conclusive discharge to a purchaser of the Secured Assets and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or any Receiver.

12. PROTECTION OF SECURITY TRUSTEE

12.1 **Security Trustee's receipts** - The Security Trustee shall not be obliged to account to any Chargor, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the person entitled (or whom the Security Trustee, acting reasonably, believes to be entitled) in accordance with the requirements of this Deed.

12.2 Exclusion of liability -

12.2.1 No Enforcement Party will be liable to any Chargor for any expense, loss, liability or damage incurred by such Chargor arising out of the exercise by such Enforcement Party of its rights or powers or any attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.

12.2.2 No Chargor may take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed.

12.2.3 Any officer, employee or agent of any Enforcement Party may rely on this Clause 12 under the Third Parties Act.

12.3 **Effect of possession** - If the Security Trustee or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Security Trustee or the Receiver to account as mortgagee in possession, and if at any time the Security Trustee

enters into possession of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

13. POWER OF ATTORNEY

- 13.1 Upon the occurrence of an Event of Default which is continuing, each Chargor irrevocably and by way of security appoints the Security Trustee and each Receiver and any person nominated for the purpose by the Security Trustee or the Receiver (in writing, under hand, signed by an officer of the Security Trustee or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in Clause 13.2.
- 13.2 The power of attorney granted in Clause 13.1 allows the Security Trustee, the Receiver or the relevant nominee, in the name of the relevant Chargor, on its behalf, as its act and deed and at its expense to perfect the Security created by such Chargor under this Deed and to execute and deliver (using such Chargor's seal where appropriate) any document or do any act or thing which such Chargor may, ought or has agreed to execute or do under this Deed or which the attorney may in its absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Security Trustee or the Receiver under, or otherwise for the purposes of, this Deed.
- 13.3 Each Chargor covenants with the Security Trustee to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 13.

14. APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS

- 14.1 The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind a Chargor only if, in any case, the relevant covenant imposes upon such Chargor a burden, liability or obligation that would not otherwise arise under this Deed.
- 14.2 For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of Clause 8 (*Enforceability*)), the conditions set out in that section, as to when the powers conferred on a mortgagee by that section arise, do not apply and the Secured Obligations become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this Deed. The Security Trustee and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this Deed.
- 14.3 The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise the Security Trustee in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this Deed.
- 14.4 The restriction on the consolidation of mortgages in section 93 of the LPA does not apply to this Deed nor to any Security given to the Security Trustee pursuant to this Deed. Section 109(1) of the LPA shall not apply to this Deed. Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to the Security Trustee nor to a Receiver appointed under this Deed.
- 14.5 The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by any Chargor in relation to the Secured Assets or any part of them. The restrictions on the powers of the Security Trustee or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this Deed.

15. OTHER MISCELLANEOUS PROVISIONS

- 15.1 Except where expressly stated to the contrary, the powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.
- 15.2 If an Enforcement Party fails to exercise any power, right or remedy under this Deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.
- 15.3 The Security Trustee may decide when and how to apply any payments and distributions received for its own account under this Deed, and also, as between the Security Trustee and any Chargor, whether and, if so, when, how and to what extent (a) to exercise its rights under this Deed and (b) to exercise any other right it might have in respect of any Chargor (or otherwise) without, in any case, any Chargor having the right to control or restrict the Security Trustee's exercise of this discretion.
- 15.4 No provision of this Deed will interfere with the Security Trustee's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.
- 15.5 Each Chargor authorises the holder of any prior or subsequent Security to provide to the Security Trustee, and the Security Trustee to receive from such holder, details of the state of account between such holder and such Chargor.
- 15.6 No Chargor shall assign, novate or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of the Security Trustee.
- 15.7 Save as otherwise provided in the Facility Agreement or any Ranking Agreement, the Security Trustee may at any time assign, novate or otherwise deal with any rights or obligations under or interests in this Deed.
- 15.8 Subject to clause 39 (*Confidentiality*) of the Facility Agreement, the Security Trustee may disclose any information about any Chargor, the Secured Assets and/or this Deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this Deed, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests and any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this Deed in the same way as if it had been an original party to this Deed.
- 15.9 If, at any time, there has been a release, settlement or discharge of any Chargor's obligations under this Deed and, as a consequence of any insolvency proceedings (or analogous proceedings) or for any other reason, (a) any payment made to any person in respect of any of the Secured Obligations is required to be repaid and/or (b) any such payment or any Security (or other right) held by the Security Trustee in respect of any of the Secured Obligations (whether under this Deed or otherwise) is void, is set aside or is otherwise affected, then the relevant Chargor's obligations under this Deed shall continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and/or (as applicable) the relevant Security (or other right) had not been held by the Security Trustee; and accordingly (but without limiting the Security Trustee's other rights under this Deed) the Security Trustee shall be entitled to recover from such Chargor the value which the Security Trustee has placed upon such Security or the amount of any such payment as if such payment, settlement or discharge had not occurred.
- 15.10 If the Security Trustee, acting reasonably, considers that any amount paid by any Chargor in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in Clause 15.9, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.

- 15.11 The Security Trustee as agent for the Secured Parties confirms that the Secured Parties shall perform their respective obligations, to the extent arising under the Finance Documents, to make further advances. The Security created by this Deed has been made for securing such further advances.
- 15.12 To the extent that any Chargor may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process of any kind wherever it might originate, or to the extent that in any such jurisdiction there may be attributed to such Chargor or its assets such immunity (whether or not claimed), it irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.
- 15.13 On the Discharge Date (but subject to Clauses 15.9 and 15.10) the Security Trustee shall, at the request and cost of each Chargor, execute and do all deeds, acts and things as may be necessary to release the Secured Assets from the Security created by this Deed.
- 15.14 The obligations of each Chargor under Clause 2 (*Covenant to pay*) are unconditional and neither the provisions of this Deed nor the obligations of any Chargor will be affected by the occurrence or existence at any time of any of the following events or circumstances or by any person's knowledge or lack of knowledge as to any such matter: (a) any person's insolvency or lack of capacity, power or authority; (b) any unenforceability, illegality or invalidity of any obligation of any person; (c) any change in the constitution, membership, ownership, legal form, name or status of any person; (d) the making, amendment or termination of any other deed or agreement; (e) any amendment, novation, re-statement or substitution of, or any supplement to, any other deed or agreement; (f) any increase or reduction in the amount of any person's indebtedness or any alteration of any term, condition or arrangement in respect of any person's indebtedness; (g) any person taking or omitting to take any steps in relation to (i) any Chargor or any other person, (ii) any of the Secured Obligations, (iii) any Security, guarantee or other financial support in respect of any indebtedness and/or (iv) any other asset; or (h) anything else which, although it could affect the liability of a surety, would not affect the liability of a principal debtor.

16. COMMUNICATIONS

The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

- 16.1 In the case of each of the First Chargor, the other Chargors who are original Parties and the Security Trustee, those given for it in the signature pages of this Deed;
- 16.2 In the case of any other Chargor, that notified in writing to the Security Trustee (whether in that capacity or in any other capacity) on or prior to the date on which it becomes a Party or a party to the Facility Agreement; and
- 16.3 In the case of each Receiver and each Delegate, those notified in writing to the Security Trustee (whether in that capacity or in any other capacity) by such Receiver or Delegate (or by the Security Trustee on its behalf) as soon as practicable after its appointment,

or any substitute address or department or officer as the relevant person may notify to the Agent (or as the Agent may notify to the other Parties, if a change is made by the Agent) by not less than 5 Business Days' notice.

17. THIS DEED

- 17.1 Each Chargor has entered into this Deed in consideration of the Secured Parties or some of them agreeing to provide (or to continue to provide) finance facilities to it on the terms agreed in the Finance Documents.

- 17.2 This Deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds.
- 17.3 If there is any conflict between the provisions of the Facility Agreement or the Ranking Agreement and the provisions of this Deed, the provisions of the Facility Agreement or the Ranking Agreement, as applicable, shall prevail.
- 17.4 If any Party is not bound by this Deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this Deed (or under the relevant part).
- 17.5 A company which is required by or pursuant to the provisions of the Finance Documents to become a Chargor, or which the Security Trustee agrees may become a Chargor, (a "**New Chargor**") shall deliver to the Security Trustee a Deed of Accession, duly executed by the New Chargor and by the First Chargor (for itself and as agent for each other Chargor), and shall become a Party when such Deed of Accession has been executed by the Security Trustee and delivered.
- 17.6 This Deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other Security or guarantee which the Security Trustee may now or at any time after the date of this Deed hold for or in respect of the Secured Obligations.
- 17.7 Each Chargor submitting this Deed or any counterpart to The Land Registry shall, on each occasion, also submit a certified copy of this Deed and request the return of the original and upon the return of the original it shall deliver such original to the Security Trustee.
- 17.8 This Deed and every counterpart is the property of the Security Trustee.

18. **GOVERNING LAW**

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

19. **JURISDICTION**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a "**Dispute**"). The Parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary. This Clause 19 is for the benefit of the Enforcement Parties only. As a result, no Enforcement Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Enforcement Party may take concurrent proceedings in any number of jurisdictions.

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

SCHEDULE 1

The Chargers

<i>Name of Chagor</i>	<i>Registration number and Original Jurisdiction (if not E&W)</i>	<i>Registered Office</i>
CPL Industries Group Limited	07717350	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL Industries Holdings Limited	05754991	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL Industrial Services (Holdings) Limited	03317386	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
Coal Products Limited	01102042	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
Heptagon Limited	03034114	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
Broomco (1850) Limited	03773200	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
Carbon Link Limited	02504167	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL Distribution Limited	00544782	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL Property Limited	03075502	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
Walter H Feltham & Son Limited	00375348	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ

Carbon Link Holdings Limited	03278961	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
Corralls Coal Limited	03516795	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
C Rudrum & Sons Limited	00582187	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
C. Rudrum & Sons (Cornwall) Limited	00711943	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL Industries (EMEA) Limited	06242405	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL France Limited	06165501	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ
CPL Fuels Limited	00584163	Westthorpe Fields Road, Killamarsh Sheffield S21 1TZ

SCHEDULE 2

Bank accounts

Deliberately left blank

SCHEDULE 3

Charged Contracts

	Name of Chargor	Brief description of Charged Contract	Date of Charged Contract	Parties to Charged Contract (Include addresses for service of notices of those parties who are not parties to this Deed)
1.	CPL Industries Group Limited	Sale and purchase agreement	Closing Date	The First Chargor and the sellers referred to therein

SCHEDULE 4

Details of Property

- 1. Name of legal and beneficial owner:** Coal Products Limited (CRN: 01102042)

Address of Property: The property known as land to the north of John Street, Abercwmboi and land at Aberaman Park Industrial Estate, Aberdare and described in more detail in the registered titles

Freehold/Leasehold Estate: Freehold

Title Details (where applicable): WA724951 and WA739897

County and District (or London Borough): Rhonda Cynon Taf, Wales; Aberdare

- 2. Name of legal and beneficial owner:** Coal Products Limited (CRN: 01102042)

Address of Property: The property known as Cwm Cokeworks, Beddau, Pontypridd, former railway land to the south of Woodlands Road, Cwm and land on the west side of the Conifers, Alexandra Terrace, at Llantwit Fardre, Pontypridd, and described in more detail in the registered titles

Freehold/Leasehold Estate: Freehold

Title Details (where applicable): WA689252, WA868283 and CYM500249

County and District (or London Borough): Rhonda Cynon Taf, Wales; Aberdare

SCHEDULE 5

Shares

	Name of owning Chargor	Name of Subsidiary or other company	Company Number	Number and Class of Shares (and where held by nominees, names of nominees)
1.	CPL Industries Holdings Limited	CPL Industries Limited	02993245	23,630,041 ordinary shares of £1.00 each
2.	CPL Industries Limited	CPL Industrial Services (Holdings) Limited	03317386	2 ordinary shares of £1.00 each
3.	CPL Industries Limited	CPL British Fuels Limited	02980895	200,000 A ordinary shares of £1.00 each 200,000 B ordinary shares of £1.00 each
4.	CPL Industries Limited	CPLD Limited	00668114	778,910 ordinary shares of £1.00 each
5.	CPL Industries Limited	CPL Hargreaves Limited	0236122	5,250,000 ordinary shares of £1.00 each
6.	CPL Industries Limited	Coal Products Limited	01102042	5,000,000 ordinary shares of £1.00 each
7.	CPL Industries Limited	CPL Fuels Limited	00584163	2,012 ordinary shares of £1.00 each
8.	CPL Industries Limited	Heptagon Limited	03034114	5,408,500 ordinary shares of £0.01 each 9,500,000 redeemable cumulative preference shares of £0.10 each
9.	CPL Industrial Services (Holdings) Limited	Broomco (1850) Limited	03773200	705,401 ordinary shares of £0.01 each
10.	CPLD Limited	CPL Logistics Limited	00865180	100 ordinary shares of £1.00 each
11.	Coal Products Limited	Palco Shipping and Trading Limited	02459120	60 A ordinary shares of £1.00 each 40 B ordinary shares of £1.00 each
12.	CPL Industries (EMEA) Limited	CPL France Limited	06165501	1 ordinary shares of £1.00 each
13.	CPL Industries Limited	CPL Industries (EMEA) Limited	06242405	1 ordinary share of £1.00

	Name of owning Charger	Name of Subsidiary or other company	Company Number	Number and Class of Shares (and where held by nominees, names of nominees)
14.	Heptagon Limited	CPL Distribution Limited	00544782	10,000,000 ordinary shares of £1.00 each 10,000 deferred ordinary shares of £1.00 each
15.	Heptagon Limited	Midwinter Oil Supplies Limited	02291661	10,010 ordinary shares of £1.00 each
16.	Heptagon Limited	Sadler Tankers Limited	02341288	61,268 A ordinary shares of £1.00 each 73,500 B ordinary shares of £1.00 each 76,500 C ordinary shares of £1.00 each
17.	Broomco (1850) Limited	Carbon Link Holdings Limited	03278961	300,000 A ordinary shares of £1.00 each
18.	Broomco (1850) Limited	CPL Environmental Limited	02526402	3,600,000 ordinary shares of £1.00 each
19.	CPL Distribution Limited	CPL Property Limited	03075502	11,000,000 ordinary shares of £1.00 each
20.	CPL Distribution Limited	Walter H. Feltham & Son Limited	00375348	14,002 ordinary shares of £1.00 each
21.	CPL Environmental Limited	CPL Environmental Americas Limited	02796587	2 ordinary shares of £1.00 each
22.	CPL Distribution Limited	Corralls Coal Limited	03516795	2 ordinary shares of £1.00 each
23.	CPL Distribution Limited	C. Rudrum & Sons (Cornwall) Limited	00711943	2,000 ordinary shares of £1.00 each
24.	CPL Distribution Limited	C. Rudrum & Sons Limited	000582187	2 ordinary shares of £1.00 each

SCHEDULE 6

Designated Chattels

This Schedule has been intentionally left blank.

SCHEDULE 7

Notices

Part 1

Notice to insurer

(For attachment by way of endorsement to the Insurances)

To: [name and address of insurer]

Dated: [date]

Dear Sirs,

Re: The policies of insurance referred to in the Schedule below (the "Policies")

We, [Chargor] (the "**Chargor**"), give you notice that, by a debenture dated [date] (the "**Debenture**") and made by (amongst others) ourselves in favour of Lloyds Bank plc, as security trustee (the "**Security Trustee**") (as trustee for itself and certain other parties), we have charged by way of fixed charge and assigned to the Security Trustee, as first priority chargee and assignee, all of the Policies as are capable of being charged and/or assigned by law.

The assets charged and assigned include all our right, title and interest in and to the Policies (including, but not limited to, the benefit of all sums assured by the Policies and all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of our ownership of the Policies and all interest on any of the secured money).

We irrevocably and unconditionally authorise and request you:

1. to note the Security Trustee's interest as first charge and assignee and sole loss payee of the proceeds of such Policies; and
2. to give the acknowledgement, undertakings and agreements required by the Security Trustee and to act on the instructions of the Security Trustee without any further reference to or authorisation from us.

Please sign the enclosed copy of this notice and deliver it to the Security Trustee at [address] (with a further copy to us).

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

Yours faithfully,

For and on behalf of [Chargor]:

By:

THE SCHEDULE

The Policies*

***To be completed by the Chargor and approved by the Security Trustee and to include all relevant policies with the named insurer**

Policy number	Name and address of insurer	Name and address of broker	Brief description of assets insured	Date of expiry of policy#
---------------	-----------------------------	----------------------------	-------------------------------------	---------------------------

1. [number]
2. [number]
3. [number]
4. [number]
5. [number]

#Not required if policies are annually renewable
Dated [date]

[to be included on copy notice]

To: Lloyds Bank plc of [Address] as trustee for the Secured Parties (as referred to in the Debenture)

Copy to: [name and address of Chargor]

We [name of Insurer] acknowledge receipt of the above notice. We:

1. agree to note your interest as first chargee and assignee and sole loss payee of the proceeds of such Policies;
2. undertake to disclose to you, promptly following request, without any reference to or further authority from the Chargor, such information relating to the Policies as you may at any time reasonably request;
3. confirm that we have not received notice of any previous assignment or charge by the Chargor of or over any of its rights, title, interests or benefits referred to in the notice;
4. agree promptly to notify you of our intention to cancel or decline renewal of any of the Policies; and
5. agree promptly to notify you of any request made, or notification given, by the Chargor to us, to cancel the Policies, or to allow the Policies to lapse.

Terms defined in the notice apply to this endorsement, which is governed by English law together with any non-contractual obligations arising out of or in connection with it.

Signed:.....

for and on behalf of [name of Insurer]
Dated: [date]

Part 2

Form of notice to counterparties of Charged Contracts

To: [name and address of counterparty]

Dated: [date]

Dear Sirs,

Re: [here identify relevant Charged Contract] [the "Contract"] made between (1) [Chargor] (the "Chargor") and (2) [here insert name of counterparty]

We, the Chargor, give you notice that, by a debenture dated [date] (the "**Debenture**") and made by (amongst others) ourselves in favour of Lloyds Bank plc, as security trustee (the "**Security Trustee**") (as trustee for itself and certain other parties), we have charged by way of fixed charge and assigned to the Security Trustee, as first priority chargee and assignee, all of our rights, title and interest in the Contract.

We further irrevocably and unconditionally:

1. notify you that we may not agree to amend, modify or terminate the Contract without the prior written consent of the Security Trustee;
2. confirm that, subject to paragraph 1 above, you may continue to deal with us in relation to the Contract until you receive written notice to the contrary from the Security Trustee (the "**Notice**"), but authorise and instruct you that, after you have received the Notice, we will cease to have any right to deal with you in relation to the Contract except in accordance with the instructions of the Security Trustee and therefore from that time you may deal directly with the Security Trustee;
3. authorise and instruct you to disclose information in relation to the Contract to the Security Trustee promptly on request, without any enquiry by you as to the justification for such disclosure or reference to or further authority from us;
4. authorise and instruct you to pay or release all monies to which we are entitled under the Contract directly into such account as the Security Trustee shall specify following receipt by you of the Notice;
5. authorise and instruct you that, whenever you serve any notice upon us under the Contract, you should supply a copy of such notice to the Security Trustee at its address given in the copy of this notice (or as otherwise notified to you by it from time to time); and
6. notify you that the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign the copy of this notice and deliver it to the Security Trustee (with a further copy to us).

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

Yours faithfully,

.....
For and on behalf of [Chargor]:

By:.....

[to be included on copy notice]

To: Lloyds Bank plc of [Address] as trustee for the Secured Parties (as referred to in the Debenture)

Copy to:[name and address of Chargor]

We [name of counterparty] acknowledge receipt of the above notice. We:

1. accept the instructions and authorisations set out in the notice and undertake to act in accordance with such instructions and authorisations; and
2. confirm that we have not received notice that the Chargor has assigned its rights under the Contract to a third party or created any other interest (whether by way or security or otherwise) in the Contract in favour of a third party.

Terms defined in the notice apply to this endorsement, which is governed by English law together with any non-contractual obligations arising out of or in connection with it.

Signed:

for and on behalf of [name of counterparty]

Dated: [date]

SCHEDULE 8

Form of notice to bank operating secured account

To: [name and address of account bank] (the "Account Bank")

Dated: [date]

Dear Sirs,

Re: **Account No:** [insert account number] (the "Account")
 Account Branch: [insert branch name and address]
 Account Holder: [name of Chargor] (the "Chargor")

We, the Chargor, give you notice that, by a debenture dated [date] (the "**Debenture**") and made by (amongst others) ourselves in favour of Lloyds Bank plc as security trustee (the "**Security Trustee**") (as trustee for itself and certain other parties), we have charged by way of fixed charge to the Security Trustee, as first priority chargee, all the monies (including interest) from time to time standing to the credit of the Account including any re-designation and/or re-numbering from time to time of such Account (the "**Charged Account**") and all indebtedness represented by the Charged Account and have assigned to the Security Trustee all our rights and benefits in respect of the Charged Account.

We irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Charged Account to the order of the Security Trustee and accordingly to pay all or any part of those monies to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect; and
2. to disclose to the Security Trustee such information relating to us and the Charged Account as the Security Trustee may from time to time request you to provide.

We notify you that we may not withdraw any monies from the Charged Account without first having produced to you the prior written consent of the Security Trustee to such withdrawal.

The provisions of this notice may only be revoked or varied with the prior written consent of the Security Trustee.

Please sign the enclosed copy of this notice and deliver it to the Security Trustee at [address] (with a further copy to us)

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

Yours faithfully,

.....
for and on behalf of
[Chargor]

[to be included on copy notice]

To: Lloyds Bank plc of [Address] as trustee for the Secured Parties (as referred to in the Debenture)

Copy to: [name and address of Chargor]

We [Name of Account Bank]:

1. acknowledge receipt of the above notice;
2. agree to act in accordance with the authorisations, instructions and notifications contained or referred to in the above notice;
3. confirm that we have not received notice that the Chargor has assigned its rights to the monies standing to the credit of the Charged Account, or the indebtedness represented by them, or otherwise granted any security or other interest over those monies, or such indebtedness, in favour of any third party;
4. undertake that we will not exercise any right to combine accounts or any rights of set-off (other than off-setting in the ordinary course of banking transactions) or lien or any similar rights in relation to the monies standing to the credit of the Charged Account; and
5. agree that any notice or other communication from us to the Security Trustee will be sent or made to the address of the Security Trustee stated above, or to such other address as the Security Trustee may from time to time notify to us.

Terms defined in the notice apply to this endorsement, which is governed by English law together with any non-contractual obligations arising out of or in connection with it.

for and on behalf of
[name and address of Account Bank]

Dated: [date]

SCHEDULE 9

Form of Deed of Accession

This Deed is made on [date]

between:

- (1) [name of acceding company], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], (the "**New Chargor**");
- (2) CPL Industries Group Limited, a company incorporated in England and Wales with company number 07717350, for itself and as agent for and on behalf of each of the other Chargors defined as such in the Debenture referred to below, (the "**First Chargor**");
- (3) Lloyds Bank plc in its capacity as trustee for the Secured Parties (the "**Security Trustee**"); and
- (4) Lloyds Bank plc in its capacity as agent under the Facility Agreement (the "**Agent**").

1. INTERPRETATION

- 1.1 In this Deed, the "**Debenture**" means a debenture dated [date] made between, amongst others, the First Chargor, each of the other Chargors and the Security Trustee as amended, novated, supplemented, extended, or restated, from time to time.
- 1.2 Unless a contrary indication appears:
 - 1.2.1 each term used in this Deed which is defined in the Debenture or the definition of which is incorporated by reference into the Debenture shall have the same meaning as applies in the Debenture; and
 - 1.2.2 the principles of construction set out or referred to in clause 1.3 (*Construction*) of the Debenture shall apply also (where relevant) to this Deed.

2. REPRESENTATIONS

The New Chargor warrants and represents to the Security Trustee that:

- 2.1 It is a [wholly owned] Subsidiary of the [First Chargor] / [member of the Group]; and
- 2.2 It has given due consideration to the terms and conditions of the Finance Documents (including the Debenture and this Deed) and has satisfied itself that there are reasonable grounds for believing that by executing this Deed the New Chargor will derive commercial benefit and that it enters into this Deed in good faith and for the purposes of the promotion of the success of its business.

3. AGREEMENT TO ACCEDE

The New Chargor agrees to accede and become a party to and to be bound by the terms of the Debenture as a Chargor with effect from the date of this Deed (the "**Effective Date**").

4. EFFECT OF ACCESSION

On and after the Effective Date, the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to it in the capacity of Chargor (but so that the Security created consequent on such accession shall be created on the Effective Date).

5. SECURITY

5.1 Security over all assets

- 5.1.1 The New Chargor grants to the Security Trustee in relation to its assets and undertaking the same Security as is set out in clause 3 (*Security*) of the Debenture.
- 5.1.2 The New Chargor agrees and confirms that such Security (a) shall be effective and binding upon it and its assets and undertaking and (b) shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other Party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any Security contained in the Debenture or in any other Deed of Accession.

[Clause 5.2 and the relevant sub-clauses apply where the New Chargor owns assets which are to be identified by Schedule for specific charge. The relevant Schedules to be incorporated should follow the form of the corresponding Schedules in the Debenture.]

5.2 **[Specific Security** - Without limiting the generality of Clause 5.1 (*Security over all assets*) or of the Debenture, the New Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations charges in favour of the Security Trustee:

- 5.2.1 by way of first fixed charge, (a) the chattels (which shall be Designated Chattels for the purposes of the Debenture) listed in Schedule 6 (*Specifically identified chattels owned by the New Chargor*) to this Deed and (b) the benefit of all Associated Rights in relation to such Designated Chattels;]
- 5.2.2 [by way of first fixed charge, all the Shares listed in Schedule 5 (*Shares*) to this Deed;]
- 5.2.3 [by way of first fixed charge, all the Distribution Rights accruing to or on the Shares listed in Schedule 5 (*Shares*) to this Deed;]

[and as a continuing security for the payment, discharge and performance of the Secured Obligations assigns and agrees to assign in favour of the Security Trustee all of its right, title and interest (if any) in and to each of the contracts and agreements specified in Schedule 3 (*Details of Charged Contracts*) to this Deed, each of which is deemed to be included in the definition of "Charged Contracts" for the purposes of the Debenture.]]

6. **AGREEMENT AND CONSENT BY CHARGORS**

The First Chargor, for itself and as agent for and on behalf of all other Chargors under the Debenture, agrees and consents to all matters provided for in this Deed.

7. **CONSTRUCTION**

The Debenture shall continue in full force and effect but amended with effect from the Effective Date in the manner and to the extent provided in this Deed; and the Debenture and this Deed shall be read as one and so that references in the Debenture to "**this Deed**", and similar phrases shall be deemed to include this Deed.

8. **THIS DEED**

- 8.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 8.2 [The New Chargor has entered into this Deed in consideration of the Secured Parties (or some of them) making or continuing to make facilities available to [the New Chargor] [and] [the First Chargor or any other member of the Group] on the terms agreed in the Finance Documents.] / [This Deed is made pursuant to the requirements of clause [number] of the Facility Agreement.]

8.3 The Agent and the First Chargor designate this Deed as a Finance Document.

8.4 This Deed and every counterpart is the property of the Security Trustee.

This Deed is made and delivered as a deed on the date stated above.

[Insert Schedules as appropriate]

[Insert execution provisions as appropriate]

SCHEDULE 10

Receiver's specific powers

The Receiver will have full power and authority:

1. to enter upon, and to take possession of, the Secured Assets;
2. to collect and get in all rents, fees, charges or other income of the Secured Assets;
3. generally to manage the Secured Assets and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the relevant Chargor or any part of it as he may think fit;
4. without restriction, to sell, charge, grant, vary the terms or accept surrenders of, leases or tenancies of, licences to occupy, or options or franchises over or otherwise deal with and dispose of the Secured Assets or any property acquired in exercise of its powers under this Deed;
5. to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
6. to take a lease or tenancy of any property required or convenient for the business of the relevant Chargor or the exercise of the Receiver's powers under this Deed;
7. to exercise on behalf of the relevant Chargor and without the consent of or notice to such Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property;
8. for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and/or for defraying any costs, losses or liabilities which may be incurred by him in their exercise or for any other purpose, to raise or borrow moneys from the Secured Parties or others or incur any other liability on such terms, whether secured or unsecured, as he may think fit, and whether to rank in priority to this Deed or not;
9. to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons, workmen and others for any of the purposes of this Deed or to guard or protect the Secured Assets upon such terms as to remuneration or otherwise as he may think fit and to discharge any such persons appointed by the relevant Chargor prior to his appointment;
10. in the name of the relevant Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to such Chargor, the business of such Chargor or the Secured Assets as in any case he thinks fit;
11. to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the relevant Chargor or relating in any way to the Secured Assets;
12. to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Secured Assets;
13. to obtain Authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;

14. to enter into, vary, cancel or waive any of the provisions of any contracts which he shall in any case think expedient in the interests of the relevant Chargor or the Security Trustee;
15. to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;
16. to insure the Secured Assets, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver thinks fit, and obtain bonds and give guarantees and Security to any bondsmen;
17. to remove, store, sell or otherwise deal with any chattels located at the Property;
18. to promote or establish any company or to acquire shares in any company (whether as a Subsidiary of the relevant Chargor or otherwise) to facilitate the exercise of his powers under this Deed, to transfer to any such company all or any of the Secured Assets or other assets acquired by the Receiver in exercise of his powers and to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company;
19. to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the relevant Chargor and comprised in the Secured Assets in such manner as he thinks fit;
20. to make, or require the directors of the relevant Chargor to make, calls conditionally or unconditionally on the members of such Chargor in respect of uncalled capital; and take action to enforce payment of unpaid calls;
21. to carry into effect and complete any transaction;
22. to redeem any prior Security (or procure the transfer of such Security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
23. either in the name of the relevant Chargor or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Secured Assets.

EXECUTION

The First Chargor

Executed as a deed by
CPL Industries Group Limited
by a director in the presence of:

Director

Witness signature:

Witness Name: **DAVID PARRY**
Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Witness Occupation: *Solicitor*

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

The other Chargors

Executed as a deed by
CPL Industries Holdings Limited
by a director in the presence of:

Director

Witness signature:

Witness Name: **DAVID PARRY**
Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Witness Occupation: *Solicitor*

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ
LLP

Attention: Chief Financial Officer

Executed as a deed by
CPL Industrial Services (Holdings) Limited
by a director in the presence of:

Director

Witness signature:

Witness Name: **DAVID PARRY**
Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Witness Occupation: *Solicitor*

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
Coal Products Limited
by a director in the presence of:

)
)
)

[Redacted Signature]

Director

Witness signature:

[Redacted Signature]

Witness Name: **DAVID PARRY**
Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Witness Occupation: *Solicitor*
Executed as a deed by
Heptagon Limited
by a director in the presence of:

)
)
)

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

[Redacted Signature]

Director

Witness signature:

[Redacted Signature]

Witness Name: **DAVID PARRY**
Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Witness Occupation: *Solicitor*

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
Broomco (1850) Limited
by a director in the presence of:

)
)
)

[Redacted Signature]

Director

Witness signature:

[Redacted Signature]

Witness Name: **DAVID PARRY**
Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Witness Occupation: *Solicitor*

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
Carbon Link Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Witness Address: Eversheds Sutherland (International) LLP

Bridgewater Place

Witness Occupation: Water Lane, Leeds LS11 5DR

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
CPL Distribution Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Witness Address: Eversheds Sutherland (International) LLP

Bridgewater Place

Witness Occupation: Water Lane, Leeds LS11 5DR

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
CPL Property Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Witness Address: Eversheds Sutherland (International) LLP

Bridgewater Place

Witness Occupation: Water Lane, Leeds LS11 5DR

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
Walter H Feltham & Son Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridge Water Place
Water Lane, Leeds LS11 5DR

Witness Occupation:

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
Carbon Link Holdings Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridge Water Place
Water Lane, Leeds LS11 5DR

Witness Occupation:

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
Corralls Coal Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridge Water Place
Water Lane, Leeds LS11 5DR

Witness Occupation:

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
C Rudrum & Sons Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridge Water Place
Water Lane, Leeds LS11 5DR

Witness Occupation:

Communications to be delivered to:

Address: Westthorpe Fields Road,
Killamarsh, Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
C. Rudrum & Sons (Cornwall) Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridgewater Place

Water Lane, Leeds LS11 5DR

Witness Occupation:

Solicitor

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
CPL Industries (EMEA) Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridgewater Place

Water Lane, Leeds LS11 5DR

Witness Occupation:

Solicitor

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
CPL France Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridgewater Place

Water Lane, Leeds LS11 5DR

Witness Occupation:

Solicitor

Communications to be delivered to:

Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

Executed as a deed by
CPL Fuels Limited
by a director in the presence of:

Director

Witness signature:

Witness Name:

DAVID PARRY

Eversheds Sutherland (International) LLP
Witness Address: Bridgewater Place

Water Lane, Leeds LS11 5DR

Witness Occupation:

Solicitor

Communications to be delivered to:

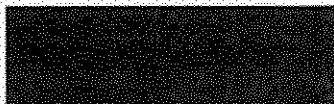
Address: Westthorpe Fields Road, Killamarsh,
Sheffield, S21 1TZ

Attention: Chief Financial Officer

The Security Trustee

Executed as a deed by
as attorney for **Lloyds Bank plc**,
in the presence of:

)
)
)



as attorney for Lloyds Bank plc

Witness signature:



Name:

DAVID PARRY

Address:

Eversheds Sutherland (International) LLP
Bridgewater Place
Water Lane, Leeds LS11 5DR

Occupation:

Director

Communications to be delivered to:

Address: 116 Wellington Street, Leeds, LS1
4LT

Fax number:

Attention: Stuart Leslie