

MR01

Particulars of a charge

006500/26

Laserform

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR01

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

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

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



A17 04/11/2015 #155
COMPANIES HOUSE

WEDNESDAY

1 Company details

Company number 0 0 9 0 2 2 3 0 ✓

Company name in full MONARCH AIRCRAFT ENGINEERING LIMITED ✓

☒ **Filling in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d2 d9 m1 m0 y2 y0 y1 y5 ✓

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

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

Name PNC BUSINESS CREDIT a trading style of PNC
FINANCIAL SERVICES UK LTD ✓

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Brief description

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

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

Please limit the description to the available space

Brief description

BY WAY OF FIRST LEGAL MORTGAGE THE PROPERTIES KNOWN AS AIRCRAFT HANGAR, BIRMINGHAM INTERNATIONAL AIRPORT, BIRMINGHAM TITLE NUMBER MM29357, HANGAR 5, WESTERN MAINTAINANCE AREA, MANCHESTER AIRPORT, MANCHESTER M90 5AE/TITLE NUMBER-GM966360, HANGAR 60, PERCIVAL WAY, LONDON LUTON AIRPORT, LUTON TITLE NUMBER BD230068, HANGAR 127, PERCIVAL WAY, LONDON LUTON AIRPORT, LUTON TITLE NUMBER BD148226, 136 PROSPECT WAY, LONDON LUTON AIRPORT, LUTON LU2 9QH TITLE NUMBER BD273241, AND 105 FRANK LESTER WAY, LONDON LUTON AIRPORT LU2 9NQ TITLE NUMBER BD281495 (SEE CHARGING INSTRUMENT FOR FURTHER CHARGES)

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to Section 7

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

☒ Yes

7

Negative Pledge

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

☒ Yes

☐ No

8

Trustee statement ^①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X

Mills & Reeve LLP

FOR AND ON BEHALF OF PNC FINANCIAL SERVICES UK LTD

X

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

MR01

Particulars of a charge

**Presenter information**

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

Contact name REF NGWA

Company name Mills & Reeve LLP

Address 1 St James Court

Whitefriars

Post town Norwich

County/Region Norfolk

Postcode N R 3 1 R U

Country United Kingdom

DX DX 5210 Norwich

Telephone 01603 660155

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

CHFP025

06/14 Version 2.0



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 902230

Charge code: 0090 2230 0019

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th October 2015 and created by MONARCH AIRCRAFT ENGINEERING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th November 2015

Given at Companies House, Cardiff on 10th November 2015



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED

29 October

2015

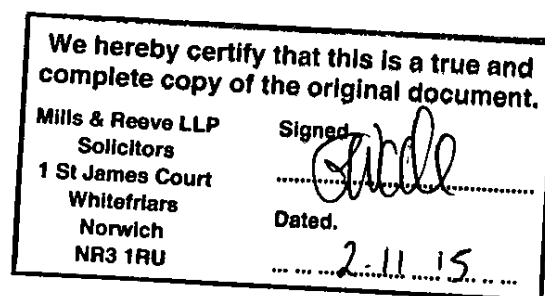
(1) PNC BUSINESS CREDIT
a trading style of PNC FINANCIAL SERVICES UK LTD
as PNC

(2) THE COMPANIES NAMED IN THIS DEED AS SECURITY OBLIGORS
as Security Obligors

- and -

(3) MONARCH AIRCRAFT ENGINEERING LIMITED
as Obligor

COMPOSITE GUARANTEE AND
DEBENTURE



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THIS COMPOSITE GUARANTEE AND DEBENTURE is made on 29 October 2015

BETWEEN

- (1) **PNC BUSINESS CREDIT** a trading style of **PNC FINANCIAL SERVICES UK LTD** a company registered in England and Wales with the number 07341483 and having its registered office at PNC House, 34/36 Perrymount Road, Haywards Heath, West Sussex RH16 3DN ("**PNC**"),
- (2) **THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED** (the "**Security Obligors**"), and
- (3) **MONARCH AIRCRAFT ENGINEERING LIMITED** a company registered in England and Wales with the number 00902230 and having its registered office at Prospect House, Prospect Way, London Luton Airport, Luton, Bedfordshire, LU2 9NU (the "**Obligor**")

IT IS AGREED as follows

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed

- (a) terms defined in, or construed for the purposes of, the Master Facilities Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed), and

- (b) the following terms have the following meanings

"**ABL Insurances**" means Inventory Insurances, P&M Insurances and Real Property Insurances and "**ABL Insurance**" means any policy of insurance falling within any of the definitions of Inventory Insurances, P&M Insurances and Real Property Insurances,

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

"**Assigned Assets**" means the Security Assets expressed to be assigned pursuant to clause 5.2 (*Security assignments*),

"**Charged Investments**" means the Charged Securities and all present and future Securities Rights accruing to all or any of the Charged Securities,

"**Charged Securities**" means the Securities specified in part 3 of schedule 3 (*Details of Security Assets*);

"**Excluded Real Property**" means

- (a) the Real Property specified in schedule 4 (*Excluded Real Property*), and
- (b) all estates and interests in leasehold property now or in future belonging to the Obligor which are occupational leases at an open market rent and not

assigned to the Obligor at a premium, where the terms of the lease require landlord's consent to charge,

"Guarantee" means the guarantee and indemnity contained in clause 2 (*Guarantee and indemnity*) as extended by schedule 2 (*The Guarantee*),

"Insurances" means, save for the ABL Insurances, all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, the Obligor or in which the Obligor from time to time has an interest,

"Intellectual Property" means all present and future Intellectual Property Rights,

"Intellectual Property Rights" means

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered, and
- (b) the benefit of all applications and rights to use such assets,

"Inventory" means raw materials, work in progress and finished goods, being the stock-in-trade of the Obligor,

"Inventory Insurances" means those policies of insurance (if any) specified in part 5 of schedule 3 (*Details of Security Assets*) and any other policies of insurance which may replace those policies of insurance,

"Master Facilities Agreement" means the master facilities agreement dated on or about the date of this Deed and made between (1) PNC, (2) the Obligor, (3) Monarch Airlines Limited and the Parent and (4) the Parent pursuant to which PNC has agreed to make certain accounts receivables facilities and certain asset based lending facilities available to the Obligor,

"Non-Vesting A/R" means Non-Vesting Domestic A/R and Non-Vesting Export A/R and **"Non-Vesting A/R"** means any one of them,

"Non-Vesting Domestic A/R" means any A/R (other than an Export A/R) purportedly assigned to PNC pursuant to the Master Facilities Agreement but which does not, for any reason, vest absolutely and effectively in PNC,

"Non-Vesting Export A/R" means any Export A/R purportedly assigned to PNC pursuant to the Master Facilities Agreement but which does not, for any reason, vest absolutely and effectively in PNC,

"Other Proceeds" means all and any monies paid to a Trust Account which are not the proceeds of A/R,

"Other Receivables" means, save for A/R, all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Obligor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with.

- (a) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights), and
- (b) all proceeds of any of the foregoing,

"Party" means a party to this Deed,

"P&M" means all plant, machinery, other capital equipment (excluding Inventory) owned by the Obligor from time to time wherever located and all spare parts, replacements, modifications and additions for or to the same and any manuals, logbooks or registration documents relating thereto,

"P&M Insurances" means those policies of insurance (if any) specified in part 6 of schedule 3 (*Details of Security Assets*) and any other policies of insurance which may replace those policies of insurance,

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Obligor, or in which the Obligor has an interest at any time, together with

- (i) all buildings and fixtures (including trade fixtures) and fixed P&M at any time thereon,
- (ii) all easements, rights and agreements in respect thereof; and
- (iii) the benefit of all covenants given in respect thereof,

"Real Property Insurances" means those policies of insurance (if any) specified in part 7 of schedule 3 (*Details of Security Assets*) and any other policies of insurance which may replace those policies of insurance,

"Receiver" means any receiver or receiver and manager appointed by PNC under this Deed,

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any member of the Group to PNC under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed), provided that no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, this Deed (or any part of it) would constitute unlawful financial assistance within the meaning of section 678 of the Companies Act 2006,

"Securities" means other than in respect of the shares in Monarch Ukraine, all stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or *"investments"* (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by the Obligor, held by a nominee on its behalf or in which the Obligor has an interest at any time,

"Securities Rights" means

- (a) all dividends, distributions and other income paid or payable on the relevant Securities or Charged Securities or on any asset referred to in paragraph (b) of this definition,
- (b) all rights, monies or property accruing or offered at any time in relation to such Securities or Charged Securities whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

"Security" means the Security Interests created by or pursuant to this Deed,

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed,

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

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full,
- (b) the A/R Facility has been terminated according to its terms, and
- (c) PNC has no further commitment, obligation or liability under or pursuant to the Finance Documents,

"Specified P&M" means the P&M (if any) specified in part 2 of schedule 3 (*Details of Security Assets*), and

"Specified Real Property" means the estates and interests in freehold, leasehold and other immovable property (if any) specified in part 1 of schedule 3 (*Details of Security Assets*), together with

- (a) all buildings and fixtures (including trade fixtures) and fixed P&M at any time thereon,
- (b) all easements, rights and agreements in respect thereof, and
- (c) the benefit of all covenants given in respect thereof

1.2 Interpretation

- (a) Unless a contrary indication appears, any reference in this Deed to

- (i) the "**Obligor**", a "**Security Obligor**" or "**PNC**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees,
- (ii) "**this Deed**", the "**Master Facilities Agreement**", any other "**Finance Document**" or any other agreement or instrument shall be construed as a reference to this Deed, the Master Facilities Agreement, such other Finance Document or such other agreement or instrument as varied, amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances),
- (iii) "**assets**" includes any present and future properties, revenues and rights of every description and includes uncalled capital,
- (iv) an Event of Default that is "**continuing**" shall be construed as meaning an Event of Default that has not been waived in writing by PNC, to the satisfaction of PNC and any waiver given by PNC shall only apply to the specific occurrence of the specific event referred to in such waiver,
- (v) "**including**" or "**includes**" means including or includes without limitation,
- (vi) "**Secured Obligations**" includes obligations and liabilities which would be treated as such but for the liquidation or dissolution of or similar event affecting any member of the Group,
- (vii) a provision of law is a reference to that provision as amended or re-enacted, and
- (viii) the singular includes the plural and vice versa
- (b) References to clauses, paragraphs and schedules are to be construed, unless otherwise stated, as references to clauses, paragraphs and schedules of and to this Deed and references to this Deed include its schedules
- (c) Clause and schedule headings are for convenience only and shall not affect the construction of this Deed
- (d) Each undertaking of any Security Obligor contained in this Deed must be complied with at all times during the Security Period
- (e) The terms of the other Finance Documents and of any side letters between any of the parties thereto in relation to any Finance Document are incorporated in this Deed to the extent required to ensure that any disposition of the property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989
- (f) If PNC reasonably considers that an amount paid by any Security Obligor to PNC under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such Security Obligor, then that

amount shall not be considered to have been irrevocably paid for the purposes of this Deed

- (g) The liabilities and obligations of each Security Obligor under this Deed shall be joint and several
- (h) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand

1.3 Third party rights

A person who is not a Party shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed

2. GUARANTEE AND INDEMNITY

2.1 Guarantee and indemnity

Each Security Obligor irrevocably and unconditionally

- (a) guarantees in favour of PNC punctual performance by each member of the Group of all payment obligations of each member of the Group under the Finance Documents,
- (b) undertakes in favour of PNC that whenever a member of the Group does not pay any amount when due under, or in connection with, any Finance Document, such Security Obligor shall immediately on demand pay that amount as if it were the principal obligor, and
- (c) indemnifies PNC immediately on demand against any cost, loss or liability suffered by PNC, if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which PNC would otherwise have been entitled to recover

2.2 Extension of guarantee

The guarantee set out in this clause 2 is given subject to and with the benefit of the provisions set out in schedule 2 (*The Guarantee*)

3. COVENANT TO PAY

3.1 Covenant to pay

Each Security Obligor, as principal obligor and not merely as surety, covenants in favour of PNC that it will pay and discharge the Secured Obligations from time to time when they fall due

3.2 Default interest

- (a) Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid

and discharged in full on a daily basis at the rate and in the manner agreed in the Finance Document under which such amount is payable and, in the absence of such agreement, at the Default Rate from time to time

- (b) Default interest will accrue from day to day and will be compounded at such intervals as PNC states are appropriate.

4. GRANT OF SECURITY

4.1 Nature of security

All Security Interests and dispositions created or made by or pursuant to this Deed are created or made

- (a) in favour of PNC;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, and
- (c) as continuing security for payment of the Secured Obligations

4.2 Qualifying floating charge

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

5. FIXED SECURITY

5.1 Fixed charges

The Obligor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest

- (a) by way of first legal mortgage the Specified Real Property,
- (b) by way of first fixed charge
 - (i) all Real Property and all interests in Real Property not charged by clause 5.1(a) but excluding Excluded Real Property,
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land except in relation to Excluded Real Property, and
 - (iii) the proceeds of sale of all Real Property other than Specified Real Property and Excluded Real Property,
- (c) by way of separate and independent first fixed charge each item comprised in the Specified P&M,
- (d) by way of first fixed charge the benefit of all contracts, licences and warranties relating to the Specified P&M,

- (e) by way of first fixed charge all P&M (not charged by clauses 5 1(a), 5 1(b) or 5 1(c)) and the benefit of all contracts, licences and warranties relating to the same,
- (f) by way of first fixed charge.
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 5 1(c)), and
 - (ii) the benefit of all contracts, licences and warranties relating to the same,

other than any which are for the time being part of the Obligor's Inventory,
- (g) by way of first fixed charge the Charged Securities,
- (h) by way of first fixed charge all Securities Rights from time to time accruing to the Charged Securities,
- (i) by way of first fixed charge all rights which the Obligor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Securities,
- (j) by way of first fixed charge all Securities (not charged by clause 5 1(g)),
- (k) by way of first fixed charge (A) all Securities Rights from time to time accruing to those Securities and (B) all rights which the Obligor may have at any time against any clearance or settlement system or any custodian in respect of any Securities;
- (l) by way of first fixed charge all Non-Vesting Domestic A/R and their proceeds now or in the future owing to the Obligor,
- (m) by way of first fixed charge all Related Rights relating to any Non-Vesting Domestic A/R,
- (n) by way of first fixed charge all Non-Vesting Export A/R and their proceeds now or in the future owing to the Obligor,
- (o) by way of first fixed charge all Related Rights relating to any Non-Vesting Export A/R,
- (p) by way of first fixed charge all Other Proceeds,
- (q) by way of first fixed charge the Intellectual Property (if any) specified in part 4 of schedule 3 (*Details of Security Assets*),
- (r) by way of first fixed charge all Intellectual Property (if any) not charged by clause 5 1(q),
- (s) to the extent that any Assigned Asset is not effectively assigned under clause 5 2 (*Security assignments*), by way of first fixed charge, such Assigned Asset,

- (t) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed)
 - (i) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Obligor or the use of any of its assets, and
 - (ii) any letter of credit issued in favour of the Obligor and all bills of exchange and other negotiable instruments held by it, and
- (u) by way of first fixed charge all of the goodwill and uncalled capital of the Obligor

5.2 Security assignments

The Obligor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to,

- (a) the proceeds of the sale of any Specified Real Property,
- (b) the proceeds of the sale of any Specified P&M,
- (c) the proceeds of the sale of any Charged Securities,
- (d) the proceeds of the sale of any Intellectual Property specified in part 4 of schedule 3 (*Details of Security Assets*);
- (e) the Inventory Insurances, all claims under the Inventory Insurances and the proceeds of the Inventory Insurances,
- (f) the P&M Insurances, all claims under the P&M Insurances and the proceeds of the P&M Insurances,
- (g) the Real Property Insurances, all claims under the Real Property Insurances and the proceeds of the Real Property Insurances,
- (h) the Insurances, all claims under the Insurances and all proceeds of the Insurances, and
- (i) Other Receivables (not assigned under clauses 5.2(a) to 5.2(h) (inclusive) above

5.3 Assigned Assets

- (a) To the extent that any Assigned Asset described in clauses 5.2(a) to 5.2(i) (inclusive), (*Security assignments*) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Obligor to any proceeds of an Assigned Asset
- (b) PNC is not obliged to take any steps necessary to preserve any Assigned Asset, or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed

6. FLOATING CHARGE

The Obligor charges and agrees to charge by way of first floating charge all of its present and future

- (a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 5.1 (*Fixed charges*), clause 5.2 (*Security assignments*) or any other provision of this Deed, and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland

7. CONVERSION OF FLOATING CHARGE

7.1 Conversion by notice

PNC may, by written notice to the Obligor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of such Security Obligor specified in the notice if

- (a) an Event of Default has occurred and is continuing, or
- (b) PNC (acting reasonably) considers any Security Assets (whether or not those specified in the notice) to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy

7.2 Small companies

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

7.3 Automatic conversion

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

- (a) in relation to any Security Asset which is subject to a floating charge if
 - (i) the Obligor creates (or attempts or purports to create) any Security Interest on or over the relevant Security Asset without the prior written consent of PNC; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset, and
- (b) over all Security Assets of the Obligor which are subject to a floating charge if an administrator is appointed in respect of the Obligor or PNC receives notice of intention to appoint such an administrator

7.4 Partial conversion

The giving of a notice by PNC pursuant to clause 7.1 (*Conversion by notice*) in relation to any class of assets of the Obligor shall not be construed as a waiver or abandonment of the rights of PNC to serve similar notices in respect of any other class of assets or of any other right of PNC

8. CONTINUING SECURITY

8.1 Continuing security

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

8.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security Interest which PNC may at any time hold for any Secured Obligation.

8.3 Right to enforce

This Deed may be enforced against each or any Security Obligor without PNC first having recourse to any other right, remedy, guarantee or Security Interest held by or available to it.

9. LIABILITY OF OBLIGOR RELATING TO SECURITY ASSETS

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

10. ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of any Security Obligor with PNC or in which any Security Obligor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any third party save pursuant to the Permitted Security and by the Parent by way of security pursuant to the terms of any Security granted by the Parent from time to time.

11. REPRESENTATIONS

11.1 General

The Obligor makes the representations and warranties set out in this clause 11 to PNC and the Parent makes the representations in clause 11.4 to PNC.

11.2 No Security Interests

Its Security Assets are, or when acquired will be, beneficially owned by it free from any Security Interest other than:

- (a) as created by this Deed, and
- (b) as permitted by the Master Facilities Agreement

11.3 Ownership of Security Assets

It is the sole legal and beneficial owner of all the Security Assets identified against its name in schedule 3 (*Details of Security Assets*) except in respect of those Charged Securities (if any) which are held by a nominee for the Obligor, in which case the Obligor is the beneficial owner only of such Charged Securities

11.4 No proceedings pending or threatened

Each Security Obligor hereby gives the representation set out at paragraph 6(h) of Schedule 1 (*Common Terms*) of the Master Facilities Agreement as if the same were set out in this Deed, save that the reference to the Obligor is a reference to the relevant Security Obligor and, insofar as the representation relates to any company other than the Obligor, the representation is given by the Parent only in that respect

11.5 Charged Securities

- (a) All Securities (including any Charged Securities) are fully paid
- (b) If any Charged Securities are listed in part 3 of schedule 3 (*Details of Security Assets*) those Charged Securities constitute the entire share capital owned by the Obligor in the relevant company

11.6 Time when representations made

- (a) All the representations and warranties in this clause 11 are made by the Obligor/the Parent (as the case may be) on the date of this Deed and are also deemed to be made by the Obligor/the Parent (as the case may be) on the date of each Notification
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

12. UNDERTAKINGS BY SECURITY OBLIGORS

12.1 Master Facilities Agreement

On the Commencement Date, and until the end of the Security Period each Security Obligor and, in the case of paragraph (b) below, the Obligor alone, hereby

- (a) gives the warranties and representations set out at paragraphs 6(a) to 6(f) inclusive, 6(i), 6(l) and 6(p)(i) of schedule 1 (*Common terms*) of the Master Facilities Agreement except, insofar as the representation relates to any

company other than the Obligor, the representation is given by the Parent only in that respect,

- (b) gives the covenants set out at clause 7.6 of, and paragraph 7 of schedule 1 (*Common terms*) to, the Master Facilities Agreement to the same extent given by it under the Master Facilities Agreement, and
- (c) gives the undertakings set out at paragraphs 8 (b) and 8(c) and in the case of the Obligor, alone 8(f), 8(g) and 8(k), of schedule 1 (*Common terms*) of the Master Facilities Agreement to the same extent given by them under the Master Facilities Agreement,

as if the same were set out in this Deed mutatis mutandis and references to "this Deed" are deemed to be references to this Deed

12.2 Restrictions on dealing

The Obligor shall not do or agree to do any of the following without the prior written consent of PNC.

- (a) create or permit to subsist any Security Interest on any Security Assets except a Security Interest which is permitted by the Master Facilities Agreement,
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset except for the sale at full market value of stock in trade in the usual course of trading as conducted by the Obligor at the Commencement Date other than as permitted by the Master Facilities Agreement

12.3 Security Assets generally

The Obligor shall

- (a) permit PNC (or its designated representatives), on reasonable written notice
 - (i) access during normal office hours to any documents and records relating to the Security Assets, and
 - (ii) to inspect, take extracts from, and make photocopies of, the same,

and to provide (at the expense of the Obligor), such clerical and other assistance which PNC may reasonably require to do this,

- (b) notify PNC of every notice, order, application, requirement or proposal given or made by any competent authority.
 - (i) in relation to any Security Asset specified in schedule 3 (*Details of Security Assets*), immediately upon receipt, and
 - (ii) within 14 days of receipt of every notice, order, application, requirement or proposal given or made in relation to any Security Assets other than Security Asset specified in schedule 3 (*Details of Security Assets*)

and (if required by PNC) immediately provide it with a copy of the same and either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as PNC may require or approve **PROVIDED ALWAYS** that notices in respect of limb (a) of the definition of Securities Rights shall be dealt with in accordance with clause 12.3(b)(i) above following the exercise by PNC of its rights in accordance with clause 12.7(b) (*Rights in respect of Securities, Charged Securities and Securities Rights*),

- (c) duly and punctually pay all rates, rents, Taxes, and other outgoings owed by it in respect of the Security Assets, and
- (d) in addition to any provisions of the Master Facilities Agreement or this Deed relating to specific Security Assets
 - (i) comply in all material respects with all obligations in relation to the Security Assets under any present or future law, regulation, order or instrument or under any bye-laws, regulations or requirements of any competent authority or other approvals, licences or consents,
 - (ii) comply with all material covenants and obligations affecting the Security Assets (or their manner of use),
 - (iii) not, except with the prior written consent of PNC, enter into any onerous or restrictive obligation affecting any Security Asset,
 - (iv) provide PNC with all information which it may reasonably request in relation to the Security Assets, and
 - (v) not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect)

12.4 Specified P&M

The Obligor undertakes that it is the owner, with full title guarantee, of the Specified P&M listed in schedule 3 (*Details of Security Assets*) and in relation to that Specified P&M, that it shall at all times comply with paragraphs 6(b)(i), 6(b)(iii), 6(b)(iv), 6(f), 6(g)(i) of schedule 4 (*P&M Facility terms and conditions*) to the Master Facilities Agreement

12.5 Specified Real Property

The Obligor undertakes that it is the owner, with full title guarantee, of the Specified Real Property listed in schedule 3 (*Details of Security Assets*) and in relation to that Specified Real Property, that it shall at all times comply with paragraphs 6(b), 6(e), 6(f), 6(g)(i) of schedule 5 (*Real Property Facility terms and conditions*) to the Master Facilities Agreement

12.6 Charged Securities

- (a) In relation to any Charged Securities, the Obligor shall, immediately upon execution of this Deed or (if later), as soon as is practicable after its

acquisition of any such Charged Securities in certificated form, by way of security for the Secured Obligations

- (i) deposit with PNC or, as PNC may direct, all certificates and other documents of title or evidence of ownership to such Charged Securities and their Securities Rights, and
 - (ii) execute and deliver to PNC pre-stamped instruments of transfer in respect of such Charged Securities (executed in blank and left undated) and/or such other documents as PNC shall require, to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to such Charged Securities and their Securities Rights (or to pass legal title to any purchaser) following this Deed becoming enforceable in accordance with its terms
- (b) In relation to any Charged Securities, the Obligor shall
 - (i) promptly give notice to any custodian of any agreement with the Obligor in respect of any such Charged Securities and all present and future Securities Rights accruing to all or any of such Charged Securities, in a form PNC may require, and
 - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in a form PNC may require
- (c) Without prejudice to the rest of this clause 12.6, PNC may, at the expense of the Obligor, take whatever action is required for the dematerialisation or rematerialisation of any Charged Securities and all present and future Securities Rights accruing to all or any of such Charged Securities
- (d) The Obligor shall promptly pay all calls or other payments which may become due in respect of Charged Securities and all present and future Securities Rights accruing to all or any of such Charged Securities
- (e) The Obligor shall immediately upon a request from PNC comply with the provisions of this clause 12.6 in relation to any Securities other than the Charged Securities and their Securities Rights

12.7 Rights in respect of Securities, Charged Securities and Securities Rights

- (a) Until an Event of Default occurs, the Obligor shall be entitled to
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Securities and its Charged Securities, and
 - (ii) exercise all voting and other rights and powers attaching to its Securities and its Charged Securities, provided that it must not do so in a manner which (A) has the effect of changing the terms of the Securities or the Charged Securities (or any class of them) or of any Securities Rights or (B) which is prejudicial to the interests of PNC
- (b) At any time following the occurrence of an Event of Default which is continuing, PNC may complete the instrument(s) of transfer for all or any

Securities or Charged Securities on behalf of the Obligor in favour of itself or such other person as it may select

- (c) At any time when any Securities or Charged Securities are registered in the name of PNC or its nominee, PNC shall be under no duty to
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Securities or Charged Securities are duly and promptly paid or received by it or its nominee, or
 - (ii) verify that the correct amounts are paid or received, or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Securities Rights in respect of or in substitution for any such Securities or Charged Securities

12.8 Dealings with and realisation of Non-Vesting A/R and Other Proceeds

- (a) The Obligor shall only deal with Non-Vesting A/R and the proceeds thereof and the Related Rights thereto in accordance with the Master Facilities Agreement
- (b) The Obligor agrees that the Other Proceeds shall be dealt with as if they were the proceeds of A/R assigned or purportedly assigned to PNC in accordance with the terms of the Master Facilities Agreement

12.9 Intellectual Property

Unless PNC is of the opinion that the relevant Intellectual Property is of minor importance to the Obligor, the Obligor shall

- (a) do all acts as are reasonably practicable to maintain, protect and safeguard (including, without limitation, registration with all relevant authorities) its Intellectual Property and not discontinue the use of any of its Intellectual Property,
- (b) take all such reasonable steps, including the commencement of legal proceedings, as may be necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of its Intellectual Property, and
- (c) in relation to any Intellectual Property specified in part 4 of schedule 3 (*Details of Security Assets*) only, comply with any warranties, covenants and/or undertakings relating to Intellectual Property set out in the Master Facilities Agreement

12.10 Proceeds of the sale of certain Charged Securities, Specified P&M, Real Property and Intellectual Property

The Obligor undertakes to deal with the proceeds of sale of the Security Assets referred to at clauses 5.2(a) to 5.2(d) inclusive in accordance with the terms of the Master Facilities Agreement or otherwise, in accordance with the terms of any consent issued by PNC to the Obligor in relation to any such Security Asset

12.11 Insurance

In relation to any ABL Insurance, the Obligor shall at all times comply with the following provisions of the Master Facilities Agreement as if the same were set out in this Deed

- (a) in relation to Inventory Insurance, paragraphs 6(i) to 6(m) inclusive of schedule 3 (*Inventory Facility terms and conditions*) to the Master Facilities Agreement,
- (b) in relation to the P&M Insurance, paragraphs 6(h) to 6(l) inclusive of schedule 4 (*P&M Facility terms and conditions*) to the Master Facilities Agreement, and
- (c) in relation to Real Property Insurance, paragraphs 6(g) to (k) inclusive of schedule 5 (*Real Property Facility terms and conditions*) to the Master Facilities Agreement

13. POWER TO REMEDY

13.1 Power to remedy

If at any time the Obligor does not comply with any of its obligations under this Deed, PNC (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The Obligor irrevocably authorises PNC and its employees and agents by way of security to do all things (including entering the property of the Obligor) which are necessary to rectify that default.

13.2 Mortgagee in possession

The exercise of the powers of PNC under this clause 13 shall not render it liable as a mortgagee in possession.

13.3 Monies expended

The Obligor shall pay to PNC on demand any monies which are expended by PNC in exercising its powers under this clause 13, together with interest at the Default Rate from the date on which those monies were expended by PNC (both before and after judgment) and otherwise in accordance with clause 3.2 (*Default interest*)

14. WHEN SECURITY BECOMES ENFORCEABLE

14.1 When enforceable

This Security shall become immediately enforceable upon the occurrence of an Event of Default and shall remain so for so long as such Event of Default is continuing

14.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and for so long as such Event of Default is continuing

14.3 Enforcement

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

15. ENFORCEMENT OF SECURITY

15.1 General

For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Security. The statutory powers of leasing conferred on PNC are extended so as to authorise PNC to lease, make agreements for leases, accept surrenders of leases and grant options as PNC may think fit and without the need to comply with section 99 or 100 of the Act.

15.2 Powers of PNC

- (a) At any time after the Security becomes enforceable, PNC may without further notice (unless required by law)
 - (i) (or if so requested by the Obligor by written notice at any time may) appoint any person or persons to be a receiver or receiver and manager of all or any part of the Security Assets and/or of the income of the Security Assets, and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Obligor, and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver, and/or
 - (iv) exercise (in the name of the Obligor and without any further consent or authority of the Obligor) any voting rights and any powers or rights which may be exercised by the person(s) in whose name the Charged Investments are registered, or who is the holder of any of them.
- (b) PNC is not entitled to appoint a Receiver in respect of any Security Assets of the Obligor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Obligor.

15.3 Redemption of prior mortgages

At any time after the Security has become enforceable, PNC may:

- (a) redeem any prior Security Interest against any Security Asset, and/or
- (b) procure the transfer of that Security Interest to itself, and/or

- (c) settle and pass the accounts of the holder of any prior Security Interest and any accounts so settled and passed shall be conclusive and binding on the Obligor

15.4 Privileges

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

15.5 No liability

- (a) Neither PNC nor any Receiver shall be liable (i) in respect of all or any part of the Security Assets or (ii) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct)
- (b) Without prejudice to the generality of clause 15.5(a), neither PNC nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

15.6 Protection of third parties

No person (including a purchaser) dealing with PNC or any Receiver or its or his agents will be concerned to enquire

- (a) whether the Secured Obligations have become payable, or
- (b) whether any power which PNC or the Receiver is purporting to exercise has become exercisable, or
- (c) whether any money remains due under any Finance Document, or
- (d) how any money paid to PNC or to the Receiver is to be applied

16. RECEIVER

16.1 Removal and replacement

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

16.2 Multiple Receivers

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

16.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and PNC

16.4 Payment by Receiver

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

16.5 Agent of Security Obligors

Any Receiver shall be the agent of the Obligor. The Obligor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration other than as a result of gross negligence or wilful misconduct. PNC shall incur no liability (either to the Obligor or to any other person) by reason of the appointment of a Receiver or for any other reason.

17. POWERS OF RECEIVER

17.1 General powers

Any Receiver shall have

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

17.2 Additional powers

In addition to the powers referred to in clause 17.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed,
- (b) to manage the Security Assets and the business of the Obligor as he thinks fit,
- (c) to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise,
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act. Fixtures may be severed and sold separately from the Real Property containing them, without

the consent of the Obligor. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party). Any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit,

- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Obligor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land),
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Obligor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Obligor,
- (g) to take any such proceedings (in the name of Obligor or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment),
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit,
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as PNC shall direct),
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm),
- (k) to form one or more Subsidiaries of the Obligor, and to transfer to any such Subsidiary all or any part of the Security Assets,
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease, and
- (m) to,
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary for the realisation of any Security Asset,
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets, and
 - (iii) use the name of the Obligor for any of the above purposes

18. APPLICATION OF PROCEEDS

18.1 Application

All monies received by PNC or any Receiver after the Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Security) be applied in the following order

- (a) *first*, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made by PNC or any Receiver and of all remuneration due to the Receiver in connection with this Deed or the Security Assets,
- (b) *secondly*, in or towards satisfaction of the remaining Secured Obligations, and
- (c) *thirdly*, in payment of any surplus to the Obligor or other person entitled to it

18.2 Contingencies

If the Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), PNC or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account

19. SET-OFF

19.1 Set-off

- (a) PNC may (but shall not be obliged to) set off any obligation (contingent or otherwise under the Finance Documents or which has been assigned to PNC) against any obligation (whether or not matured) owed by PNC to the Obligor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) If the obligations are in different currencies, PNC may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off
- (c) If either obligation is unliquidated or unascertained, PNC may set off in an amount estimated by it in good faith to be the amount of that obligation

19.2 Time deposits

Without prejudice to clause 19.1(*Set-off*) if any time deposit matures on any account which any Security Obligor has with PNC at a time when

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

such time deposit shall automatically be renewed for such further maturity as PNC in its absolute discretion considers appropriate unless PNC otherwise agrees in writing

20. DELEGATION

Each of PNC and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by it under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither PNC nor any Receiver shall be in any way liable or responsible to any Security Obligor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate other than as a result of gross negligence or wilful misconduct.

21. FURTHER ASSURANCES

21.1 Further action

The Obligor shall, at its own expense, promptly take whatever action PNC or a Receiver may require for

- (a) creating, perfecting or protecting the Security Interests intended to be created by this Deed, and
- (b) facilitating the realisation of any of its Security Assets or the exercise of any right, power or discretion exercisable by PNC or any Receiver or any of its or his delegates or sub-delegates in respect of any of its Security Assets,

including the execution of any transfer, conveyance, assignment or assurance of any property whether to PNC or to its nominees, the giving of any notice, order or direction and the making of any registration which in any such case PNC may think expedient.

21.2 Specific security

Without prejudice to the generality of clause 21.1 (*Further action*), the Obligor shall forthwith at the request of PNC execute a legal mortgage, charge, assignment, assignation or other security over any Security Asset which is subject to or intended to be subject to any fixed security created by this Deed in favour of PNC (including any arising or intended to arise pursuant to clause 7 (*Conversion of floating charge*)) in such form as PNC may require.

22. POWER OF ATTORNEY

After an Event of Default and for so long as the same is continuing, the Obligor, by way of security, irrevocably and severally appoints PNC, each Receiver and any of its or his delegates or sub-delegates to be its attorney to take any action which the Obligor is obliged to take under this Deed, including under clause 21 (*Further assurances*). The Obligor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

23. PAYMENTS

23.1 Payments

Subject to clause 23.2 (*Gross-up*), all payments to be made by a Security Obligor in respect of this Deed shall be made

- (a) in immediately available funds to the credit of such account as PNC may designate, and
- (b) without (and free and clear of, and without any deduction for or on account of)
 - (i) any set-off or counterclaim, or
 - (ii) except to the extent compelled by law, any deduction or withholding for or on account of Tax

23.2 Gross-up

If any Security Obligor is compelled by law to make any deduction or withholding from any sum payable under this Deed to PNC, the sum so payable by such Security Obligor shall be increased so as to result in the receipt by PNC of a net amount equal to the full amount expressed to be payable under this Deed

23.3 Master Facilities Agreement

Without prejudice to the provisions of clause 2 (*Guarantee and indemnity*) and each Security Obligor's obligations in accordance with this Deed, PNC may at any time discharge a Security Obligor's obligation to make payment of any sums due by a Security Obligor to PNC by debiting such sum to any account held by PNC in relation to the Obligor

23.4 Tax Credit

- (a) In this clause

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax;

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, and

"**Tax Payment**" means the increase in a payment made by the Obligor to PNC under clause 23.2 (Gross-up)
- (b) If a Security Obligor makes a Tax Payment and PNC determines that
 - (i) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required, and
 - (ii) PNC has obtained and utilised that Tax Credit,

PNC shall pay an amount to that Security Obligor which PNC determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by that Security Obligor

24. STAMP DUTY

Each Security Obligor shall

- (a) pay all present and future stamp, registration and similar Taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this Deed or any judgment given in connection therewith other than in connection with the assignment of the Finance Documents by PNC in accordance with the terms of the Master Facilities Agreement, and
- (b) indemnify PNC and any Receiver on demand against any and all costs, losses or liabilities (including, without limitation, penalties) with respect to, or resulting from, its delay or omission to pay any such stamp, registration and similar Taxes or charges

25. COSTS AND EXPENSES

25.1 Transaction and amendment expenses

Each Security Obligor shall promptly on demand pay to PNC the amount of all reasonable costs, charges and expenses (including, without limitation, reasonable legal fees, valuation, accountancy and consultancy fees (and any VAT or similar Tax thereon) payable in accordance with this Deed) incurred by PNC in connection with

- (a) the negotiation, preparation, printing, execution, registration, perfection and completion of this Deed, the Security or any Finance Document, or
- (b) any actual or proposed amendment or extension of, or any waiver or consent under, this Deed

25.2 Enforcement and preservation costs

Each Security Obligor shall promptly on demand pay to PNC and any Receiver the amount of all costs, charges and expenses (including (without limitation) legal fees (and any VAT or similar Tax thereon)) incurred by any of them in connection with the enforcement, exercise or preservation (or the attempted enforcement, exercise or preservation) of any of their respective rights under this Deed or any Finance Document or the Security (including all remuneration of the Receiver)

26. CURRENCIES

26.1 Conversion

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

26.2 Currency indemnity

No payment to PNC (whether under any judgment or court order or in the liquidation, administration or dissolution of any Security Obligor or otherwise) shall discharge the obligation or liability of any Security Obligor in respect of which it was made, unless and until PNC shall have received payment in full in the currency in which the obligation or liability was incurred and, 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, PNC shall have a further separate cause of action against any Security Obligor and shall be entitled to enforce the Security to recover the amount of the shortfall

27. INDEMNITY

Each Security Obligor shall indemnify PNC, any Receiver and any attorney, agent or other person appointed by PNC under this Deed and PNC's officers and employees (each an "**Indemnified Party**") on demand against any cost, loss, liability or expense (however arising, other than as a result of gross negligence or wilful misconduct) incurred by any Indemnified Party as a result of or in connection with

- (a) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed,
- (b) its Security Assets or the use or occupation of them by any person (including any Environmental Claim), or
- (c) any breach by any Security Obligor of any of its obligations under this Deed

28. MISCELLANEOUS

28.1 Appropriation and suspense account

- (a) PNC may apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations as it thinks fit. Any such appropriation shall override any appropriation by any Security Obligor
- (b) All monies received, recovered or realised by PNC under, or in connection with, this Deed may at the discretion of PNC be credited to a separate interest bearing suspense account for so long as PNC determines (with interest accruing thereon at such rate, if any, as PNC may determine for the account of the relevant Security Obligor) without PNC having any obligation to apply such monies and interest or any part thereof in or towards the discharge of any of the Secured Obligations, unless the monies held in the separate interest bearing suspense account are sufficient to discharge the Secured Obligations in full, in which case these monies shall be used to discharge the Secured Obligations

28.2 New accounts

If PNC receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security Interest affecting any Security Asset and/or the proceeds of sale of any Security Asset or the Guarantee ceases to continue in force, it may open a new account or accounts for any Security Obligor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time

when it received or was deemed to have received such notice. As from that time all payments made to PNC will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations, unless the monies held in the separate interest bearing suspense account are sufficient to discharge the Secured Obligations in full, in which case these monies shall be used to discharge the Secured Obligations.

28.3 Changes to the Parties

- (a) No Security Obligor may assign any of its rights under this Deed
- (b) PNC may assign or transfer all or any part of its rights under this Deed in accordance with the Master Facilities Agreement. Each Security Obligor shall, immediately upon being requested to do so by PNC, enter into such documents as may be necessary to effect such assignment or transfer.

28.4 Memorandum and articles

Each Security Obligor certifies that the Security does not contravene any of the provisions of the memorandum or articles of association of that Security Obligor.

28.5 Tacking

If the Obligor has been provided with a Real Property Facility the following provisions shall apply.

- (a) PNC shall perform its obligations under the Master Facilities Agreement (including any obligation to make available further advances)
- (b) This Deed secures advances already made and further advances to be made

28.6 The Land Registry

If the Obligor has been provided with a Real Property Facility the following provisions shall apply

- (a) The Obligor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of PNC) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted

"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 [♦] 20[♦] in favour of PNC Business Credit a trading style of PNC Financial Services UK Ltd referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer "

- (b) The Obligor
 - (i) authorises PNC to make any application which PNC deems appropriate for the designation of this Deed, the Master Facilities Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003,

- (ii) shall use its reasonable endeavours to assist with any such application made by or on behalf of PNC, and
 - (iii) shall notify PNC in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Master Facilities Agreement or any other Finance Document, following its designation as an exempt information document
- (c) The Obligor shall not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document
 - (d) The Obligor shall promptly make all applications to and filings with the Land Registry which are necessary under the Land Registration Rules to protect the Security
 - (e) The Obligor shall not, without the prior written consent of PNC, permit any person to be or become registered under the Land Registration Act 2002 as the proprietor of a Security Asset who is not so registered under the Land Registration Act 2002 at the date of this Deed or, in the case of Real Property acquired after the date of this Deed, at the date of such acquisition

28.7 Amendments and waivers

Any provision of this Deed may be amended only if PNC and the Security Obligors so agree in writing and any breach of this Deed may be waived before or after it occurs only if PNC so agrees in writing. A waiver given or consent granted by PNC under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

28.8 Calculations and certificates

A certificate of PNC specifying the amount of any Secured Obligation due from a Security Obligor (including details of any relevant calculation thereof) shall be prima facie evidence of such amount against each Security Obligor in the absence of manifest error.

28.9 Waiver, rights and remedies

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

29. NOTICES

29.1 Communications in writing

- (a) The provisions of paragraphs 24(a) to 24(c) inclusive of schedule 1 (*Common Terms*) of the Master Facilities Agreement shall apply to this Deed as if the same were set out in this Deed, provided that:

- (b) references to "each Party" shall be deemed to be references to each party to this Deed, and
- (c) references to the "Obligor" shall be deemed to be references to each Security Obligor.

29.2 Electronic communications

No communication to be made under this Deed shall be made electronically

29.3 Agent for service

- (a) Each Security Obligor (other than the Obligor) by its execution of this Deed irrevocably appoints the Obligor to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises
 - (i) the Obligor on its behalf to supply all information concerning itself contemplated by this Deed to PNC and to give all notices and instructions to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Security Obligor notwithstanding that they may affect the Security Obligor, without further reference to or the consent of that Security Obligor, and
 - (ii) PNC to give any notice, demand or other communication to be given to that Security Obligor pursuant to the Finance Documents to the Obligor,

and in each case the Security Obligor shall be bound as though the Security Obligor itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligor or given to the Obligor under any Finance Document on behalf of any Security Obligor or in connection with any Finance Document (whether or not known to any Security Obligor and whether occurring before or after such Security Obligor became a Security Obligor) shall be binding for all purposes on that Security Obligor as if that Security Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligor and any Security Obligor, those of the Obligor shall prevail

30. PARTIAL INVALIDITY

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

31. RELEASE

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

32. COUNTERPARTS

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

33. GOVERNING LAW

This Deed (and any non-contractual obligations arising out of it) is governed by English law

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

SCHEDULE 1

Security Obligors

Company name	Company number
Monarch Aircraft Engineering Limited	00902230
Monarch Holdings Limited	01165001

SCHEDULE 2

The Guarantee

1. Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any member of the Group under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

2. Reinstatement

If any payment by a Security Obligor, or any discharge given by PNC (whether in respect of the obligations of any member of the Group or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event

- (a) the liability of each Security Obligor under this Deed shall continue as if the payment, discharge, avoidance or reduction had not occurred, and
- (b) PNC shall be entitled to recover the value or amount of that security or payment from each Security Obligor, as if the payment, discharge, avoidance or reduction had not occurred

3. Waiver of defences

The obligations of each Security Obligor under this Deed will not be affected by an act, omission, matter or thing which, but for this Deed, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or to PNC) including

- (a) any time, waiver or consent granted to, or composition with, any member of the Group or other person,
- (b) the release of any other Security Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Security Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Security Obligor or any other person,
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement or replacement (in each case, however fundamental and of any nature whatsoever including, without limitation, which results in any increase in any amount due or owing under any Finance Document or in the rate of interest or any other sum payable under any Finance Document) of a Finance Document or any other document or security,
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, or

- (g) any insolvency, administration or similar proceedings

4. Immediate recourse

Each Security Obligor waives any right it may have of first requiring PNC to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Security Obligor under this schedule 2. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

5. Appropriations

Until all amounts which may be or become payable during the Security Period by the Security Obligors under or in connection with the Finance Documents have been irrevocably paid in full, PNC may

- (a) refrain from applying or enforcing any other monies, security or rights held or received by PNC in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Security Obligor shall be entitled to the benefit of the same, and
- (b) hold in an interest-bearing suspense account any monies received from any Security Obligor or on account of any Security Obligor's liability under this schedule 2

6. Deferral of guarantors' rights

Until all amounts which may be or become payable during the Security Period by the Security Obligors under, or in connection with, the Finance Documents have been irrevocably paid in full and unless PNC otherwise directs, no Security Obligor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents

- (a) to be indemnified by a Security Obligor,
- (b) to claim any contribution from any other guarantor of any Security Obligor's obligations under the Finance Documents, and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of PNC under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by PNC

7. Additional security

This guarantee is in addition to, and is not in any way prejudiced by, any other guarantee or security at the date of this guarantee or subsequently held by PNC

SCHEDULE 3

Details of Security Assets

Part 1 - Specified Real Property

Registered land		
Address	Administrative Area	Title Number
Aircraft Hangar, Birmingham International Airport, Birmingham	Luton	MM29357
Hangar 5, Western Maintenance Area, Manchester Airport, Manchester M90 5AE	Luton	GM966360
Hangar 60, Percival Way, London Luton Airport, Luton	Luton	BD230068
Hangar 127, Percival Way, Luton Airport, Luton	Luton	BD148226
136 Prospect Way, London Luton Airport, Luton LU2 9QH	Luton	BD273241
105 Frank Lester Way, London Luton Airport LU2 9NQ	Luton	BD281495

Part 2 - Specified P&M

P&M
See attached list

Schedule

Monarch Aircraft Engineering

Hangar 60/127
Percival Way
London Luton Airport
Luton
LU2 9LX

Machinery and Business Assets

Item	Qty.
------	------

HANGAR 127

MEZZANINE FLOOR

1	1	Titan Overlocker
	2	Mitsubishi Sewing Machines
	1	Brother Overlocker
	1	Singer Sewing Machine

HANGAR FLOOR

2	Qty	Various Miscellaneous Mobile Stairways and Access Platforms, Scissor Lifts, Mobile Trolleys, Jacks and Compressors, Cantilever Stairways, Wing Docking Platforms, Gantry Cranes Etc)
)
)
)
	Qty	Genie Type Mobile Platform Lifts)
)
	Qty	Mobile Tow Bars)
)
		Sundry Loose Items Throughout Hangar Floor to Include Small Tools, Hand Tools, Power Tools Etc)
)
3	1	Douglas Tug Registration No Q586 NTM	

4	1	Douglas Tug Registration No D80 ALX
5	1	JLG 60H Cherry Picker Registration No Q826 NTM
6	1	Upright AB46 Cherry Picker Plant No 15861
7	1	Renault Mobile Passenger Steps Registration No H326 HLB
8	1	Hyster Diesel Fork Lift Truck Registration No Q665 NTM
9	1	Mobile Scissor Type Platform Lift Registration No Q690 NTM

HANGAR 60

HANGAR FLOOR

10	Qty	Various Miscellaneous Mobile Stairways and Access Platforms, Scissor Lifts, Mobile Trolleys, Jacks and Compressors, Cantilever Stairways, Wing Docking Platforms, Gantry Cranes Etc)
)
	Qty	Genie Type Mobile Platform Lifts)
)
	Qty	Mobile Tow Bars)
)
		Sundry Loose Items Throughout Hangar Floor to Include Small Tools, Hand Tools, Power Tools Etc)
)
11	1	Make Unknown Mobile Crane Registration No B501 FKU	
12	1	Morgan Rushworth Hand Folder)
)
	1	Morgan Rushworth Guillotine)
)
	1	Fobco 7 Eight Single Spindle Pedestal Drill)
)
	1	Double Ended Pedestal Grinder)
)
	1	Horizontal Bench Top Linisher)
)
		Sundry Loose Items)
)
13	1	Mulag Tug Registration No Q688 NTM	

14	1	Upright AB6 Cherry Picker Registration No Q275 NVS
15	1	Boss Diesel Fork Lift Truck Registration No Q846 NTM
16	1	SGE Mobile Hydraulic Servicing Trolley
17	1	JLG Cherry Picker Registration No Q663 NTM
18	2	Axa Power 3GTT200 Mobile Power Units/Generators
19	Qty	Low Volt Lighting Units
20	1	Motivair Receiver Mounted Compressor with Welded Mild Steel Vertical Air Receiver Tank

BUILDING 108

FIRST FLOOR

21	1	MIC Pedestrianised Electric Pallet Truck)
)
	1	Vapormate 3 Shot Blast Cabinet)
)
	1	Ultrasonic Cleaning Tank)
)
	2	Dip Tanks)
)
	Qty	Miscellaneous and Various Test Units)
)
		Sundry Loose Items Throughout to Include Small Tools,)
		Hand Tools, Power Tools, Layout Benches, Mobile Trailers,)
		Desks and Cabinets Etc.)

GROUND FLOOR

22	Qty	Miscellaneous and Various Jacks, Mobile Platforms, Special Purpose Assembly Rigs)
)
	1	Startrite Single Spindle Pillar Drill)
)
	1	Pratt Bros 4ft Mechanical Guillotine 1/8" Thickness Capacity)
)
	1	Defuma Mobile Fume Extraction Cabinet)
)
	1	Sundry Loose Items Throughout to Include Small Tools, Hand Tools, Power Tools, Layout Benches, Mobile Trailers, Desks and Cabinets Etc)

VEHICLE MAINTENANCE AREA

REAR OF HANGAR 26

23	1	Tecallmit 4 Post Vehicle Ramp)
)
	1	Make Unknown 2 Post Vehicle Lift (3 2 Tonnes Capacity))
)
	1	Tangye PRM40 Vertical Hydraulic Vehicle Press)
)
	1	Wickman Mobile Welding Generator)
)
	1	Boss Diesel Fork Lift Truck Registration No Q825 NTM)
)
	1	Colchester Gap Bed Centre Lathe)
)
	1	Esab MAG C251 Welding Set)
)
	1	Murex Tradesmig 230 Welding Set)
)
24	1	Meddings Single Spindle Pillar Drill)
)
	1	Fobco Single Spindle Pedestal Drill)
)
	1	Make Unknown Single Spindle Pedestal Drill)
)
	1	Make Unknown Pedestal Grinder)
)
	1	Oxy Acetalyne Bottle Trolley)
)
	1	Mec Brown 75 Circular Chop Saw)
)
		Sundry Loose Items Throughout to Include Workshop Furniture, Benches and Racking, Small Tools, Hand Tools, Power Tools Etc)
)
24	2	Atlas Copco Receiver Mounted Compressors)
)
	2	Abac Genesis 1508 Receiver Mounted Packaged Compressors)
)
	1	Atlas Copco FD16 Dryer)

HANGAR 26

HANGAR FLOOR

25	Qty	Various and Miscellaneous Mobile Stairways, Access Platforms, Scissor Lifts, Mobile Trolleys, Jacks, Compressors, Cantilever Stairways, Gantry Cranes)
)
	Qty	Genie Type Mobile Platform Lifts)
)
	Qty	Mobile Tow Bars)
)
		Sundry Loose Items Throughout Hangar Floor to Include Small Tools, Hand Tools, Power Tools Etc)
26	1	Douglas Tug Registration No Q689 NTM	
27	1	Demag Twin Girder Overhead Travelling Crane Serial No 1321206 (2006) 12 5 Tonne Capacity with Demag Electric Chain Hoist and Cradle Lift (30m x 22m Span)	
28	1	Vapormatt 1212 Vapour Blast Cabinet)
)
	1	Barlow Whitney 2 Door Oven)
)
	3	Extraction Canopies with Extraction and Ducting)
)
		Sundry Loose Items Throughout Area)
UNIT 3 AND 4			
29	1	Abac Genesis 1108 Receiver Mounted Packaged Air Compressor Year 2006)
)
	1	Abac Genesis 1108 Receiver Mounted Packaged Air Compressor Year 2006)
)
	1	Abac Genesis 1 11 Receiver Mounted Packaged Air Compressor Year 2006)
)
SPRAY AREA			
30	1	2 Door Oven)
)
	1	Spray Bench)
)
	1	Aerolyte Shot Blast Cabinet)
)
	1	Fumex Extractors)
)

	1	Aerolyte Extraction Plant with 4 Bag Extraction Cabinet, Extraction and Ducting)
)
31	1	Barlow Whitney Oven)
)
	1	Delford Oven)
)
	1	Wild Barfield Furnace)
)
	1	Industrial Freezer)
)
	1	Meddings A10 Single Spindle Pedestal Drill with Rising Table)
)
	1	Taylor & Hobson Pantograph)
)
	1	Leten DCM4 Vertical Bandsaw)
)
	1	Startrite H225 Horizontal Bandsaw)
)
	1	Beavermill Mk 2 Vertical Milling Machine)
)
	1	Ramaudi FV4 Vertical Milling Machine with Anilam Wizard 411 3 Axis Digital Read Out)
)
	1	Elliot Horizontal Milling Machine)
)
	1	Harrison M250 Centre Lathe)
)
	1	Colchester Student 2500 Centre Lathe)
)
	1	Colchester Triumph 2000 Centre Lathe)
)
	1	Cabro Folder)
)
	1	Vertical Hydraulic Garage Press)
)
	1	4ft Pyramid Rolls)
)
	1	Gabro AC450 Hand Shear)
)
	1	Morgan Rushworth DG3000 Guillotine 3 2mm x 3m Capacity)
)
	1	Morgan 3ft Pyramid Rolls)
)
	1	Edward 4ft Guillotine)
)
	1	Edwards 5ft Box and Pan Folder)
)
	1	Blackburn Fly Press)
)

	Qty	Rolling Machines)
)
	1	Usatco Notcher)
)
	2	Oxy Acetalyne Bottle Trolleys)
)
	1	Mille Syncrowave 300P AC/DC Welding Set)
)
	1	PW Spot Welder)
)
	1	Murex 160 Electric Welder)
)
		Sundry Loose Items Throughout Area to Include Small Tools, Hand Tools, Power Tools Etc.)
)

HANGAR 9

32	Qty	Boltless Steel Pallet Racking and Dexion Racking (25 Bays x 6m High)
33	1	Bendi B318 Electric Bendi Truck Year 2007
34	4	Megamat FSE 3 6 Vertical Carousel Parts Storage Systems Year 2006
35		Sundry Loose Items Throughout Area to Include Pallet Trucks Etc

TRAINING ACADEMY 136-134

WORKSHOP

36	2	Wolf 8" Bench Grinders)
)
	3	Meddings Single Spindle Bench Drills)
)
	1	Ajax Mechanical Saw)
)
	1	Bridge Type Fly Press)
)
	1	Myford VMF Vertical Milling Machine)
)
	1	Harrison M250 Centre Lathe)
)
	1	Jones & Shipman 540 Surface Grinder)
)
	1	Single Door Oven)
)
	1	Waltons UTG-50-1 Guillotine)
)
	1	Keetona 3ft Folder)
)
	1	Morgan Rushworth 4ft Folder)
)
	1	3ft Pyramid Rolls)
)
	6	Workbenches with 24 Engineers Vices)
)
		Sundry Loose Items Throughout Workshop)

Schedule

Monarch Aircraft Engineering

Airport Cargo
Birmingham Airport
Birmingham
B26 3QN

Machinery and Business Assets

Item Qty.

HANGAR FLOOR

1	Qty	Various Miscellaneous Mobile Stairways and Access Platforms, Scissor Lifts, Mobile Trolleys, Jacks and Compressors, Cantilever Stairways, Wing Docking Platforms, Gantry Cranes Etc)
)
)
)
	Qty	Genie Type Mobile Platform Lifts)
)
	Qty	Mobile Tow Bars)
)
		Sundry Loose Items Throughout Hangar Floor to Include Small Tools, Hand Tools, Power Tools Etc)
)
2	23	Snap On Level 5 Tool Cribs/Cabinets with Scanners and 2 Monitors)
)
	160	Snap On High Usage Tool Boxes)
)
	Qty	Special Purpose Tooling Torque Wrenches Etc)
3		Approx 14 Mobile Workstations with Screens and Power Complete with 14 Daughter Units	
4	6	Axa Power Mobile Power Units (90 Kva)	
5		1½ Sets Wingnp Fall Restraint Units (Air Operated)	

- | | | |
|---|---|------------------------------------------------------------------|
| 6 | 1 | Skyjack 6832 Mobile Scissor Type Platform Lift |
| 7 | 1 | Upright X26 Mobile Scissor Type Platform Lift
Serial No 10086 |
| 8 | | Sundry Loose Items Throughout Hangar Floor |

STORES AREA

- | | | |
|----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9 | 3 | Icam Silo (UKI Storage) S2-P11251 Vertical Storage
Loading System with Automated Carousel Shelving
Complete with PC Controls and Server Unit (2013) |
| 10 | Qty | Approx 16 Units Boltless Steel Pallet Racking |
| 11 | 1 | Bendi BE420-900SS
Electric Bendi Type Fork Lift Truck
Serial No T9609 (2014) |
| 12 | | Sundry Loose Items Throughout Stores Area |

WORKSHOP

- | | | | |
|----|---|--------------------------------------------------------------------|---|
| 13 | 1 | Makina BRM 1250 x 75 x 1 5m Pyramid Rolls
Serial No 3598 (2000) |) |
| | | |) |
| | 1 | Excel 4PT Treadle Operated Guillotine |) |
| | | |) |
| | 1 | Make Unknown Vertical Bandsaw |) |
| | | |) |
| | 1 | Clarke 6in Bench Grinder |) |
| | | |) |
| | 1 | Record Single Spindle Pedestal Drill |) |
| | | |) |
| | 1 | Rexon BD-46A Horizontal Belt Linisher and Disc
Sander |) |
| | | |) |
| | 1 | Record SM155 Pedestal Grinder |) |
| | | |) |
| | 1 | Norton Fly Press |) |
| | | |) |
| | 1 | Make Unknown Box and Pan Folder |) |
| | | |) |
| | | Sundry Loose Items Throughout Workshop |) |

COMPRESSOR HOUSE

- | | | | |
|----|---|------------------------------------------------------------------------------|---|
| 14 | 1 | Atlas Copco GA30VSDFP Packaged Air Compressor
Serial No. AP1434615 (2013) |) |
| | | |) |
| | | |) |
| | 1 | Atlas Copco GA30VSDFP Packaged Air Compressor
Serial No AP11434616 (2013) |) |
| | | |) |

1	Atlas Copco Oil/Water Separator)
1	Atlas Copco)
	Welded Mild Steel Vertical Air Receiver Tank)
	Together with Pipework, Valves and Filters Etc)

OUTSIDE APRON

15	1	Mulag Tug and Towbar
16	1	Douglas DC10-4H Tug Chassis No DH44/FR168/N2913 (1986)
17	1	Ford Transit 85T260 Panel Van Registration No YG58 SXH
18	1	Mallam Aviation Tug
19	1	Kobelco RK200-3 Mobile Crane Serial No EW02-03061 (2000)
20	2	Single Axle Trailers
21	1	Towbar
22	1	Plant No GPU5 Houchin 690 Mobile Ground Power Unit Serial No 101910
23	1	Houchin 690 Mobile Ground Power Unit Serial No Unknown
24	1	FMC 33-2 Mobile Aircraft Steps Serial No 00051
25	1	Ford Transit Connect T200-L Car Derived Van Registration No YS57 AVP
26	1	Hannay Reels MX8236 Mobile Reel Carrier Serial No. 2296407 (2013)
27	1	Testifuchs HGPU60-50-1SA Mobile Hydraulic Ground Power Unit Serial No 77267 (2012)
28	3	Hydro D04020K Mobile Hydraulic Aircraft Jacks 392Kn Capacity Circa 2012
29	1	Mulag Tug and Towbar

Schedule

Monarch Aircraft Engineering

Hangar 5
Western Maintenance Area
Manchester Airport
Manchester
M90 5AE

Machinery and Business Assets

Item Qty.

HANGAR FLOOR

1	Qty	Various and Miscellaneous Mobile Stairways and Access Platforms, Scissor Lifts, Mobile Trolleys, Jacks and Compressors, Cantilever Stairways, Wing Docking Platforms, Gantry Cranes Etc)
)
)
)
)
	Qty	Genie Type Mobile Platform Lifts)
)
	Qty	Mobile Tow Bars)
)
		Sundry Loose Items Throughout Hangar Floor to Include Small Tools, Hand Tools, Power Tools Etc)
)
2	Qty	Mobile Workstations with Screens and Power Complete with Daughter Units	
3	1	Upright SL20 Mobile Scissor Type Platform Lift	
4	1	Upright SL20 Mobile Scissor Type Platform Lift	
5	1	Upright SL30N Mobile Scissor Type Platform Lift	
6	1	Upright SL30N Mobile Scissor Type Platform Lift	
7	1	Upright Mobile Passenger Stairway	
8	1	Axa Power Mobile Power Unit	

9	Qty	Mobile Scissor Type Access Platforms
10	1	JLG Lift 6011 Cherry Picker Serial No 005297 (1993)
11	1	AMS Mobile Power Unit
12	1	Boss SX45 6 Diesel Fork Lift Truck Serial No 014718 (1989) (4500kgs Capacity)
13	1	Powermaster Swing Arm Jib with Electric Chain Hoist
14	1	Tronair Mobile Gantry Jib
15		Sundry Loose Items Throughout Hangar Floor

WORKSHOPS

16	2	Seiko Sewing Machines)
)
	1	Single Door Oven with Temperature Control and Quench)
)
	1	Hand Operated Shear)
)
	1	8in Bench Grinder)
)
	1	Keetona 4ft Guillotine)
)
	1	Morgan Rushworth Box and Pan Folder)
)
	1	Startrite 18-5-5 Vertical Bandsaw)
)
	1	Elliot Single Spindle Pedestal Drill)
)
	1	Eckold Punch)
)
	1	Spray Booth)
)
	1	Denbigh Fly Press)
)
	1	Horizontal Linisher)
)
	1	Vertical Linisher)
)
	1	Morgan Rushworth 5ft Pyramid Rolls)
)
		Sundry Loose Items)

STORES

17	Qty	Medium Duty Racking and Shelving)
	1	Mobile Shelving and Racking System on Roller Track)
COMPOSITE ROOM			
18	1	Purpose Built Sanding Booth with Donaldson Torit Extraction)
	2	Composite Repair Tables)
	1	Anest Iwata 2 Unit Mobile Heat Lamp)
		Sundry Loose Items)
COMPRESSOR HOUSE			
19	1	Ingersoll Rand SSRML11 Packaged Air Compressor)
	1	Ingersoll Rand SSRML11 Packaged Air Compressor)
	1	Ingersoll Rand D360N-A Dryer (2014))
	2	Welded Mild Steel Vertical Air Receiver Tanks)
		Pipework, Valves and Filters Etc)
	3	Purewell Automatic Ignition Boilers with Extraction and Ducting)
OUTSIDE APRON			
20	1	Mulan Tug Registration No Q662 NTM	
21	1	Deidienne Mobile Special Purpose Platform Lift Engine Stand (2013)	
22	1	Make Unknown Mobile Platform Lift	
23	1	Tow Bar	
24	1	Mobile Crane Registration No C23 XRE	
25	1	Douglas DC104H Tug Registration No TUG 90 (Refurbished 2003)	

26	1	Douglas RM450 Tug Registration No TUG 91 (Offsite, Awaiting Repair) (Unseen)
27	Qty	Tow Bars, Access Platforms, Mobile Stairways Etc
28	1	JLG M45AJ Cherry Picker
29	1	Vauxhall Combo CDT1 Car Derived Van Registration No EA54 NTG
30	1	Ford Transit Panel Van with Tail Lift Registration No BF11 NZX



Part 3 - Charged Securities

Intentionally blank

Part 4 - Intellectual Property

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Part 5 - Inventory Insurances

Insurer	Insured risks	Policy number
Aviva Insurance Ltd and others	Property damage and business interruption	25090124 CCI and others

Part 6 - P&M Insurances

Insurer	Insured risks	Policy number
Aviva Insurance Ltd and others	Property damage and business interruption	25090124 CCI and others

Part 7 - Real Property Insurances

Insurer	Insured risks	Policy number
Aviva Insurance Ltd and others	Property damage and business interruption	25090124 CCI and others

SCHEDULE 4

Details of Excluded Real Property

Address
Hangar 9, Percival Way, London Luton Airport Hangar 9, Percival Way, London Luton Airport
Units 3 and 4 at Luton Airport Executive Park, Prince Way, Luton, Bedfordshire LU2 9PD
Charles Street Warehouse, 20 Charles Street, Luton, Bedfordshire LU2 0EB
Rooms 0912-16 and 1914 and Caged Storage Area, West Pier, Terminal 2, Manchester Airport
Room numbers 00043 and 00044 in building number 20705 known as Pier 4 at London Gatwick Airport
Offices 03, Building 87, East Midlands Airport, Castle Donington, Derby
Room 00042 in building number 20705 known as Pier 4 at London Gatwick Airport
Room 1912, Level 1, Terminal 2, Manchester Airport
Room number 0047 in building number 20705 known as Pier 4 at London Gatwick Airport
Room 00017 in building number 20705 known as Pier 4 at London Gatwick Airport
Hangar 26, London Luton Airport
The premises known as the site adjacent to the Monarch Hangar, Birmingham Airport, West Midlands
Land adjacent to Hangar 9, London Luton Airport
Car Park 5a, London Luton Airport
Car Park 18, London Luton Airport
Car Park 7, London Luton Airport
Premises known as the site at the rear of the Freeport Security Point, Birmingham Airport, West Midlands B26 3QJ
The land to the front of the Argosy Building, Birmingham Airport Limited, Solihull, West Midlands B26 3QJ
Room 1, Ground Floor, Merlin Building, Birmingham Airport, Solihull, West Midlands B26 3QJ
Room 2, Ground Floor, Merlin Building, Birmingham Airport, Solihull, West Midlands B26 3QJ
Rooms 3 and 4, Ground Floor, Merlin Building, Birmingham Airport, Solihull, West Midlands B26 3QJ

EXECUTION PAGE

PNC

Executed as a deed, but not delivered until the)
first date specified on page 1, by **PNC**)
BUSINESS CREDIT a trading style of **PNC**)
FINANCIAL SERVICES UK LTD acting by

Authorised Attorney

Authorised Attorney

DANIEL HARRISON

Address: PNC House, 34/36 Perrymount Road, Haywards Heath, West Sussex RH16 3DN

Facsimile No: 01444 475849

Attention: The Directors, PNC Business Credit

THE SECURITY OBLIGORS

Executed as a deed, but not delivered until the)
first date specified on page 1, by **MONARCH**)
AIRCRAFT ENGINEERING LIMITED)
acting by

Director

In the presence of.

Witness

Witness name

Witness address

Address: The Monarch Group, Prospect House, London Luton Airport, Bedfordshire, LU2 9NU

Facsimile No: +44 (0) 1582 401 306

Attention: CFO with copy to Head of Legal

EXECUTION PAGE

PNC

Executed as a deed, but not delivered until the)
first date specified on page 1, by PNC)
BUSINESS CREDIT a trading style of PNC)
FINANCIAL SERVICES UK LTD acting by)
)

Authorised Attorney _____

Authorised Attorney _____

Address: PNC House, 34/36 Perrymount Road, Haywards Heath, West Sussex RH16 3DN

Facsimile No: 01444 475849

Attention: The Directors, PNC Business Credit

THE SECURITY OBLIGORS

Executed as a deed, but not delivered until the)
first date specified on page 1, by **MONARCH**)
AIRCRAFT ENGINEERING LIMITED)
acting by)

Director _____

In the presence of

Witness _____

Witness name MATTHEW CASTLE

Witness address 16 ALAMEDA ROAD

MK45 2LA

Address: The Monarch Group, Prospect House, London Luton Airport, Bedfordshire, LU2 9NU

Facsimile No: +44 (0) 1582 401 306

Attention: CFO with copy to Head of Legal

Executed as a deed, but not delivered until the)
first date specified on page 1, by MONARCH)
HOLDINGS LIMITED acting by

Director

In the presence of.

Witness

Witness name

Witness address

MATTHEW CASTLE

16 ALAMEDA ROAD

MK45 2LA

Address: The Monarch Group, Prospect House, London Luton Airport, Bedfordshire, LU2 9NU

Facsimile No: +44 (0) 1582 401 306

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AIRLINES LIMITED acting by

Director

In the presence of

Witness

Witness name

Witness address

MATTHEW CASTLE

16 ALAMEDA ROAD

MK45 2LA

Address: The Monarch Group, Prospect House, London Luton Airport, Bedfordshire, LU2 9NU

Facsimile No: +44 (0) 1582 401 306

Attention: CFO with copy to Head of Legal