



Registration of a Charge

Company name: **ALLIANCE AUTOMOTIVE UK LV LIMITED**

Company number: **00998035**

Received for Electronic Filing: **03/12/2013**



Details of Charge

Date of creation: **26/11/2013**

Charge code: **0099 8035 0005**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC, LONDON BRANCH**

Brief description: **PURSUANT TO THE CHARGE: THE COMPANY CHARGED BY WAY OF FIRST FIXED CHARGE ALL ITS INTELLECTUAL PROPERTY (ALTHOUGH NO FURTHER DETAILS ARE SPECIFIED IN THE CHARGE). FOR FURTHER DETAIL, SEE CLAUSE 3.2(C).**

Contains fixed charge(s).

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

Notification of addition to or amendment of charge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **SHEARMAN & STERLING (LONDON) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 998035

Charge code: 0099 8035 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th November 2013 and created by ALLIANCE AUTOMOTIVE UK LV LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd December 2013 .

Given at Companies House, Cardiff on 3rd December 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

SHEARMAN & STERLING_{LLP}

Execution version

Dated: 26 November 2013

ALLIANCE AUTOMOTIVE UK LIMITED

GROUP AUTO UNION UK AND IRELAND LIMITED

ALLIANCE AUTOMOTIVE UK CV LIMITED

**ALLIANCE AUTOMOTIVE UK LV LIMITED (FORMERLY RAYNOR ENGINEERING (NELSON)
LIMITED)**

as the Chargors

- and -

THE ROYAL BANK OF SCOTLAND PLC, LONDON BRANCH

as Security Agent

DEBENTURE

**Note: this Debenture is subject to the terms of the
Intercreditor Agreement (as defined below).**

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THIS DEED is dated 26 November 2013

BETWEEN:

- (1) **ALLIANCE AUTOMOTIVE UK LIMITED** a limited liability company incorporated under the laws of England and Wales with its registered office at No 1 Colmore Square, Birmingham B4 6AA with company registration number 03430230 ("AAUK");
- (2) **GROUP AUTO UNION UK AND IRELAND LIMITED** a limited liability company incorporated under the laws of England and Wales with its registered office at Roydsdale House, Roydsdale Way Euroway Trading Estate, Bradford, West Yorkshire BD4 6SE with company registration number 01416163 ("GAUUKI");
- (3) **ALLIANCE AUTOMOTIVE UK CV LIMITED** a limited liability company incorporated under the laws of England and Wales with its registered office at No 1 Colmore Square, Birmingham B4 6AA with company registration number 02207440 ("AAUKCV");
- (4) **ALLIANCE AUTOMOTIVE UK LV LIMITED (FORMERLY RAYNOR ENGINEERING (NELSON) LIMITED)** a limited liability company incorporated under the laws of England and Wales with its registered office at No 1 Colmore Square, Birmingham B4 6AA with company registration number 00998035 ("AAUKLV" together with AAUK, GAUUKI and AAUKCV the "Chargors" and each individually a "Chargor"); and
- (5) **THE ROYAL BANK OF SCOTLAND PLC, LONDON BRANCH** as Security Agent.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions: In this Deed:

"Account Bank" means any bank or financial institution with which a Chargor maintains a bank account;

"Administrator" means an administrator appointed under Schedule B1 of the Insolvency Act 1986;

"Bank Account" means any account with any bank or financial institution in which any Chargor now or in the future has an interest including any replacement or substitute account or subdivision or sub-account of that account and to the extent of such interest, all credit balances now or in the future on such accounts and all Related Rights;

"Charged Assets" means the assets and undertakings from time to time which are the subject of any Security created or purported to be created by or pursuant to this Deed and, where the context permits, the proceeds of sale of such assets;

"Charged Investments" means Investments forming part of the Charged Assets;

"Charges" means Security from time to time created or expressed to be created by or pursuant to this Deed;

"Chargors" means the companies detailed in the preamble to this Deed and any member of the Group which accedes to this Deed pursuant to the terms of the Secured Debt Documents;

"Collection Account(s)" means any Bank Account that may from time to time be specified in writing by the Security Agent as an account into which the amount of the Monetary Claims are to be paid and in respect of which the relevant bank or financial institution has agreed to operate such Bank Account in accordance with any procedures stipulated by the Security Agent;

"Debtor" has the meaning given to that expression in the Intercreditor Agreement;

"Delegate" means a delegate, sub-delegate, attorney or co-trustee appointed, directly or indirectly, pursuant to Clause 8.3 (*Delegation*);

"Derivative Rights" include:

- (a) all rights relating to Investments which are deposited with or registered in the name of any security agent, depository, custodian, nominee, fiduciary, investment manager or clearing system or other similar person or its nominee, in each case whether or not on a fungible basis (including rights against such person); and
- (b) all other rights or cash or other assets attaching or relating to or accruing or offered on or deriving now or subsequently from Investments or from such rights (whether by way of redemption, conversion, exercise of option rights, substitution, exchange, preference, bonus or otherwise);

"Enforcement Event" means (i) the occurrence of a Payment Event of Default which is continuing or (ii) the taking of any action by a Secured Party to exercise any of its rights under any acceleration provisions of any Secured Debt Document;

"Event of Default" has the meaning given to that expression in the Intercreditor Agreement;

"Fixtures" means trade and other fixtures and fittings and fixed plant, machinery and other apparatus;

"Insurance Policy" means any contract or policy of insurance (including life insurance or assurance) in which any Chargor may from time to time have an interest as beneficiary under its terms;

"Intellectual Property" means all patents, trademarks, service marks, brand and business names, copyrights (including any rights in computer software), design rights, registered designs, moral rights, inventions (including any software), topography and similar rights, database rights, domain name rights, confidential information, know-how and all other intellectual property rights and interests (whether or not registered) and the benefit of all applications and rights to use such assets and all Related Rights;

"Intercreditor Agreement" means the intercreditor agreement dated on or about the date hereof and made between, among others, the Chargors, the Debtors (as defined therein), the Security Agent, the Revolving Facility Lenders, The Term Loan Facility Lenders, the Arrangers and the Intra-Group Lenders (each as defined in the Intercreditor Agreement);

"Investments" means, except for the Restricted Investments:

- (a) any shares, stocks, debentures, certificates of deposit, securities, bonds or other securities;
- (b) all interests in collective investment schemes; and
- (c) all warrants, options and other rights to subscribe or acquire any investment referred to in paragraph (a) or (b),

now or in the future owned by the relevant Chargor issued by the Relevant Issuer (including, without limitation, the Scheduled Investments), in each case whether held directly by such Chargor or by any Security Agent, Secured Party, depository, custodian, trustee, nominee, fiduciary, investment manager or clearing house or system on its behalf and all Related Rights (including all rights against such person) and all Derivative Rights;

"LPA" means the Law of Property Act 1925;

"Monetary Claims" means any book and other debts and monetary claims owing to any Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any claim, return of premium or the proceeds paid or payable in respect of any Insurance Policy, any court order or judgment, any contract or agreement to which such Chargor is a party and any other assets, property, rights or undertaking of any Chargor, but excluding the Bank Accounts);

"Notice of Document Assignment" means a notice of assignment in the form set out in Part 1 (*Form of Notice of Assignment of Relevant Document*) of SCHEDULE 4 or such other form as the Security Agent may approve, acting reasonably;

"Notice of Insurance Assignment" means a notice of assignment in the form set out in Part 2 (*Form of Notice of Assignment to Insurers*) of SCHEDULE 4 or such other form as the Security Agent may approve, acting reasonably;

"Payment Event of Default" means an Event of Default arising due to non-payment of an amount due under a Secured Debt Document;

"Personal Chattels" means plant, machinery, office equipment, computers, vehicles, goods and other chattels (including all spare parts, replacements, modifications and additions) but not stock in trade or work in progress and all Related Rights;

"Receiver" means a receiver, receiver and manager or, where permitted by law, administrative receiver appointed in respect of the Charged Assets by the Security Agent pursuant to this Deed or otherwise;

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, negotiable instruments, remedies, Security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset;

"Release Date" has the meaning given to that term in Clause 15.11 (*Final Redemption*);

"Relevant Account" means the Scheduled Bank Accounts (and any renewal or redesignation of any such account) and any other Bank Account that may from time to time be identified in writing as a Relevant Account by the Security Agent and any Chargor (and any replacement or substitute account or any subdivision or sub account of such account);

"Relevant Documents" means the documents specified in SCHEDULE 5 (*Relevant Documents*);

"Relevant Issuer" means each of the companies listed in SCHEDULE 1 (*Details of the Scheduled Investments*);

"Restricted Investments" means any Investments now or in the future owned by GAUUKI, AAUKCV and AAUKLV;

"Revolving Facility Agreement" means the English law governed €25,000,000 Super Senior Multicurrency Revolving Facility Agreement dated on or around the date of this Deed and made between, inter alia, the Original Guarantors, the Original Borrower, the Original Revolving Facility Lenders, the Revolving Facility Agent and the Security Agent, as may be further amended, varied, novated or supplemented from time to time;

"Scheduled Bank Accounts" means the Bank Accounts described in SCHEDULE 2 (*Details of the Scheduled Bank Accounts*);

"Scheduled Investments" means the Investments described in SCHEDULE 1 (*Details of the Scheduled Investments*);

"Secured Debt Documents" has the meaning given to that term in the Intercreditor Agreement;

"Secured Liabilities" means all present and future obligations and other liabilities of any nature in any currency, at any time, of each Chargor due, owing or incurred under or in connection with the Secured Debt Documents to the Security Agent, any Receiver or other Secured Party including, without limitation, under any amendments, supplements or restatements of any Secured Debt Document (however fundamental) or in relation to any change of purpose, new or increased advances or utilisations, any extensions of any date for payment, incremental commitments or facilities,

- (e) whether originally owed to all or any of the Secured Parties and/or any Receiver or other person or persons;
- (f) whether actual or contingent;
- (g) whether incurred solely or jointly with any other person, including as a Debtor under any Secured Debt Document; and
- (h) whether incurred as principal or surety or in any other capacity whatsoever,

together with all interest accruing thereon, (both before and after judgment) and all costs, charges and expenses (to the extent payable by the relevant Debtor pursuant to the terms of the Secured Debt Documents) incurred in connection therewith and **"Secured Liability"** shall be construed accordingly;

"Secured Parties" has the meaning given to that term in the Intercreditor Agreement;

"Security" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof;

"Security Agent" means The Royal Bank of Scotland PLC, London Branch as security agent and trustee for the Secured Parties;

"Term Loan Facility Agreement" means the English law governed €185,000,000 Senior Term Facility Agreement dated on or around the date of this Deed and made between, inter alia, the Original Borrowers, the Original Guarantors, the Original Term Loan Facility Lenders, the Term Loan Facility Agent and the Security Agent, as may be further amended, varied, novated or supplemented from time to time; and

"this Deed" means this debenture as varied, amended or supplemented from time to time.

1.2 **Intercreditor Agreement:** Unless otherwise expressly defined in this Deed or the context otherwise requires, words and expressions defined in the Intercreditor Agreement shall have the same meaning in this Deed or any notice given in relation to this Deed.

1.3 **Construction:**

- (a) The provisions of Clauses 1.2 (*Construction*), 1.3 (*Third Party Rights*), 1.4 (*Luxembourg terms*) and 1.5 (*Primary Creditors' rights and obligations*) of the Intercreditor Agreement shall apply to this Deed with all necessary modifications as if they were expressly set out in full in this Deed.

- (b) Any reference to "**assets**" includes present and future property, revenues and rights of every kind.
 - (c) "**rights**" shall be construed as including rights, benefits, privileges, consents, authorities, discretions, remedies and powers and "**right**" shall be construed accordingly.
 - (d) A reference to "**Secured Liabilities**" includes any liabilities which would be treated as such but for the liquidation or dissolution or similar event affecting a Debtor.
 - (e) Any reference to the Security Agent, a Chargor, the Secured Parties, the Term Loan Facility Agent or the Revolving Facility Agent shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests.
 - (f) References in this Deed to any Clause or Schedule shall be to a clause or schedule of this Deed unless otherwise specified.
- 1.4 **Law of Property (Miscellaneous Provisions) Act 1989:** The terms of the documents under which the Secured Liabilities arise and of any side letters relating thereto between each Chargor and any of the Secured Parties are incorporated herein to the extent required for any purported disposition of the Charged Assets contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.5 **Deed:** This document is to take effect as a deed notwithstanding that the Security Agent has executed it under hand only.
- 1.6 **Law of Property (Miscellaneous Provisions) Act 1994:** The obligations of the Chargors under this Deed and any document entered into pursuant to this Deed shall be in addition to the covenants deemed to be included in this Deed or such other document by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.
- 1.7 **Schedules:** Any failure to state any Charged Assets on the date of this Deed in any of the Schedules to this Deed will not affect any Charges over such assets.
- 1.8 **Covenants and Representations:**
- (a) Each covenant of a Chargor contained in this Deed remains in force until the Release Date.
 - (b) The representations and warranties set out in this Deed are made on the date of this Deed and, unless otherwise stated herein, shall be deemed to be repeated by each Chargor on the dates set out in clause 20.34 (g) (*Times when representations made*) of the Term Loan Facility Agreement, and in clause 22.34 (g) (*Times when representations made*) of the Revolving Facility Agreement.
2. **COVENANT TO PAY**
- 2.1 **Covenant to Pay:** Each Chargor shall on demand pay or discharge to the Security Agent the Secured Liabilities when the same have become due in the manner provided for under the terms of the Secured Debt Documents.
- 2.2 **Proportionate discharge:** Each sum appropriated by the Security Agent in accordance with the Secured Debt Documents towards payment of a particular part of the Secured Liabilities which have not been paid on their due date (including any default interest in respect thereof) under any obligation under the Secured Debt Documents shall to the extent of that appropriation discharge a Chargor's obligations.

3. SECURITY

3.1 **Creation of Charges:** All Charges and assignments under this Deed are:

- (a) made in favour of the Security Agent (for the benefit of itself and the other Secured Parties);
- (b) made with full title guarantee; and
- (c) Security for the payment and discharge of all Secured Liabilities.

All Charged Assets are excluded from the Charges created pursuant to Clause 3.2 (*Fixed Charges*) to the extent specifically assigned pursuant to Clause 3.3 (*Assignment by way of Security*).

3.2 **Fixed Charges:** Each Chargor charges (except as permitted otherwise by the Secured Debt Documents):

- (a) **Investments:** by way of first fixed charge all its rights, title and interest in all Investments now or subsequently belonging to it and, in the case of AAUK, charges by way of first fixed charge all its rights, title and interest in the Scheduled Investments now or subsequently belonging to it.
- (b) **Monetary Claims and Related Rights:** by way of first fixed charge all its rights, title and interest now or subsequently in all Monetary Claims and all Related Rights other than any claims which are otherwise subject to a fixed charge or assignment pursuant to this Deed;
- (c) **Intellectual Property:** by way of first fixed charge all its rights, title and interest now or subsequently in Intellectual Property (other than any Intellectual Property which is for the time being effectively assigned by way of Security pursuant to Clause 3.3 (*Assignment by way of Security*));
- (d) **Bank Accounts:** by way of first fixed charge all its rights, title and interest now or subsequently in the Bank Accounts (including the Scheduled Bank Accounts);
- (e) **Insurance Policies:** by way of first fixed charge all its rights, title and interest now or subsequently in the Insurance Policies and all Related Rights;
- (f) **Personal Chattels:** by way of first fixed charge all its rights, title and interest now or subsequently in the Personal Chattels;
- (g) **Goodwill and uncalled capital and pension fund:** by way of first fixed charge all its rights, title and interest now or subsequently in:
 - (i) all its uncalled capital;
 - (ii) all its goodwill; and
 - (iii) any pension fund and plan (to the extent such Security does not breach the terms of such plan).

3.3 **Assignment by way of Security:**

- (a) Each Chargor hereby assigns and agrees to assign absolutely (except as permitted otherwise by the Secured Debt Documents and subject to the right to reassignment on redemption pursuant to Clause 15.11 (*Final Redemption*)) all rights, title and interest present or future of such Chargor in respect of:

- (i) the Relevant Documents listed in Part 1 of SCHEDULE 5 (*Relevant Documents*) together with the benefit of all its rights, claims and remedies in respect of such Relevant Documents;
 - (ii) all rights and claims in respect of the Relevant Accounts;
 - (iii) its Intellectual Property; and
 - (iv) its Insurance Policies.
- (b) Until the occurrence of (i) a Payment Event of Default which is continuing or (ii) until the Charges have become enforceable, each Chargor shall be entitled to exercise all its rights in the Relevant Documents, subject to the other provisions of this Deed.

3.4 **Floating Charge:**

- (a) Each Chargor charges by way of first floating charge its undertaking and all its assets both present and future other than any asset in England and Wales effectively mortgaged, charged or assigned under Clause 3.2 (*Fixed Charges*) or Clause 3.3 (*Assignment by way of Security*) including any assets comprised within a Charge which is reconverted under Clause 3.8 (*Reconversion*). The floating charge created by each Chargor under this Clause shall be a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 of the Insolvency Act 1986.
- (b) The floating charges created by this Clause 3.4 (*Floating Charge*) shall be deferred in point of priority to all fixed Security validly and effectively created by a Chargor under the Secured Debt Documents in favour of the Security Agent as Security for the Secured Liabilities.

3.5 **Automatic Crystallisation:**

- (a) Notwithstanding any other provision of this Deed (and without prejudice to any law which may have a similar effect), the floating charge created under this Deed will automatically be converted with immediate effect and without notice into a fixed charge as regards the Charged Assets subject to such floating charge but subject to Clause 3.7 (*Moratorium*):
 - (i) if any person levies or attempts to levy any distress, execution, attachment, expropriation, sequestration or other legal process against any of the Charged Assets charged by way of the floating charge; or
 - (ii) or any Chargor creates or attempts to create any Security or trust over any of the Charged Assets secured by the floating charge created by Clause 3.4 (*Floating Charge*).

3.6 **Crystallisation of Floating Charge by notice:**

The Security Agent may at any time by notice in writing to any Chargor convert the floating charge created by such Chargor pursuant to Clause 3.4 (*Floating Charge*) with immediate effect into a fixed charge as regards such assets as may be specified (whether generally or specifically) in such notice if:

- (a) (i) a Payment Event of Default is continuing or (ii) the Charges have become enforceable; or
- (b) the Security Agent reasonably considers those assets to be in jeopardy (whether due to a risk of being seized or sold pursuant to any distress, attachment, execution, sequestration or other legal process); or
- (c) the Security Agent reasonably considers that it is necessary in order to protect the priority of Security.

- 3.7 **Moratorium:** No floating charge created by this Deed may be converted into a fixed charge on assets for which a moratorium is in force if and for so long as such conversion would breach paragraph 13 of Schedule A1 of the Insolvency Act 1986.
- 3.8 **Reconversion:** Any charge which has converted into a fixed charge under Clause 3.5 (*Automatic Crystallisation*) or Clause 3.6 (*Crystallisation of Floating Charge by notice*) may be reconverted into a floating charge by notice in writing given at any time by the Security Agent to the relevant Chargor in relation to the assets specified in such notice.
- 3.9 **Excluded Assets:** Save as permitted by the Secured Debt Documents, if the rights of any Chargor under any instrument or agreement cannot be the subject of any Charges or assignment which this Deed purports to create under Clauses 3.2(b) (*Monetary Claims and Related Rights*), 3.2(c) (*Intellectual Property*), 3.2(f) (*Personal Chattels*), paragraph 3.2(g)(iii) of Clause 3.2(g) (*Goodwill and uncalled capital and pension fund*) or Clause 3.3 (*Assignment by way of Security*) without the consent of another party:
- (a) the relevant Chargor or the Parent shall notify the Security Agent promptly;
 - (b) this Deed will charge all amounts which the relevant Chargor may receive, or has received, under that document; and
 - (c) the relevant Chargor will use all reasonable endeavours to promptly obtain the consent of the relevant third party for such rights to be charged or assigned under this Deed and, if such consent is obtained, such rights shall immediately become subject to an effective fixed charge or assignment pursuant to Clause 3.2 (*Fixed Charges*) or an assignment under Clause 3.3 (*Assignment by way of Security*) and the Chargor shall promptly provide a copy of such consent to the Security Agent.

Each Chargor will use reasonable endeavours to ensure that instruments and agreements which it enters into after the date of this Deed do not contain restrictions which would cause them to be excluded from the charges pursuant to paragraph (c) above.

- 3.10 **Security Trust:** The Security Agent holds the benefit of this Deed on trust for the Secured Parties on the terms of the Secured Debt Documents.

4. **OTHER OBLIGATIONS**

- 4.1 **Negative pledge and disposals:** Except with the consent of the Security Agent, each Chargor shall not:
- (a) create or permit to subsist any Security over any Charged Assets save as expressly permitted pursuant to the Secured Debt Documents; or
 - (b) sell, transfer, assign, lease, hire out, grant, lend or otherwise dispose of any of the Charged Assets or the equity of redemption therein or permit any person to do any such thing except as permitted pursuant to the terms of this Deed and the Secured Debt Documents.
- 4.2 **Investments:**
- (a) **Deposit of Documents (AAUK):** AAUK shall immediately upon the execution of this Deed deliver (or procure delivery) to the Security Agent, or as it directs:
 - (i) all certificates and other documents of title or evidencing title in respect of each of the Scheduled Investments belonging to it;
 - (ii) all stock transfer forms and other documents which the Security Agent may reasonably request in such form and executed in such manner as the Security Agent may reasonably require with a view to perfecting or maintaining the Charges over the

Scheduled Investments or registering any Scheduled Investment in the name of the Security Agent or its nominees; and

- (iii) such declarations of trust in relation to any Scheduled Investments in which AAUK has an interest but which are not held in its sole name as the Security Agent may reasonably require.

All documents required by this Clause 4.2(a) shall be in such form as the Security Agent shall require, acting reasonably.

(b) Voting Rights and Distributions:

- (i) Until the occurrence of (i) a Payment Event of Default which is continuing or (ii) until the Charges have become enforceable, the relevant Chargor shall be entitled to:
 - (A) receive and retain all upstream dividends, distributions and other amounts paid on or derived from any shares or stock comprised in its Charged Investments to the extent permitted by the Secured Debt Documents; and
 - (B) exercise or direct the exercise of the voting rights and other rights and powers attached to its Charged Investments in any manner as it sees fit (to the extent permitted by the Secured Debt Documents) other than in a manner which:
 - (1) may adversely affect the validity or enforceability of the Charges or the value of such Charged Investments; or
 - (2) would cause the Security Agent or its nominee to incur any cost or expense or render itself subject to any liability for which it has not previously been indemnified to its satisfaction) or would otherwise prejudice the Security Agent.
- (ii) After the occurrence of a (i) Payment Event of Default which is continuing or (ii) after the Charges have become enforceable and the Security Agent has given notice to the Chargors that it intends to exercise its rights under this paragraph (b):
 - (A) the Security Agent or the Receiver shall be entitled but not obliged to transfer the Charged Investments of the Chargors on behalf of the Chargors to such nominee as the Security Agent shall select;
 - (B) the Security Agent or the Receiver shall be entitled but not obliged to receive and retain all dividends, distributions and other moneys paid on the Charged Investments and apply the same in accordance with the terms of the Intercreditor Agreement;
 - (C) the Security Agent or the Receiver shall be entitled but not obliged to exercise any voting rights and any other rights and powers attached to any Charged Investments in such manner as it considers fit as if it were the sole beneficial owner of the Charged Investment (including all powers given to trustees under Part II of the Trustee Act 2000);
 - (D) each Chargor shall comply, or procure the compliance, with any directions of the Security Agent or any Receiver in respect of the exercise of any rights and powers exercisable in relation to such Charged Investments and shall promptly execute and/or deliver to the Security Agent or any Receiver such forms of proxy as it or he requires with a view to enabling such person as it or he selects to exercise those rights; and

- (E) any Derivative Rights shall, if received by the Chargor or its nominee, be held on trust for and forthwith paid or transferred to the Security Agent or the Receiver.
- (c) **Representations and warranties:** The Chargor represents and warrants to the Security Agent on the date of this Deed that (in each case save as permitted under the Secured Debt Documents):
 - (i) it is the sole legal and beneficial owner of the Scheduled Investments;
 - (ii) such Investments are free from all Security, options and other third party rights (except as created by this Deed);
 - (iii) such Investments are fully paid and represent the whole issued share capital of the Issuer; and
 - (iv) the constitutional documents of the Issuer do not restrict or otherwise limit the relevant Chargor's right to transfer or charge the Charged Assets.

4.3 **Monetary Claims:**

(a) **Dealing with Monetary Claims:**

- (i) No Chargor shall release, sell, transfer, assign, factor, discount or otherwise deal in any way with any of the Monetary Claims except as required by Clause 4.3(a)(ii) below.
- (ii) Each Chargor shall get in and realise in a prudent manner on behalf of the Security Agent all its Monetary Claims and pay such moneys into the Bank Accounts, each Chargor shall hold such moneys on trust for the Security Agent prior to such payment.

(b) **Release of Monetary Claims:**

- (i) Prior to the occurrence of (i) a Payment Event of Default which is continuing or (ii) the Charges becoming enforceable, the proceeds of the realisation of the Monetary Claims received by any Chargor shall, upon such proceeds being credited to a Bank Account (other than any Relevant Account), be released from the fixed charge created by Clause 3.2(b) (*Monetary Claims and Related Rights*) and only be subject to the floating charge created by Clause 3.4 (*Floating Charge*) and the relevant Chargor may withdraw such proceeds from such Bank Accounts subject to any applicable restrictions set out in the Secured Debt Documents and this Deed.
- (ii) After the occurrence of (i) a Payment Event of Default which is continuing or (ii) the Charges becoming enforceable, each Chargor shall not, except with the consent of the Security Agent or if permitted by the Secured Debt Documents, withdraw or otherwise transfer the proceeds of realisation of any Monetary Claims standing to the credit of any Bank Account and shall pay all moneys received by any Chargor from any source into such Collection Accounts as are specified by the Security Agent and give notice to the debtors of any of its Monetary Claims of the Security created by this Deed in such form as the Security Agent may require.

4.4 **Bank Account(s):**

(a) **Bank Accounts: notification, maintenance and variation:**

Each Chargor shall:

- (i) promptly deliver to the Security Agent a duly completed notice and acknowledgement in respect of each Bank Account and shall use reasonable endeavours to obtain acknowledgement in the relevant form set out in SCHEDULE 3 (*Notices for Bank Accounts*) or in such other form as the Security Agent may approve, acting reasonably;
- (ii) use all reasonable endeavours to procure the prompt delivery to the Security Agent of a duly completed acknowledgement in respect of any notice delivered pursuant to paragraph (i);
- (iii) deliver to the Security Agent on the date of this Deed (and, if any Bank Account is being charged pursuant to this Deed on any date falling after the date of this Deed, on the date falling five Business Days after the date of creation of such Bank Account), details of each Bank Account maintained by such Chargor (other than with the Security Agent); and
- (iv) not without the Security Agent's prior written consent, permit or agree to any variation of the rights attached to any Bank Account the result of which is materially prejudicial to the Secured Parties.

If any Account Bank on the date of this Deed fails to return an acknowledgement referred to in paragraph (a)(ii) above or agree, in a manner satisfactory to the Security Agent, to the matters referred to in the acknowledgement, within four weeks of delivery of the notice (or such other time period as the Security Agent approves) to it, it will, unless the Security Agent agrees otherwise, cease to be approved for the purposes of Clause 4.4(b) (*Location of Bank Accounts*) below. Any person which becomes an Account Bank after the date of this Deed will not, unless the Security Agent agrees otherwise, be an Account Bank approved by the Security Agent for the purposes of Clause 4.4(b) until it has returned such an acknowledgement or has agreed, in a manner satisfactory to the Security Agent, to the matters referred to in the acknowledgement. The execution of this Deed by a Chargor and the Security Agent shall constitute notice to the Security Agent of the Security created over any Bank Account opened or maintained with the Security Agent.

(b) Location of Bank Accounts:

- (i) Save for any Bank Accounts existing on the date of this Deed, each Chargor shall maintain all its Bank Accounts with a branch of the Security Agent or another Account Bank approved by the Security Agent.
- (ii) Each Chargor which maintains a Bank Account which is not in compliance with paragraph (b)(i) above will transfer the Bank Account to an Account Bank which complies with paragraph (b)(i) promptly after the date of this Deed.

(c) Operation of Bank Accounts:

- (i) Until the occurrence of (i) a Payment Event of Default which is continuing or (ii) until the Charges have become enforceable, the Chargors shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Bank Account subject to the terms of the Secured Debt Documents;
- (ii) After the occurrence of (i) a Payment Event of Default which is continuing or (ii) after the Charges have become enforceable, the Chargors shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Bank Account except with the prior written consent of the Security Agent.

(d) Bank Accounts: Application of Moneys:

- (i) The Security Agent (or its Receiver) may (subject to and in accordance with the Intercreditor Agreement) apply, transfer or set-off any credit balances from time to time on any Bank Accounts in or towards payment or satisfaction of all or part of the Secured Liabilities (which have become due in accordance with the Secured Debt Documents) in accordance with the terms of the Intercreditor Agreement after the Charges have become enforceable or at any time when the Secured Parties are entitled to exercise the relevant set-off rights under the terms of the Intercreditor Agreement.
 - (ii) Save as provided in this Clause 4.4 (*Bank Accounts*), each Chargor shall not release, sell, transfer, assign, factor, discount or otherwise deal in any way with any of the Bank Accounts other than in a manner which is not prohibited by the Secured Debt Documents.
- (e) **Relevant Accounts:**
- No Chargor may withdraw or otherwise transfer any credit balance from time to time on any Relevant Account, unless expressly permitted to do so by the Secured Debt Documents or with the consent of the Security Agent (acting reasonably).
- (f) **Exercise of rights following enforcement by Security Agent:**
- After the Charges have become enforceable, the Security Agent shall be entitled without notice to exercise all rights and powers held by it in relation to the Relevant Accounts and to:
- (i) demand and receive any moneys due under or arising out of each Relevant Account;
 - (ii) exercise all rights the relevant Chargor was then entitled to exercise in relation to the Relevant Accounts or would, but for this Deed, be entitled to exercise.

4.5 **Intellectual Property:**

- (a) Each Chargor undertakes that it shall in respect of its Intellectual Property:
 - (i) execute all such documents and do all such acts as the Security Agent may reasonably request to record the interest of the Security Agent in any registers relating to any such Intellectual Property which is registrable;
 - (ii) take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any such Intellectual Property;
 - (iii) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any member of the Restricted Group to use such property;
 - (iv) not discontinue the use of the Intellectual Property; and
 - (v) use all its reasonable endeavours to detect any infringement of any Intellectual Property subject to the Charges and if it becomes aware of any such infringement, to promptly notify the Security Agent and take all such steps necessary to prevent such infringement including, if so requested by the Security Agent, by bringing legal proceedings or permitting the Security Agent in the name of, but at the cost of, the Chargor to bring such legal proceedings.

- (b) **Representations regarding Intellectual Property:** Each Chargor represents and warrants to the Security Agent at the date hereof that it is not aware of any infringement or threatened infringement of its Intellectual Property.

4.6 **Insurance:**

- (a) Each Chargor shall promptly serve (with a copy to the Security Agent) a Notice of Insurance Assignment to the brokers or underwriters of each Insurance Policy and each Chargor shall use all its reasonable endeavours to procure the prompt delivery to the Security Agent of a duly completed acknowledgement in the form set out in Part 2 (*Form of Notice of Assignment to Insurers*) of SCHEDULE 4 or in such other form as the Security Agent may approve, acting reasonably.
 - (i) Each Chargor must keep its Charged Assets insured in accordance with the terms of the Secured Debt Documents;
 - (ii) In addition each Chargor must insure with an insurance company of repute all its Charged Assets of an insurable nature against such risks normally maintained by prudent companies carrying on a similar business to that carried on by it and which provide cover against all risk, and for amounts, which are normally insured against by prudent companies carrying on a similar business to that carried on by it; and
 - (iii) The relevant Chargor shall use reasonable endeavours to procure that a note of the Security Agent's interest is endorsed upon all policies of insurance maintained by that Chargor or any person on its behalf in respect of its Charged Assets.
- (b) Any moneys received under any Insurance Policies relating to Charged Assets shall be applied (subject to the terms of the Intercreditor Agreement and any person having prior rights to such moneys):
 - (i) prior to the occurrence of (i) a Payment Event of Default which is continuing or (ii) prior to the Charges becoming enforceable, in accordance with the terms of the Secured Debt Documents;
 - (ii) following the occurrence of (i) a Payment Event of Default which is continuing or (ii) the Charges becoming enforceable, the Chargor shall hold such moneys upon trust for the Security Agent pending payment to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.
- (c) Each Chargor must promptly pay all premiums and other moneys payable under its Insurance Policies required to be maintained under this Deed and promptly on request by the Security Agent, produce to the Security Agent a copy of each policy and evidence satisfactory to the Security Agent (acting reasonably) of the payment of such sums.
- (d) If a Chargor fails to comply with its obligations under this Clause 4.6 (*Insurance*), the Security Agent may effect such insurance as it thinks fit and the relevant Chargor shall reimburse the Security Agent on demand for the cost of effecting such insurance with interest.

4.7 **Fixtures and Personal Chattels**

- (a) Each Chargor undertakes that it shall maintain in good working order and condition (reasonable wear and tear excepted) all Personal Chattels necessary in the conduct of its business.
- (b) If so requested by the Security Agent following an Enforcement Event, each Chargor undertakes that it shall place and maintain on each Personal Chattel subject to a fixed charge

hereunder, in a conspicuous place, an identification marking as appears below and not conceal, alter or remove such marking or permit it to be concealed, altered or removed:

"NOTICE OF CHARGE"

This [*specify nature of Personal Chattel*] and additions and ancillary equipment are subject to a first fixed charge in favour of [*"name of the Security Agent"*].

- (c) Each Chargor shall keep all Personal Chattels in good and substantial repair and in good working order and shall not dispose of any of them, except as permitted under the Secured Debt Documents.

4.8 Relevant Documents:

- (a) Each Chargor:
 - (i) shall perform all its obligations under the Relevant Documents;
 - (ii) shall not amend or vary or waive any provision of any Relevant Documents or agree to do so and shall not rescind or terminate any of the Relevant Documents;
 - (iii) shall enforce and diligently pursue its rights under the Relevant Documents and give notice to the Security Agent forthwith in writing of any breach by the other parties to the Relevant Documents of their obligations under the Relevant Documents or right of rescission or termination arising thereunder together with the relevant Chargor's proposals for causing any breach to be remedied and, subject to the Security Agent's approval of such proposals, forthwith implement them at the relevant Chargor's expense to the satisfaction of the Security Agent; and
 - (iv) undertakes that it has duly delivered to each other party to each of the Relevant Documents a Notice of Document Assignment and the Security Agent confirms that it has received acknowledgements to each such Notice of Assignment in the form set out in Part 1 (*Form of Notice of Assignment of Relevant Document*) of SCHEDULE 4 or in such other form as the Security Agent may approve, acting reasonably.
- (b) This Deed constitutes notice in writing to each Chargor of any Security over any debt owed by a Chargor to any other member of the Group or over any contract or agreement between a Chargor and any other member of the Group whether created under this Deed or any other Security Document.

4.9 General Undertakings:

- (a) Each Chargor shall, promptly on request from the Security Agent, furnish the Security Agent with such information as the Security Agent may reasonably require about its financial condition, business and operations, its compliance with this Deed and the Charged Assets.
- (b) Each Chargor shall use reasonable endeavours to keep or cause to be kept all the Charged Assets in good working order and condition, ordinary wear and tear excepted.

5. ENFORCEMENT

- 5.1 **Power of Sale:** The power of sale or other disposal and other powers conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale and other powers conferred on mortgagees under section 101 of the LPA and such powers shall arise on the date of this Deed free from the restrictions imposed by section 103 of the LPA, which shall not apply to the Charges.

5.2 **Enforceability of Security:**

- (a) For the purposes of all powers implied by the LPA or any other applicable statute, the Secured Liabilities shall be deemed to have become due and payable upon the date of this Deed.
- (b) Save as provided in Clause 5.3 (*Effect of Moratorium*) below, the Charges given by the Chargors shall become immediately enforceable upon the occurrence of an Enforcement Event and the power of sale conferred by section 101 of the LPA and all other powers conferred on mortgagees and Receivers by law (as varied and extended by this Deed) shall be exercisable in relation to the Charges and the Security Agent may take possession, hold or dispose of any Charged Asset at any time after the Charges have become enforceable.
- (c) The statutory power of leasing conferred upon the Security Agent shall be extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent thinks fit and without the need to comply with any of the provisions of sections 99 and 100 of the LPA.

5.3 **Effect of Moratorium:** The Charges will not become enforceable solely as a result of any person obtaining or taking steps to obtain a moratorium under Schedule A1 of the Insolvency Act 1986.

5.4 **Contingencies:** If the Charges are enforced at a time when no amount is due under the Secured Debt Documents but at a time when amounts may or will become due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

5.5 **Renewal of Deposits:** Without prejudice to any right of set-off any Secured Party may have under any other Secured Debt Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Party prior to the Release Date when:

- (a) the Charges have become enforceable; and
- (b) no Secured Liability is at that time due and payable,

that time deposit will automatically be renewed for any further period which that Secured Party considers appropriate.

5.6 **Right of Appropriation: Financial Collateral:** to the extent that any of the Charged Assets constitute "financial collateral" and this Deed and the obligations of any Chargor hereunder constitute a "security financial collateral arrangement" (in each case, as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226; the "**Regulations**")), the Security Agent shall have the right following enforcement of this Deed to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities and may exercise such right to appropriate upon giving written notice to the relevant Chargor. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (i) in the case of cash, the amount standing to the credit of each of the Bank Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised, and (ii) in the case of Investments, the market price of such Investments determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in the Deed shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

6. **APPOINTMENT AND RIGHTS OF RECEIVERS AND ADMINISTRATORS**

6.1 **Appointment of Receivers and Administrators:**

- (a) If:

- (i) there is the occurrence of (i) a Payment Event of Default which is continuing or (ii) the Charges becoming enforceable;
- (ii) so requested by the relevant Chargor; or
- (iii) subject to Clause 5.3 (*Effect of moratorium*), a petition is presented or application made for the appointment of an administrator, a liquidator or a provisional liquidator in respect of the relevant Chargor or notice is given by any person entitled to do so of the intention to appoint an Administrator or such notice is filed with the court,

the Security Agent may, by deed or otherwise in writing signed by any officer of the Security Agent or any other person authorised by the Security Agent for this purpose:

- (A) appoint one or more persons to be Receiver of any Charged Assets of the relevant Chargor and/or appoint two or more Receivers of separate parts of the Charged Assets; or
 - (B) when permitted by law, appoint an Administrator of the relevant Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986; or
 - (C) (subject to any requirement for a court order under the Insolvency Act 1986 or any other applicable insolvency law) remove any Receiver so appointed and, at its option, appoint another person(s) to be an additional or replacement Receiver.
- (b) If more than one person is appointed Receiver or Administrator of any assets, each Receiver or Administrator may act either jointly or severally unless the document appointing him states otherwise.
 - (c) Section 109(1) of the LPA does not apply to this Deed.
 - (d) The powers of appointment of a Receiver under this Deed shall be in addition to all other statutory and other powers of appointment of the Security Agent under the LPA or otherwise.

6.2 Rights of Receivers: Any Receiver appointed pursuant to this Deed shall (subject to any restrictions in the instrument appointing him) have in relation to the Charged Assets (and any other assets which when got in would be Charged Assets) in relation to which he is appointed:

- (a) all the powers conferred on an administrative receiver or receivers duly appointed under the Insolvency Act 1986;
- (b) all the powers conferred by the LPA or any other applicable law on mortgagees, mortgagees in possession and on receivers; and
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do.

In addition, a Receiver shall be entitled (either in his own name or in the name of the relevant Chargor or any trustee or nominee for the relevant Chargor) or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit and either alone or jointly with any other person:

- (d) **Take possession:** to enter upon, take possession of, get in and collect the Charged Assets, to require directors of such Chargor to call up unpaid share capital and to take action to enforce payment of unpaid calls and to require payment to him or the Secured Parties of any Monetary Claims or credit balance on any Bank Account;
- (e) **Carry on business:** to manage or carry on any business of such Chargor;

- (f) **Contracts:** to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which the Chargor is a party to the extent necessary to dispose of the Charged Assets and to perform its obligations;
- (g) **Deal with Charged Assets:** to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of, convert into money or realise the Charged Assets (including any Fixtures, other than landlord's fixtures, which may be severed and sold separately from the property containing them) either by public offer or auction, tender or private contract to any person on any terms and for a consideration of any nature he thinks fit;
- (h) **New Subsidiary:**
 - (i) to form or procure the formation of any new corporation, trust or partnership (a "**new vehicle**");
 - (ii) to subscribe for or acquire any investment in such new vehicle;
 - (iii) to transfer or transfer any right in or grant any lease or licence in any Charged Assets to such new vehicle; and
 - (iv) to sell, transfer, assign, exchange or otherwise dispose of any such investments or any rights attaching thereto;
- (i) **Borrowings:** to borrow or raise money either unsecured or on the Security of the Charged Assets either in priority to the Charges or otherwise and on such terms as he thinks fit;
- (j) **Covenants and guarantees:** to lend money or advance credit to any customer of a Chargor, enter into bonds, covenants, commitments, guarantees, indemnities or like matters and to make all requisite payments to effect, maintain or satisfy the same;
- (k) **Leases and tenancies:** to lease or licence any Charged Assets to any person on any terms and for any rent or fee, to agree to any change to such terms or rent and to accept any surrender of such lease or licence on any terms (including the payment of any surrender premium) and to make agreements and arrangements with and make allowances to any lessees, tenants or other persons from whom any rents and profits may be payable, in each case it shall think fit;
- (l) **Repairs:** to effect any repairs or improvements to or insurance on, or do any act which he may think desirable to protect or improve, any Charged Asset or any business of any Chargor or make it more productive, to carry out and/or complete any building operations and to apply for and maintain any planning permissions, building regulation approvals and other consents, in each case as he thinks fit;
- (m) **Proceedings and Claims:** to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Assets or the business of the relevant Chargor;
- (n) **Compromise of Claims:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating in any way to the Charged Assets;
- (o) **Redemption of Security:** to redeem any Security (whether or not having priority to the Charges) over the Charged Assets and to settle the accounts of encumbrancers;
- (p) **Employment:** to appoint and discharge officers, employees, agents and advisors and others for the purposes of this Deed and to discharge any person appointed by the relevant Chargor;
- (q) **Receipts:** to give a valid receipt for any moneys and execute any document which is necessary or desirable for realising any Charged Assets;

- (r) **Insolvency Act 1986:** to exercise all powers set out in Schedule 1 or Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1, Schedule B1 or Schedule 2, as the case may be, after the date of this Deed; and
 - (s) **Other Powers:** to do all such other acts and things the Receiver may consider necessary or expedient for preserving, improving or realising the Charged Assets or the getting in and collection of the Charged Assets (or any assets which when got in would constitute Charged Assets) or which are incidental to the exercise of any of the rights, powers and discretions conferred on the Receiver under or by virtue of this Deed or by law.

Each of the powers specified in each of the above paragraphs shall (except as otherwise provided) be distinct and shall not be in any way limited by reference to any other paragraph or the order in which they appear.

- 6.3 **Agent of Chargor:** Any Receiver shall be the agent of the relevant Chargor for all purposes unless and until the relevant Chargor goes into liquidation after which time the Receiver shall act as principal and shall not become agent of the Secured Parties. Subject to any applicable law, the Chargors alone shall be responsible for his contracts, engagements, acts, omissions, defaults and liabilities and for any payment of his remuneration. No Secured Party shall incur any liability by reason of the appointment of a Receiver under this Deed.

- 6.4 **Remuneration:** The Security Agent may from time to time determine the remuneration of any Receiver and the maximum rate specified in section 109(6) of the LPA will not apply. The Security Agent may direct payment of such remuneration out of moneys accruing to the Receiver but the Chargors alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver.

7. DISTRIBUTION

Application: All moneys from time to time received by the Security Agent or a Receiver or Delegate pursuant to this Deed or pursuant to the powers conferred by it shall in each case be applied in accordance with the terms of the Intercreditor Agreement.

8. SECURITY AGENT'S RIGHTS

- 8.1 **General Rights:** All or any of the rights which are conferred by this Deed (either expressly or impliedly) or by law upon a Receiver may be exercised after the Charges become enforceable by the Security Agent or, to the extent permitted by law, an Administrator, irrespective of whether the Security Agent shall have taken possession or appointed a Receiver of the Charged Assets.

8.2 Redemption of Prior Security:

- (a) Subject to the terms of the Intercreditor Agreement and Clause 5.3 (*Effect of moratorium*), in the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security or upon the exercise of any power of sale under this Deed by the Security Agent or any Receiver, the Security Agent may at any time redeem any Security having priority to any Charges or procure the transfer of that Security to itself and may settle the accounts of the prior encumbrancer and any accounts so settled shall, in the absence of manifest error, be conclusive and binding on each Chargor.
- (b) Each Chargor shall, on demand of the Security Agent, pay to the Security Agent all the costs and expenses incurred by it in connection with any such redemption or transfer.
- (c) All the rights conferred by a prior charge upon the chargee or any receiver thereunder shall be exercisable by the Security Agent or a Receiver in like manner as if the same were expressly

included herein and the Security Agent shall be entitled to exercise all the rights of a receiver appointed thereunder.

8.3 Delegation:

- (a) The Security Agent or any Receiver may delegate in any manner to any person it may think fit any right, power or discretion exercisable by it under this Deed.
- (b) Any such delegation may be made upon such terms, consistent with the terms of the Secured Debt Documents (including power to sub-delegate), as the Security Agent or any Receiver may think fit.
- (c) The Security Agent shall not be in any way liable to the Chargors or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any Delegate.

8.4 Continuation of Accounts: At any time following the commencement of the winding-up of any Chargor or if any Secured Party receives notice or is deemed to have received notice of any subsequent Security affecting the Charged Assets or of any assignment or transfer, the Secured Party may open a new account with it in the name of the such Chargor. If the Secured Party does not open a new account, it shall nevertheless be treated as if it had done so at the time when the winding-up commenced or the Secured Party received, or was deemed to have received, notice of such subsequent Security. All payments made thereafter by a Chargor to that Secured Party shall be treated as having been credited to a new account of such Chargor and not as having been applied in reduction of the Secured Liabilities as at the time when the winding-up commenced or the Security Agent received such notice.

8.5 Retention of Documents: The Security Agent shall be entitled to continue to retain any document delivered to it under this Deed relating to a Charged Asset until the Charges over such Charged Asset are released in accordance with this Deed. If, for any reason, it ceases to hold any such document before such time, it may by notice to the relevant Chargor require that the relevant document be redelivered to it and the relevant Chargor shall promptly comply with that requirement or procure that it is complied with.

8.6 Custody: The Security Agent shall be entitled to keep all certificates and documents of title relating to the Charged Assets in safe custody at any of its branches or otherwise provide for their safe custody by third parties and shall not be responsible for any loss or damage occurring to or in respect thereof unless such loss or damage shall be caused by its own gross negligence or wilful misconduct.

8.7 Recovery of Debts: The Security Agent and any manager or officer of the Security Agent or of any branch is hereby irrevocably empowered on or after the date the Charges are first enforced to receive all Monetary Claims and on payment to give an effectual discharge therefor and on non-payment to take (if the Security Agent in its sole discretion so decides) all steps and proceedings either in the name of the relevant Chargor or in the name of the Security Agent for the recovery thereof and also to agree accounts and to make allowances and to give time to any surety. Neither the Security Agent nor any Receiver shall be obliged to make any enquiry as to the sufficiency of any sums received in respect of any Monetary Claims or to make any claims or take any other action to collect or enforce the same.

9. RESPONSIBILITIES OF SECURITY AGENT, RECEIVERS AND DELEGATES

9.1 No Obligation to Remain in Possession: If the Security Agent, any Receiver or any Delegate shall take possession of the Charged Assets, it may from time to time in its absolute discretion relinquish such possession.

9.2 No Liability as Mortgagee in Possession: Neither the Security Agent nor any Receiver or Delegate will be liable, by reason of entering upon or into possession of a Charged Asset (or viewing or

repairing any Charged Assets or otherwise), to account as mortgagee in possession in respect of any Charged Assets or for any loss on realisation or for any default or omission in respect of any Charged Assets for which a mortgagee in possession might otherwise be liable.

9.3 **Security Agent's Obligation to Account:** Neither the Security Agent nor any Receiver or Delegate shall (either by reason of taking possession of the Charged Assets or for any other reason):

- (a) be liable to account to any Chargor or any other person for anything except the Security Agent's own actual receipts which have not been distributed or paid to such Chargor or the persons entitled (or at the time of payment believed by the Security Agent to be entitled) thereto; or
- (b) be liable to such Chargor or any other person for any costs, losses, liabilities or expenses related to any realisation of any Charged Assets or from any act, default, omission or misconduct of the Security Agent, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Charged Assets or in connection with any Secured Debt Document unless caused by its own gross negligence or wilful misconduct.

10. **FURTHER ASSURANCE**

Each Chargor shall, at its own expense, promptly do all such acts and things as the Security Agent may reasonably require (subject to the Agreed Security Principles) for:

- (a) creating, registering, perfecting, maintaining or protecting the Charges or any Security intended to be created by or pursuant to this Deed or any of the Charged Assets;
- (b) creating a fixed charge over Monetary Claims or, at any time after the occurrence of an Event of Default or the Charges shall have otherwise become enforceable, a legal assignment of Monetary Claims; or
- (c) facilitating the realisation of any Charge after the Charge has become enforceable or the exercise of any right, power or discretion in relation to any Charged Asset or Charge vested in the Security Agent, any Receiver or any Delegate,

including, without limitation, the execution (including by sealing) of any transfer, assignment, mortgage, charge or Security or any other document or any notice or instruction which the Security Agent may reasonably require, including any such document, notice or instruction required to enable the Security Agent or its nominee to obtain legal title to any Charged Assets in circumstances in which it is entitled to obtain such legal title under this Deed.

11. **POWER OF ATTORNEY**

11.1 **Appointment:** Each Chargor by way of Security irrevocably appoints the Security Agent, every Receiver and every Delegate severally to be its attorney:

- (a) to do all acts and things which such Chargor is obliged to do under this Deed but has failed to do, including, without limitation, to fill in the name of the transferee and to date and complete any instrument of transfer in respect of any Charged Investments which has been executed in blank by such Chargor and, in the case of registered Charged Investments, to procure the registration of the transferee as the holder of the relevant Charged Investments in circumstances in which the Charged Investments are to be transferred under the terms of this Deed;
- (b) to transfer any interest in any Charged Assets in the circumstances in which such transfer may be required under this Deed, including on an enforcement of the Charges over such Charged Assets;

- (c) in its name and on its behalf to exercise any right conferred on the Security Agent, any Receiver or any Delegate in relation to the Charged Assets under this Deed or any other Secured Debt Document or by law after such right has become exercisable; and
 - (d) to register or renew registration of the existence of the Charges or the restrictions on dealing with the Charged Assets in any register in which such Chargor is obliged (but has failed) to effect or maintain registration under the terms of this Deed.
- 11.2 **Ratification:** Each Chargor agrees to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of the power of attorney granted by Clause 11.1 (*Appointment*).
- 12. **PROTECTION OF THIRD PARTIES**
- 12.1 **No Duty to Enquire:** No person dealing with the Security Agent, any Receiver or any Delegate shall be concerned to enquire:
 - (a) whether any right which the Security Agent or any Receiver or Delegate is purporting to exercise or any of its powers has arisen or become exercisable;
 - (b) whether the Secured Liabilities have become payable or any amount remains outstanding under the Secured Debt Documents;
 - (c) as to the application of any money borrowed or raised or paid to the Security Agent or any Receiver, Administrator or Delegate; or
 - (d) as to the propriety or regularity of such dealings.
- 12.2 **Receipt:** The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or in making any acquisition, the Security Agent or any Receiver may do so for any such consideration, in such manner and on such terms as it thinks fit.
- 12.3 **Statutory Protection:** All the protection to purchasers contained in sections 104 and 107 of the LPA, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Security Agent, any Secured Party, any Receiver or any Delegate.
- 12.4 **Tacking:** Subject to the terms of the Secured Debt Documents, each Lender is under an obligation to make further advances and that obligation will be deemed to be incorporated in this Deed as if set out in this Deed.
- 13. **EXPENSES AND INDEMNITIES**
- 13.1 **Expenses:** Each Chargor will on demand pay to and reimburse the Security Agent or any other Secured Party, Receiver, Delegate, agent or attorney on the basis of a full indemnity, all costs and expenses (including legal fees and other out of pocket expenses and any VAT) incurred by the Security Agent or any other Secured Party, Receiver, Delegate, agent or attorney in connection with this Deed and will indemnify them against any failure to pay such amounts including any amounts arising from any actual or alleged breach of any Environmental Law or other law.
- 14. **PAYMENTS**
- 14.1 **Certificates:** A certificate, determination, notification or opinion of the Security Agent or any other Secured Party as to the amount of the Secured Liabilities or any other matter connected with this Deed or the Charges shall, in the absence of manifest error, be conclusive evidence of the matters to which it relates.

- 14.2 **Payments:** All payments under or pursuant to this Deed (including damages in respect of breaches hereof) shall be made in accordance with the Intercreditor Agreement or in such other manner as the Security Agent may agree and direct.
15. **EFFECTIVENESS OF SECURITY**
- 15.1 **Chargors' Obligations Continuing:** Each Chargor's obligations under Clause 2 (*Covenant to Pay*) and the Charges are continuing obligations and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.
- 15.2 **Cumulative Rights:** The rights and remedies provided in this Deed are cumulative and in addition to and independent of and not in any way prejudiced by any rights or remedies provided by law or any other Security, guarantees or rights of set-off or combination thereof held by any Secured Party.
- 15.3 **Failure to Exercise Rights:** No failure by the Security Agent to exercise or delay in the exercise of any right or remedy under this Deed will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.
- 15.4 **Immediate Recourse:** This Deed and the Chargors' obligations under this Deed are in addition to, and not to be prejudiced by or to be merged with, any other guarantee, indemnity or Security at any time existing in favour of any person. Each Chargor waives any right it may have to require any Secured Party (or any trustee or agent on its behalf) to make demand of, proceed against or enforce any other rights or Security or claim payment from any person before claiming against it. This waiver applies irrespective of any law or any provision of any Secured Debt Document (other than the Intercreditor Agreement) to the contrary.
- 15.5 **Grant of Waivers:** A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.
- 15.6 **Waiver of Defences:** As between each Chargor and the Secured Parties but without affecting the obligations of any Borrower (as defined in the Secured Debt Documents), each Chargor shall be liable under Clause 2 (*Covenant to Pay*) as if it were the principal debtor and not merely a surety. Neither the Charges nor the obligations of each Chargor under this Deed shall be discharged or affected by (and each Chargor hereby irrevocably waives any defences it may now or hereafter acquire in any way relating to) any act, omission, matter or thing which, but for this Clause 15, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to such Chargor or any Secured Party) including any matter referred to in Clause 27.4 (*Waiver of Defences*) of the Intercreditor Agreement:
- (a) any time, waiver or consent given to, or any composition with, any Debtor or any other person;
 - (b) the release of any Chargor or any other person under the terms of any composition or arrangement with any creditor of any Chargor or any other person (other than any express release of the Charges given in accordance with this Deed);
 - (c) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatever nature) or replacement of any Secured Debt Document or any other Security or document;
 - (d) the taking, perfection, enforcement, variation, compromise, exchange, renewal, release of, or the refusal or neglect to take, perfect or enforce, any rights against, or Security over, assets of, or any guarantee or undertaking given by, any Debtor 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;

- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or constitution or status of a Debtor, Secured Party or any other person;
- (f) the illegality, invalidity or unenforceability of any obligation of any person under, or expressed to arise under, any Secured Debt Document or other document;
- (g) any insolvency or similar proceedings under the laws of any jurisdiction or the making of any arrangement or composition with or for the benefit of creditors by any other Debtor, any Secured Party or any other person;
- (h) any Secured Party ceasing or refraining from giving credit or making loans or advances to or otherwise dealing with any Debtor or any other person (but without prejudice to any rights which any Chargor may have against a Secured Party by reason of default by that Secured Party under the Secured Debt Documents); or
- (i) the failure of any Secured Party to disclose to any Chargor any information relating to the business, assets, financial condition or prospects of any other Debtor now or hereafter known to such Secured Party (each Chargor waiving any duty on the part of the Secured Parties to disclose such information).

15.7 Deferral of Chargor's Rights: Until all Secured Liabilities have been irrevocably and unconditionally paid and discharged in full or the Security Agent otherwise directs, no Chargor shall exercise any rights which it may have (by reason of performance by its obligations under the Secured Debt Documents) or by reason of any amount being payable, or liability arising, under this Deed:

- (a) to be indemnified by any other Debtor;
- (b) to claim any contribution or payment from any other provider of Security or surety of any Debtor's obligations under the Secured Debt Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Parties under the Secured Debt Documents or of any other Security or guarantee taken pursuant to, or in connection with, the Secured Debt Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Debtor to make any payment, or perform any obligation, in respect of which any Debtor has given a guarantee, undertaking or indemnity under this Deed;
- (e) to exercise any right of set-off against any Debtor; and/or
- (f) to claim or prove as a creditor of any Debtor in competition with any Secured Party.

The relevant Chargor shall hold any benefit, payment or distribution received by it in relation to such rights on trust for the Secured Parties and shall pay an amount equal to the benefit, payment or distribution received immediately to the Security Agent.

15.8 Partial Invalidity: If at any time any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect (or any of the Charges intended to be created by or pursuant to this Deed is ineffective) in any jurisdiction, that shall not affect the legality, validity or enforceability of:

- (a) the remaining provisions or the effectiveness of any of the remaining Charges in that jurisdiction; or
- (b) that or any other provision or the effectiveness of such Charges in any other jurisdiction.

- 15.9 **Reinstatement:** If any discharge, release or arrangement (whether in respect of the obligations of any Debtor or any Security for those obligations or otherwise) is made by a Secured Party in whole or in part on the faith of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation:
- (a) the liability of the Debtor will continue or be reinstated as if the release, arrangement, discharge, settlement, avoidance or reduction had not occurred;
 - (b) each Secured Party shall be entitled to recover the value or amount of that payment, release, arrangement, discharge, Security or settlement from each Chargor, as if the payment, discharge, settlement, avoidance or reduction had not occurred together with any other cost, loss, expense or liability incurred by such Secured Party as a result of such avoidance or discharge; and
 - (c) each Chargor shall on demand indemnify the Security Agent against any funding or other cost, loss, liability or expense incurred by the Security Agent as a result of the Security Agent being required for any reason to refund all or part of any amount received by it in respect of any of the Secured Liabilities.
- 15.10 **Security Retention:** If the Security Agent, acting reasonably, considers that any amount paid or credited under any Secured Debt Documents is capable of being avoided or otherwise set aside under any laws relating to insolvency or otherwise, that amount shall not be treated as paid for the purposes of determining whether the Secured Liabilities have been paid.
- 15.11 **Final Redemption:**
- (a) The Security Agent shall at the cost of the relevant Chargors concerned on the date on which it is satisfied (acting reasonably) that all the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and no further Secured Liabilities are capable of becoming outstanding (the "**Release Date**") or following receipt of a notice under paragraph (b) below, take all reasonable steps to release and/or re-assign the Charged Assets from the Charges but without recourse to or any representation or warranty by the Security Agent or any of its nominees.
 - (b) If the Chargors are entitled to, under the terms of the Secured Debt Documents, and wishes to, require the release of the Charges, it shall give the Security Agent not less than seven Business Days' prior notice in writing requesting release of the Charges.
 - (c) All documents which are necessary in connection with the redemption of the Charges or the transfer of the Charged Assets back to the relevant Chargor shall be in such form as the Security Agent shall reasonably require.
- 15.12 **Consolidation:** Section 93 of the LPA (restricting the right of consolidation of the Charges with any other Security) shall not apply to the Charges and the Security Agent may consolidate all or any of the Charges with any other Security to the extent lawful.
- 15.13 **Appropriations:**
- (a) Until all Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and all facilities which might give rise to Secured Liabilities have been terminated, each Secured Party (or any trustee or agent on its behalf) may, subject to the terms of the Intercreditor Agreement and without affecting the liability of any Chargor under this Deed:
 - (i) refrain from applying or enforcing any other moneys, Security or rights held or received by that Secured Party (or any trustee or agent on its behalf) 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 Chargor shall be entitled to the benefit of the same; and

- (ii) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed.

16. **SET-OFF**

16.1 **Set-Off:** The Security Agent and each other Secured Party may (without notice to the relevant Chargor) set off or otherwise apply against the Secured Liabilities any credit balance to which any Chargor is entitled on any account with the Security Agent or such Secured Party and any other obligation (contingent or otherwise) owing by the Security Agent or such Secured Party regardless of the place of payment, booking branch or currency of either obligation or the terms of any deposit standing to the credit of such account.

16.2 **Set-Off Rights Cumulative:** This Clause 16 (*Set-Off*) shall be in addition to and without prejudice to any rights of set-off or any other rights or remedies which a Secured Party may have.

17. **COMMUNICATIONS**

Each communication under this Deed shall be made as provided in the Intercreditor Agreement.

18. **THIRD PARTIES**

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

19. **COUNTERPARTS**

19.1 **Counterparts:** This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Deed.

20. **ASSIGNMENT AND TRANSFER**

20.1 **Assignment:** The Security Agent and any Secured Party may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with and subject to the Secured Debt Documents.

21. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

21.1 **Governing Law:** This Deed is governed by and shall be construed in accordance with English law. Any non-contractual obligations arising out of or in connection with this Deed are governed by English law.

21.2 **Jurisdiction:**

- (a) Subject to paragraph (c) below, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) or the consequences of its nullity (a "**Dispute**").
- (b) The parties agree that the courts of England are the most appropriate and convenient courts to settle any Disputes and accordingly no party will argue to the contrary.
- (c) This Clause is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking:

- (i) proceedings relating to a Dispute in any other courts with jurisdiction; and
- (ii) to the extent allowed by law, concurrent proceedings in any number of jurisdictions.

IN WITNESS WHEREOF the parties hereto have caused this Deed to be duly executed and delivered as a deed on the date first written above.

SCHEDULE 1
Details of the Scheduled Investments

| Alliance Limited | Automotive | UK | Group Auto Union UK and Ireland Limited | 264 Ordinary Shares of £1.00 each |
|-------------------------|-------------------|-----------|--|--------------------------------------|
| | | | Alliance Automotive UK CV Limited | 90,000 Ordinary Shares of £0.10 each |
| | | | Alliance Automotive UK LV Limited (formerly Raynor Engineering (Nelson) Limited) | 4,000 Ordinary Shares of £1.00 each |

SCHEDULE 2
Details of the Scheduled Bank Accounts

| Account Bank | Sort Code | Account Number |
|----------------------|-----------|----------------|
| Natwest | | |
| Natwest | | |
| | | |
| Account Bank | Sort Code | Account Number |
| Natwest | | |
| Natwest | | |
| | | |
| Account Bank | Sort Code | Account Number |
| Natwest | | |
| Natwest | | |
| Natwest | | |
| Natwest | | |
| Natwest | | |
| | | |
| Account Bank | Sort Code | Account Number |
| Natwest | | |
| Natwest | | |
| Natwest Euro Account | | |

SCHEDULE 3
Notices for Bank Accounts

Part 1
Form of Notice to Account Bank for a Bank Account

To: [name of Account Bank]

[address]

Dated: [•]

Dear Sirs

[Name of relevant Chargor] (the "Chargor")

[number and description of the relevant account] (the "**Specified Accounts**"): debenture dated [•] November 2013 made between, amongst others, the Chargor and [Security Agent] as Security Agent (the "**Deed**")

1. Pursuant to the Deed, the Chargor has charged by way of first fixed charge in favour of the Security Agent all its rights to, and interest in, the balance standing from time to time to the credit of the Specified Accounts and any other bank account maintained with you and the debts represented by them (the "**Accounts**"). A copy of the Deed is enclosed. The Deed prohibits any dealing with the Accounts except with the consent of the Security Agent as provided in the Deed.
2. The Chargor hereby irrevocably and unconditionally instructs and authorises you:
 - (a) to disclose to the Security Agent any information relating to the Accounts which the Security Agent requests you to disclose;
 - (b) to pay or to release any moneys standing to the credit of the Accounts, in accordance with any instructions which you receive from the Security Agent;
 - (c) following notice from the Security Agent that the Security created under the Deed has become enforceable, not to permit any withdrawal by the Chargor of any moneys standing to the credit of the Accounts, without the prior written consent of the Security Agent and to hold all such moneys to the order of the Security Agent; and
 - (d) to comply with the terms of any written notices or instructions relating to the Deed and/or the Accounts and the debts represented by them which you receive from the Security Agent.
3. The Security Agent hereby confirms that it consents to the following transactions in relation to the Accounts [in accordance with the terms of the mandates relating to such Accounts] [subject to paragraph 4 below]:
 - (a) you may collect and pay to the credit of any Specified Accounts the proceeds of credits for the account of the Chargor;
 - (b) you may make payments to third parties or to other Accounts in the name of the Chargor on the instructions of the Chargor and debit the amounts involved to any Accounts;
 - (c) you may debit to any Account amounts due to you from the Chargor for operating such account subject to the provisions of the relevant Secured Debt Documents and the Intercreditor Agreement; and
 - (d) in order to enable you to make available net overdraft facilities on the [Accounts], you may set-off debit balances against credit balances on any of the following Accounts:

[Specify accounts and account numbers]

4. The Security Agent may, by notice to you, amend or withdraw the consents given in paragraph 3 above.
5. The instructions and authorisations which are contained in this letter shall remain in full force and effect until the Chargor and the Security Agent together give you notice in writing revoking or amending them. You may comply with the instructions contained in this letter without further authority from the Chargor.
6. The instructions and authorisations in this letter supersede any instructions and authorisations to the contrary given to you by or on behalf of any Chargor.
7. This letter is governed by English law.
8. Please acknowledge your acceptance of the instructions and authorisations contained in this notice by signing the attached Form of Acknowledgement and returning it to the Security Agent at [•] copied to us.

Yours faithfully

[Name of relevant Chargor]

[Security Agent]

By
Authorised Signatory

By
Authorised Signatory

Form of Acknowledgement of Notice to Account Bank for a Bank Account

To: [Security Agent] as Security Agent

Copy: [Name of Relevant Chargor]

Dear Sirs

Debenture dated [●] November 2013 between, amongst others, [Name of relevant Chargor] as Chargor and the Security Agent (the "Deed")

We hereby acknowledge receipt of the notice (a copy of which is attached hereto) dated [●] and addressed to us by you regarding the Accounts and confirm that we:

- (a) accept the instructions and authorisations contained in the notice and agree to comply with the terms thereof;
- (b) do not have, and will not make or exercise, any claims or demands, any rights of counterclaim, Security, rights of set-off or rights against the Chargor in respect of the Accounts and/or the debts represented by them [*other than in respect of fees for operating the accounts*]; and
- (c) have not received notice of any interest of any third party in any Account and/or the debts represented by them and to our knowledge there are no restrictions on the creation of Security over the Accounts pursuant to the Deed.

We agree that, in the event that we become aware at any time that any person other than yourselves has or will have any right or interest in the Accounts and/or the debts represented by them, we will promptly notify you.

The only Account[s] maintained with us [*is*] [*are*] the Specified Account[s] referred to in the notice [*and* [●]].

Yours faithfully

.....
[name of bank]

SCHEDULE 4
NOTICES OF ASSIGNMENT

Part 1
Form of Notice of Assignment of Relevant Document

To: [insert name and address of counterparty]

[•]

Dear Sirs,

Re: [identify the Relevant Document] (the "**Document**")

We give notice to you that [Name of relevant Chargor] (the "**Company**") has [assigned (subject to a proviso for re-assignment on redemption) to/charged] in favour of [Security Agent] (the "**Security Agent**") for the benefit of itself and certain other banks and financial institutions (the "**Secured Parties**") all its right, title and interest in the Document as Security for certain obligations owed by the Company to the Secured Parties pursuant to a debenture dated [•] November 2013 made between Alliance Automotive UK Limited as Chargor and the Security Agent (the "**Deed**").

1. We further notify you that:

- (a) the Company may not agree to amend, modify or terminate the Document without the prior written consent of the Security Agent;
- (b) subject to paragraph (a) above you may continue to deal with the Company in relation to the Document until you receive written notice to the contrary from the Security Agent. Thereafter the Company will cease to have any right to deal with you in relation to the Document and therefore from that time you should deal only with the Security Agent;
- (c) you are authorised to disclose information in relation to the Document to the Security Agent on request;
- (d) following notice from the Security Agent that the Security created under the Deed has become enforceable you must hold all sums from time to time due and payable by you to the Company under the Document to the order of the Security Agent;
- (e) you will pay or release all moneys to which the Company is entitled under the Document to the Company until the Security Agent directs otherwise;
- (f) the provisions of this notice may only be revoked with the written consent of the Security Agent;
- (g) you must send copies of all notices and other information under the Document to the Security Agent; and
- (h) the Company will remain liable to perform all its obligations under the Document and neither the Security Agent nor any receiver, delegate or sub-delegate appointed by it shall have any liability under the Document.

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

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;

- (b) you have not received notice that the Company has assigned its rights under the Document to a third party or created any other interest (whether by way of Security or otherwise) in the Document in favour of a third party;
- (c) you will pay any sums payable to the Company or any other person under or pursuant to the Document as directed by or pursuant to this notice or by the Security Agent; and
- (d) you do not have and will not exercise any rights of counterclaim or set-off in respect of any Document.

The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of

[insert name of Company]

Form of Acknowledgement of Notice of Assignment of Relevant Document

To: [Security Agent] [insert address]

Copy to: [Name of relevant Chargor] [insert address]

We hereby acknowledge receipt of the above notice and confirm the matters set out in paragraphs 2(a) to 2(d) above.

.....

for and on behalf of

[insert name of Counterparty]

Dated:

Part 2
Form of Notice of Assignment to Insurers

To: [insert name and address of insurance company]

[•]

Dear Sirs,

Re: [identify the relevant Insurance Policy(ies)] (the "**Policies**")

1. We hereby notify you that [name of relevant Chargor] (the "**Company**") has [assigned (subject to a proviso for re-assignment on redemption) to/charged] in favour of [Security Agent] (the "**Security Agent**") for the benefit of itself and certain other banks and financial institutions (the "**Secured Parties**") all its right, title and interest in the Policies as Security for certain obligations owed by the Company to the Secured Parties.
2. We further notify you that:
 - (a) the Company may not agree to amend, modify or terminate the Policies without the prior written consent of the Security Agent;
 - (b) subject to paragraph (a) above you may continue to deal with the Company in relation to the Policies until you receive written notice to the contrary from the Security Agent. Thereafter the Company will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Security Agent;
 - (c) you are authorised to disclose information in relation to the Policies to the Security Agent on request;
 - (d) following notice from the Security Agent that the Security has become enforceable, you must hold all sums from time to time due and payable by you to us under the Policies to the order of the Security Agent;
 - (e) you will pay or release all moneys to which the Company is entitled under the Policies to the Company until the Security Agent directs otherwise;
 - (f) you will notify the Security Agent promptly of any claim, or notification likely to result in a claim, under any Policy for an amount in excess of [EUR 500,000]; and
 - (g) the provisions of this notice may only be revoked with the written consent of the Security Agent.
3. Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Company) by way of confirmation that:
 - (i) you agree to the terms set out in this notice and to act in accordance with its provisions;
 - (ii) you have noted the Security Agent's interest *as assignee/chargee* on the Policies;
 - (iii) you will not cancel, avoid, release or otherwise allow the Policies to lapse without giving the Security Agent at least 30 days' written notice;
 - (iv) you have not received notice that the Company has assigned its rights under the Policies to a third party or created any other interest (whether by way of Security or otherwise) in the Policies in favour of a third party;

- (v) you shall not permit any sums [*in excess of EUR[•]*] to be paid to the Company or any other person under or pursuant to the Policies without the prior written consent of the Security Agent;
- (vi) the Security Agent shall not in any circumstances be liable for the premiums in relation to the Policies; and
- (vii) the Policies shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by the Security Agent.

4. The provisions of this notice are governed by English law.

Yours faithfully

.....
for and on behalf of
[*insert name of Company*]

Form of Acknowledgement of Notice of Assignment to Insurers

To: [Security Agent] [insert address]

Copy to: [Name of relevant Chargor] [insert address]

We hereby acknowledge receipt of the above notice and confirm the matters set out in paragraph 3 above.

.....

for and on behalf of

[insert name of insurance company]

Dated:

SCHEDULE 5
RELEVANT DOCUMENTS

Part 1

None

Part 2

None

SIGNATORIES

EXECUTED AS A DEED by
ALLIANCE AUTOMOTIVE UK LIMITED
the Chargor
acting by a director:

)
)
)
)



Name: *Jean-Jacques Lafont*
Title: *Director*

Witness's
signature:.....

Name: *Arnaud FROMION*

Address



EXECUTED AS A DEED by)
GROUP AUTO UNION UK AND IRELAND)
LIMITED)
the Chargor)
acting by a director:)



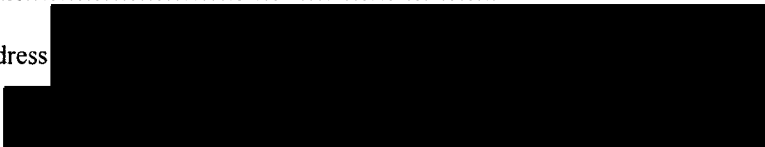
Name: Jean Jacques Lafont
Title: Director

Witness's
signature:...

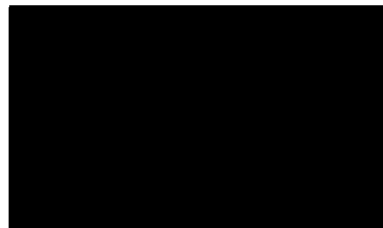


Name: Annand FRODION

Address



EXECUTED AS A DEED by)
ALLIANCE AUTOMOTIVE UK CV)
LIMITED)
the Chargor)
acting by a director:)



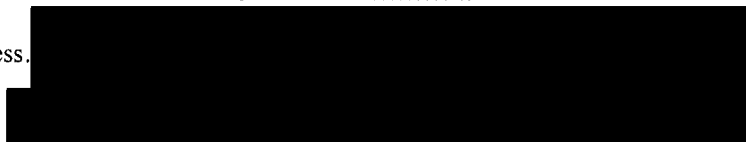
Name: Jean-Jacques Lafont
Title: Director

Witness's
signature:.....



Name: Arnaud FROMION

Address:



EXECUTED AS A DEED by
ALLIANCE AUTOMOTIVE UK LV
LIMITED (FORMERLY RAYNOR
ENGINEERING (NELSON) LIMITED)
the Chargor
acting by a director:

)
)
)
)



Name: *Jean-Jacques Lafont*
Title: *Director*

Witness's
signature:...



Name: *Arnaud FROMION*

Address:



EXECUTED by
THE ROYAL BANK OF SCOTLAND PLC,
LONDON BRANCH
the Security Agent
acting by: *NICOLAS VITOUK*

)
)
)
)

