



Registration of a Charge

Company Name: **MARSDEN WEIGHING MACHINE GROUP LIMITED**

Company Number: **01014815**



XC7HKF0I

Received for filing in Electronic Format on the: **10/07/2023**

Details of Charge

Date of creation: **03/07/2023**

Charge code: **0101 4815 0013**

Persons entitled: **GEMMA BAILEY**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **COOLEY (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1014815

Charge code: 0101 4815 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd July 2023 and created by MARSDEN WEIGHING MACHINE GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th July 2023 .

Given at Companies House, Cardiff on 11th July 2023

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

EXECUTION VERSION

DEBENTURE

DATED 03 July **2023**

BETWEEN

THE CHARGORS

and

THE INDIVIDUALS LISTED HEREIN AS B1 LOAN STOCK HOLDERS

Cooley

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THIS DEED is dated 03 July 2023 and made

BETWEEN:

- (1) **THE COMPANIES** listed in Part 1 (*The Chargors*) Schedule 1 (each a **"Chargor"** and together, the **"Chargors"**); and
- (2) **THE INDIVIDUALS LISTED HEREIN** as **"B1 LOAN STOCK HOLDERS"** whose name and addresses are set out in Part 2 (*The B1 Loan Stock Holders*) Schedule 2, (each a **"Creditor"** and together, the **"Creditors"**).

BACKGROUND:

- (A) Each Chargor enters into this Deed in connection with the B1 Loan Stock Instrument (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"B1 Loan Stock" means the secured £200,000 10% secured loan stock of Bidco to be constituted by the B1 Loan Stock Instrument and any other loan stock issued from time to time pursuant to the B1 Loan Stock Instrument.

"B1 Loan Stock Instrument" means the loan stock instrument created by Bidco and dated on or around the date of this deed and any other supplemental loan stock instruments created by Bidco in relation to the B1 Loan Stock (as amended from time to time).

"Account" means all accounts and any credit balance from time to time on any account opened or maintained by any Chargor with any bank, building society, financial institution or other person (and any replacement account or subdivision or subaccount of that account) and includes all Related Rights.

"Account Bank" means a bank with which an Account is maintained.

"Act" means the Law of Property Act 1925.

"Alcuin" means The Fourth Alcuin Fund LP.

"Alcuin Security" means the Alcuin Security Agreement and any other Security Interest created for the benefit of Alcuin.

"Alcuin Security Agreement" means the security agreement dated 7 November 2019 between the Chargors and Alcuin GP Limited.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Bank Security" means any security granted to the lender in connection with the Facilities Agreement.

"Bidco" means Imperial Bidco Limited, a company incorporated in England and Wales with registered number 12212388 and whose registered office is at 35 New Bridge Street, London EC4V 5BN, United Kingdom.

"Charged Assets" means all of the assets and undertaking of each Chargor, both present and future, which from time to time are the subject of any Security Interests created (or expressed or purported to be created) by it in favour of the Creditors by or pursuant to this Security.

"Charged Specific Contract" means, in relation to a Chargor:

- (a) any agreement, instrument or other document specified under its name in Part 3 of Schedule 2 (*Charged Assets*); and
- (b) any other agreement to which that Chargor is a party and which is designated in writing as such from time to time by such Chargor and the Creditors,

and includes all Related Rights.

"Deed of Priority" means the deed dated 7 November 2019 between, among others, Topco, Bidco, the Target, the A2 Loan Stock Holders and Alcuin as amended and/or amended and restated from time to time.

"Event of Default" has the meaning given to it in the B1 Loan Stock Instrument.

"Facilities Agreement" means any facilities agreement with a third party lender with respect to Bidco and Topco which is in existence as at the date of this deed or entered into following the date of this Deed.

"Group" means Topco, any subsidiary or holding company of Topco and any subsidiary of any such holding company from time to time (and the expressions **"Group Company"** and **"members of the Group"** shall be construed accordingly);

"Intercreditor Agreement" means the intercreditor agreement dated 26 May 2020 relating to the Facilities Agreement, as amended and restated from time to time.

"Investments" means:

- (a) the Shares, and
- (b) all other shares, stocks, debentures, bonds or other securities or investments owned by a Chargor,

and, in each case, includes:

- (i) any dividend, interest or other distribution paid or payable;

- (ii) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;
- (iii) any right against any clearance system;
- (iv) any right under any custody or other agreement (including any right to require delivery up of any cash or other assets); and
- (v) any cash or securities account maintained by any custodian or other entity,

in relation to any such share, stock, debenture, bond or other security or investment.

"Loan Stock Documents" means the B1 Loan Stock Instrument, the B1 Loan Stock, the Deed of Priority, this Deed and any other document designated as a Loan Stock Document by Topco and the Creditors.

"Party" means a party to this Deed.

"Receiver" means a receiver, a receiver and manager, or an administrative receiver, in each case, appointed under this Deed.

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

- (a) the proceeds of sale, transfer, lease, rental or other disposal of any part of all or 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, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of or derived from that asset;
- (d) any monies and proceeds paid or payable in respect of all or any part of that asset;
- (e) any awards or judgments in favour of a Chargor in respect of all or any part of that asset; and
- (f) any other assets deriving from or relating to all or any part of that asset.

"Secured Obligations" means, in respect of a Chargor, all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of that Chargor to the Creditors under or in connection with each Loan Stock Document, except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006).

"Security" means any Security Interest executed, created, evidenced or conferred by or pursuant to this Deed.

"Security Interest" means any mortgage, charge, assignment, pledge, lien or other security interest securing any obligations of any person or any other agreement or arrangement having the effect of conferring security.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

"Senior Security" means any Security Interest created for the benefit of the lenders providing the Facilities Agreement.

"Shares" means all present and future shares owned by each Chargor in its Subsidiaries incorporated in England & Wales, including, without limitation, the shares specified under each **Chargor's** name in Part 2 of Schedule 2 (*Charged Assets*).

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

"Target" means Marsden Group Holdings Limited, a company incorporated in England with registered number 03670726 and whose registered office is at Unit 1 Genesis Business Park, Sheffield Road, Rotherham, South Yorkshire S60 1DX.

"Topco" means Imperial Topco Limited, a company incorporated in England and Wales with registered number 12211987 and whose registered office is at 35 New Bridge Street, London, United Kingdom, EC4V 5BN.

1.2 Construction

- (a) Unless defined in this Deed, or the context otherwise requires, a term defined in the Loan Stock Documents has the same meaning in this Deed, or any notice given under or in connection with this Deed, as if all references in those defined terms to the Loan Stock Documents were a reference to this Deed or that notice.
- (b) References to this Deed or to any other document shall be construed as a reference to this Deed or that other document as amended, varied, novated or supplemented from time to time.
- (c) Any reference in this Deed to:
 - (i) a **clearance system** means a person whose business is or includes the provision of clearance services or security accounts, or any nominee or depositary for that person;
 - (ii) a **Loan Stock Document** or any other agreement or instrument includes (without prejudice to any restriction on amendments) any amendment to that Loan Stock Document or other agreement or instrument;
 - (iii) any **rights** in respect of an asset include all amounts and proceeds paid or payable, all rights to make any demand or claim, and all powers, remedies,

causes of action, security, guarantees and indemnities, in each case, in respect of or derived from that asset:

- (iv) **this Security** means any security created by this Deed; and
- (v) an agreement, instrument or other document **to which it is a party** includes any agreement, instrument or other document issued in the relevant person's favour or of which it otherwise has the benefit (in whole or in part).
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Loan Stock Documents and of any side letters between any Parties in relation to any Loan Stock Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If any of the Creditors consider that an amount paid to that Creditor under a Loan Stock Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Charged Asset includes the proceeds of any disposal of that Charged Asset.

1.3 **Intercreditor Agreement**

- (a) This Deed is subject to, and shall be read in accordance with, the terms of the Intercreditor Agreement. In the event of a conflict between the terms of this Deed and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.
- (b) Notwithstanding any provision to the contrary in this Deed, the Parties agree that the Security created under this Deed is subordinated to the Bank Security pursuant to the terms of the Intercreditor Agreement.

1.4 **Third party rights**

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) Any Receiver or any delegate or sub-delegate of any Creditor or any Receiver may enforce and enjoy the benefit of any Clause which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Contracts (Rights of Third Parties) Act 1999.

2. CREATION OF SECURITY

2.1 General

- (a) Each Chargor must pay or discharge the Secured Obligations in the manner provided for in the Loan Stock Documents.
- (b) All the security created under this Deed:
 - (i) is created in favour of the Creditors;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment of all the Secured Obligations of the relevant Chargor; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (c) If the rights of a Chargor under a document cannot be secured without the consent of a party to that document or satisfaction of some other condition:
 - (i) that Chargor must notify the Creditors promptly;
 - (ii) this Security will constitute security over all proceeds and other amounts which that Chargor may receive, or has received, under that document but exclude that Chargor's other rights under the document until that Chargor obtains the required consent or satisfies the relevant condition;
 - (iii) unless the Creditors otherwise requires, that Chargor must use its reasonable endeavours to obtain the required consent or satisfy the relevant condition; and
 - (iv) if that Chargor obtains the required consent or satisfies the relevant condition:
 - (A) that Chargor must notify the Creditors promptly; and
 - (B) all that Chargor's rights under the document will immediately be secured in accordance with this Deed.

2.2 Land

- (a) Each Chargor charges:
 - (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it, including, but not limited to, the real property (if any) specified under its name in Part 1 of Schedule 2 (*Charged Assets*); and
 - (ii) (to the extent that they are not the subject of a mortgage under paragraph (i) above) by way of a first fixed charge all estates or interests in any freehold or leasehold property owned by it.

(b) A reference in this Clause to a mortgage or charge of any freehold or leasehold property includes:

- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
- (ii) the benefit of any covenants for title given or entered into by any predecessor in title of a Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

2.3 **Investments**

Each Chargor charges by way of a first fixed charge its interest in all Investments owned by it or held by any nominee, trustee, custodian or clearance system on its behalf and Related Rights in respect of such Investments.

2.4 **Plant and machinery**

Each Chargor charges by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession.

2.5 **Accounts**

Each Chargor charges by way of a first fixed charge all of its rights in respect of any Account.

2.6 **Insurances**

Each Chargor charges by way of a first fixed charge all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf, or in which it has an interest.

2.7 **Other contracts**

- (a) Each Chargor charges by way of a first fixed charge all of its rights in respect of any agreement, instrument or other document to which it is a party, including, but not limited to, the Charged Specific Contracts.
- (b) Paragraph (a) above does not apply to any agreement, instrument or other document to which a Chargor is a party that is subject to any fixed security created under any other term of this Clause.

2.8 **Intellectual property**

Each Chargor charges by way of a first fixed charge, all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right, including, but not limited to, the patents and trademarks (if any) specified under its name in Part 4 of Schedule 2 (*Charged Assets*);
- (b) any copyright or other intellectual property monopoly right; or
- (c) any interest (including by way of licence) in any of the above,

in each case, whether registered or not and including all applications for any of the rights referred to in paragraphs (a), (b) and (c) above.

2.9 **Miscellaneous**

Each Chargor charges by way of a first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;
- (c) the benefit of any Authorisation (statutory or otherwise) held in connection with its use of any Charged Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any Authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

2.10 **Floating charge**

- (a) Each Chargor charges by way of a first floating charge all its assets whatsoever and whensoever situated not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause.
- (b) Except as provided below, the Creditors may by notice to a Chargor convert the floating charge created by that Chargor under this Clause into a fixed charge as regards any of that Chargor's assets specified in that notice, if:
 - (i) an Event of Default is continuing; or
 - (ii) the Creditors considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (c) The floating charge created by this Clause may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under section 1A of the Insolvency Act 1986.
- (d) The floating charge created by this Clause will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed, or any of the Creditors receives notice of an intention to appoint an administrator, in respect of that Chargor.
- (e) The floating charge created by this Clause is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

- (f) The floating charge created by this Clause 2.10 (*Floating charge*) may not be converted into a fixed charge in respect of any property or assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising its powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

3. REPRESENTATIONS - GENERAL

3.1 Nature of security

Each Chargor represents and warrants to the Creditors that this Deed creates those Security Interests it purports to create and is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise.

3.2 PSC Register

- (a) It has not issued and does not intend to issue any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any shares which constitute Charged Assets.
- (b) It has not received any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any shares which constitute Charged Assets.

3.3 Times for making representations

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be made by each Chargor by reference to the facts and circumstances then existing on each date during the Security Period.

3.4 Restrictions on Dealings

No Chargor may:

- (a) create or permit to subsist any Security Interest on any Charged Asset; or
- (b) sell, transfer, licence, lease or otherwise dispose of any Charged Asset,

except as expressly allowed under the Facilities Agreement and the Loan Stock Documents.

4. LAND

4.1 General

In this Clause:

"Mortgaged Property" means all freehold or leasehold property included in the definition of **"Charged Asset"** and, where the context so requires, includes any buildings on that property.

4.2 **Compliance with leases**

Each Chargor must:

- (a) exercise its rights and comply with its obligations under each lease comprised in its Mortgaged Property in a proper and timely manner; and
- (b) not do or allow to be done any act as a result of which any lease comprised in its Mortgaged Property may become liable to forfeiture or otherwise be terminated.

4.3 **Maintenance**

Each Chargor must ensure that all buildings, plant, machinery, fixtures and fittings on its Mortgaged Property are in and are maintained in:

- (a) good and substantial repair and condition and, as appropriate, good working order; and
- (b) such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations; for this purpose, a law or regulation will be regarded as applicable if it is either:
 - (i) in force; or
 - (ii) expected to come into force and a prudent property owner in the same business as that Chargor would ensure that its buildings, plant, machinery, fixtures and fittings were in such condition, repair and order in anticipation of that law or regulation coming into force.

4.4 **Notices**

Each Chargor must, within 14 days after the receipt by it of any application, requirement, order or notice served or given by any public, local or other authority with respect to its Mortgaged Property (or any part of it):

- (a) deliver a copy to the Creditors; and
- (b) inform the Creditors of the steps taken or proposed to be taken to comply with the relevant requirement, order or notice.

4.5 **Power to remedy**

- (a) If a Chargor fails to perform any obligations under the Loan Stock Documents affecting its Mortgaged Property, that Chargor must allow the Creditors or any of its agents and contractors:
 - (i) to enter any part of its Mortgaged Property;
 - (ii) to comply with or object to any notice served on that Chargor in respect of its Mortgaged Property; and

- (iii) to take any action that the Creditors may reasonably consider necessary or desirable to prevent or remedy any breach of any such obligation or to comply with or object to any such notice.
- (b) The relevant Chargor must, immediately on demand, pay the costs and expenses of the Creditors and its agents and contractors incurred in connection with any action taken by it under this Clause.
- (c) The Creditors are not obliged to account as mortgagee in possession as a result of any action taken under this Clause.

4.6 Insurance

- (a) Each Chargor must ensure that at all times from the date of this Deed contracts of insurance ("**Insurances**") are maintained in full force and effect which:
 - (i) insure that Chargor in respect of its interests in the Mortgaged Property and the plant, machinery, fixtures and fittings on the Mortgaged Property for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs);
 - (ii) provide cover for all normally insurable risks of loss or damage for a property of the type of its Mortgaged Property; and
 - (iii) insure such other risks as a prudent company in the same business as that Chargor would insure.
- (b) Each Chargor must procure that a note of the interest of the Creditors (in its capacity as such) is endorsed on each of the Insurances maintained by that Chargor or any person on its behalf in respect of its Mortgaged Property.
- (c) Each Chargor must use its reasonable endeavours to ensure that the Creditors receive a copy of the policy, certificate or cover note relating to any Insurance maintained by that Chargor and the receipt for the payment of any premium for any such Insurance and any information in connection with any such Insurance and any claim under it which the Creditors may reasonably require.
- (d) Each Chargor must:
 - (i) comply with the terms of the Insurances maintained by that Chargor;
 - (ii) not do or permit anything to be done which may make void or voidable any such Insurances; and
 - (iii) comply with all reasonable risk improvement requirements of its insurers.
- (e) Each Chargor must ensure that:

- (i) each premium for the Insurances maintained by that Chargor is paid promptly and in any event before the period of insurance for which that premium is payable begins; and
- (ii) all other things necessary are done so as to keep such Insurances in force.

4.7 **Leases**

No Chargor may grant or agree to grant (whether in exercise of any statutory power or otherwise) any lease or tenancy of the Mortgaged Property or any part of it or accept a surrender of any lease or tenancy or confer upon any person any contractual license or right to occupy the Mortgaged Property.

4.8 **Acquisitions**

- (a) If a Chargor acquires any freehold or leasehold property after the date of this Deed it must:
 - (i) notify the Creditors immediately;
 - (ii) immediately on demand and at the cost of that Chargor, execute and deliver to the Creditors a legal mortgage over that property in favour of the Creditors in any form which the Creditors may require;
 - (iii) if the title to that freehold or leasehold property is registered at H.M. Land Registry or required to be so registered, give H.M. Land Registry written notice of this Security; and
 - (iv) if applicable, ensure that this Security is correctly noted in the Register of Title against that title at H.M. Land Registry.
- (b) If the consent of the landlord in whom the reversion of a lease is vested is required for a Chargor to execute a legal mortgage over that lease, that Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. That Chargor must use its reasonable endeavours to obtain the landlord's consent.

4.9 **Compliance with applicable laws and regulations**

Each Chargor must perform all its obligations under any law or regulation in any way related to or affecting its Mortgaged Property.

4.10 **H.M. Land Registry**

Each Chargor consents to a restriction in the following terms being entered into on the Register of Title relating to any Mortgaged Property registered at H.M. Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the security agreement dated [] in favour of [] referred to in the charges register or their conveyancer."

4.11 Deposit of title deeds

With effect from the date on which the Senior Security is fully discharged, each Chargor must deposit with the Creditors all deeds and documents of title relating to its Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

5. INVESTMENTS

5.1 Investments

Each Chargor represents and warrants to the Creditors that:

- (a) its Shares and, to the extent applicable, its other Investments, are fully paid;
- (b) its Shares in any of its Subsidiaries incorporated in England and Wales represent the whole of the issued share capital of those Subsidiaries;
- (c) it (or a nominee, trustee, custodian or clearance system on its behalf) is the sole legal, and it is the sole beneficial, owner of its Investments; and
- (d) its Investments are free of any Security Interests (except for those created by or pursuant to the Alcuin Security or this Deed or as permitted under the Facilities Agreement and related finance documents) and any other rights or interests in favour of third parties.

5.2 Deposit

With effect from the date on which the Senior Security is fully discharged, each Chargor must:

- (a) immediately (or, if later, as soon as reasonably practicable following the acquisition of or subscription for any other Investments) deposit with the Creditors, or as the Creditors may direct, all certificates and other documents of title or evidence of ownership in relation to any of its Investments and stock transfer forms (executed and undated by it or on its behalf), together with a duly certified copy of the register for such Investments;
- (b) as soon as reasonably practicable following the acquisition, subscription, accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Investments, notify each Creditor of that occurrence and procure the delivery to the Creditors of all certificates or other documents of title representing such items and such stock transfer forms or other instruments of transfer (executed and undated by it or on its behalf) in respect thereof as the Creditors may request, together with a duly certified copy of the register for such Investments; and
- (c) promptly execute and deliver to the Creditors all share transfers and other documents which may be requested by the Creditors in order to enable the Creditors or its nominees to be registered as the owner or otherwise obtain a legal title to any of its Investments.

5.3 Changes to rights

No Chargor may take any action or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further shares in any of its Subsidiaries being issued save as permitted under the Facilities Agreement and related finance documents or with the prior written consent of the Creditors.

5.4 Calls

- (a) Each Chargor must pay all calls or other payments due and payable in respect of any of its Investments.
- (b) With effect from the date on which the Senior Security is fully discharged, if a Chargor fails to do make a payment in accordance with paragraph (a) above, the Creditors may pay the calls or other payments on behalf of that Chargor. That Chargor must, immediately on demand, reimburse the Creditors for any payment made by the Creditors under this Clause.

5.5 Other obligations in respect of Investments

- (a) Each Chargor must promptly copy to the Creditors and comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of its Investments. If it fails to do so, the Creditor may elect to provide such information as it may have on behalf of that Chargor.
- (b) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its investments.
- (c) The Creditors are not obliged to:
 - (i) perform any obligation of a Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,in respect of any Investment.

5.6 Voting rights and dividends

- (a) Before this Security becomes enforceable:
 - (i) each Chargor may continue to exercise (or refrain from exercising) the voting rights and any other rights or powers in respect of its Investments;

- (ii) if the voting rights or other rights or powers are exercisable by the Creditors, the Creditors must exercise (or refrain from exercising) them as that Chargor may direct in writing; and
 - (iii) with effect from the date on which the Senior Security is fully discharged, all dividends, distributions or other income paid or payable in relation to the Investments may, at the discretion of the Creditors, be paid directly to that Chargor.
- (b) Each Chargor must indemnify the Creditors against any cost, loss or liability incurred by the Creditors as a consequence of the Creditors acting (or refraining from acting) in respect of any Investments as directed by any Chargor.
- (c) With effect from the date on which the Senior Security and the Alcuin Security is fully discharged, after this Security has become enforceable:
 - (i) the Creditors may exercise (or refrain from exercising), in the name of the relevant Chargor and without any thither consent or authority on the part of the relevant Chargor, any, voting rights and any other rights or powers which may be exercised by the or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise; and
 - (ii) if any Investments remain registered in the name of a Chargor, that Chargor irrevocably appoints the Creditors as its proxy to exercise the voting rights and other rights or powers in respect of the Investments.

5.7 Clearance systems

With effect from the date on which the Senior Security is fully discharged, each Chargor must, if requested by the Creditors, instruct any clearance system to transfer any Investment held by it for that Chargor or its nominee to an account of the Creditors or its nominee with that clearance system.

5.8 Custodian arrangements

Each Chargor must:

- (a) promptly give notice of this Security to any custodian or other entity in respect of any Investment held for it by that custodian or other entity in a form the Creditors may require; and
- (b) use its reasonable endeavours to ensure that the custodian or other entity acknowledges that notice in a form the Creditors may require.

6. ACCOUNTS

6.1 Accounts

Each Chargor shall, on or before the date of this Deed (or as soon as reasonably practicable following the date on which any new Account is established after the date of this Deed) deliver details of all of its Accounts to the Creditors.

6.2 **Book debts and receipts**

Each Chargor shall get in and realise its:

- (a) securities to the extent held by way of temporary investment;
- (b) book and other debts and other moneys owed to it; and
- (c) royalties, fees and income of any nature owed to it,

in the ordinary course of its business. With effect from the date on which the Senior Security is fully discharged and, following the occurrence of an Event of Default that is continuing, each Chargor shall:

- (i) pay such monies into such account as the Creditors may designate; and
- (ii) not enter into a single transaction or series of transactions to sell, factor, discount or otherwise dispose of all part of its receivables.

6.3 **Representations**

Each Chargor represents and warrants to the Creditors that:

- (a) it is the sole legal and beneficial owner of the credit balance from time to time in each Account which it maintains; and
- (b) those credit balances are free of any Security Interests (except for those created by or pursuant to the Alcuin Security or this Deed or as permitted under the Facilities Agreement and related finance documents) and any other rights or interests in favour of third parties.

6.4 **Withdrawals**

- (a) With effect from the date on which the Senior Security is fully discharged, prior to the occurrence of an Event of Default that is continuing, the Chargor may withdraw any moneys (including interest) standing to the credit of an Account.
- (b) With effect from the date on which the Senior Security is fully discharged and after the occurrence of an Event of Default that is continuing, the Creditors may (subject to the payment of any claims having priority to this Security and subject to the Deed of Priority) withdraw, transfer or set-off amounts standing to the credit of any Account to satisfy the Secured Obligations.

6.5 **Notices of Security**

- (a) With effect from the date on which the Senior Security is fully discharge, upon the occurrence of an Event of Default that is continuing, each Chargor must, at the request of the Creditors:
 - (i) immediately serve a notice of charge, substantially in the form of Part 1 of Schedule 3 (*Forms of letter for Account Bank*) on each Account Bank (other

than any Account Bank which has already received a notice of charge in accordance with paragraph (a) above); and

- (ii) use its reasonable to ensure that each such Account Bank acknowledges the notice, substantially in the form of Part 2 of Schedule 3 (*Forms of letter for Account Bank*).

7. **INTELLECTUAL PROPERTY**

7.1 **General**

In this Clause **Intellectual Property Rights** means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above,

in each case, whether registered or not, and which are Charged Assets.

7.2 **Representations**

Each Chargor represents and warrants to the Creditors that:

- (a) the Intellectual Property Rights owned by it are all of the Intellectual Property Rights required by it in order for it to carry on its business as it is now being conducted;
- (b) it is the sole legal and beneficial owner of those Intellectual Property Rights;
- (c) those Intellectual Property Rights are free of any Security Interests (except for those created by or pursuant to the Alcuin Security or this Deed or as permitted under the Facilities Agreement and related finance documents) and any other rights or interests (including any licences) in favour of third parties;
- (d) it does not, in carrying on its business, infringe any Intellectual Property Rights of any third party; and
- (e) to its knowledge, no Intellectual Property Right owned by it is being infringed, nor is there any threatened infringement of any such Intellectual Property Right.

7.3 **Preservation**

- (a) Each Chargor must:
 - (i) make such registrations and pay such fees, registration taxes and similar amounts as are necessary to keep its Intellectual Property Rights in force;

- (ii) take all other steps which are reasonably practicable to maintain and preserve its interests in its Intellectual Property Rights;
 - (iii) if requested to do so by the Creditors, make entries in any public register of its Intellectual Property Rights which either record the existence of this Deed or the restrictions on disposal imposed by this Deed; and
 - (iv) take such steps as are necessary (including the institution of legal proceedings) to prevent third parties infringing those Intellectual Property Rights.
- (b) Each Chargor must ensure that, except with the prior consent of the Creditors, none of its Intellectual Property Rights which is registered is abandoned or cancelled, lapses or is liable to any claim of abandonment for non-use or otherwise.

8. CHARGED SPECIFIC CONTRACTS

8.1 Representations

Each Chargor represents, and warrants to the Creditors that:

- (a) no amount payable to it under a Charged Specific Contract is subject to any right of set-off or similar right (except for any such right that arises under the express terms of that Charged Specific Contract);
- (b) each such Charged Specific Contract is its legal, valid, binding and enforceable obligation;
- (c) it is not in default of any of its material obligations under any such Charged Specific Contract;
- (d) there is no prohibition on assignment in, or other restriction on the creation of security by that Chargor over, any such Charged Specific Contract;
- (e) its entry into and performance of this Deed will not conflict with any term of any such Charged Specific Contract; and
- (f) its rights in respect of each such Charged Specific Contract are free of any Security Interests (except for those created by or pursuant to the Alcuin Security or this Deed or as permitted under the Facilities Agreement and related finance documents) and any other rights or interests in favour of third parties.

8.2 Preservation

No Chargor may, without the prior consent of the Creditors:

- (a) amend or waive any term of, or terminate, any Charged Specific Contract to which it is a party in a way that would be reasonably be expected to be materially adverse to the interests of the Creditors under the Loan Stock Documents; or

- (b) take any action which might jeopardise the existence or enforceability of any such Charged Specific Contract.

8.3 Other undertakings

Each Chargor must:

- (a) duly and promptly perform its obligations, and diligently pursue its rights, under each Charged Specific Contract to which it is a party; and
- (b) supply the Creditors and any Receiver with copies of each such Charged Specific Contract and any information and documentation relating to any such Charged Specific Contract requested by the Creditors or any Receiver.

8.4 Notices of charge

Each Chargor must:

- (a) with effect from the date on which the Senior Security is fully discharged, as soon as reasonably practicable following the entering into or designation of any other Charged Specific Contract) serve a notice of charge, substantially in the form of Part 1 of Schedule 4 (*Forms of letter for Charged Specific Contracts*), on each counterparty to a Charged Specific Contract to which it is a party; and
- (b) use its reasonable endeavours to procure that the counterparty acknowledges that notice, substantially in the form of Part 2 of Schedule 4 (*Forms of letter for Charged Specific Contracts*).

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

This Security will become immediately enforceable if an Event of Default occurs.

9.2 Discretion

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

9.3 Power of sale

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

10. ENFORCEMENT OF SECURITY

10.1 General

- (a) For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.

- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Creditors are extended so as to authorise the Creditors to lease, make agreements for leases, accept surrenders of leases and grant options as the Creditors may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

10.2 **No liability as mortgagee in possession**

Neither the Creditors nor any Receiver will be liable, by reason of entering into possession of a Charged Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

10.3 **Privileges**

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

10.4 **Protection of third parties**

No person (including a purchaser) dealing with the Creditors or a Receiver or its or his agents will be concerned to enquire:

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

10.5 **Receipt Conclusive**

The receipt of the Creditors or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Creditors or any Receiver.

10.6 **Redemption of prior mortgages**

- (a) Subject to the provisions of the Deed of Priority, at any time after this Security has become enforceable, the Creditors may do any one or more of the following:
 - (i) redeem any prior Security Interest against any Charged Asset;
 - (ii) procure the transfer of that Security Interest to itself; and

- (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor must, immediately on demand, pay to the Creditors the costs and expenses incurred by the Creditors in connection with any such redemption or transfer, including the payment of any principal or interest.

10.7 **Contingencies**

If this Security is enforced at a time when no amount is due under the Loan Stock Documents but at a time when amounts may or will become due, the Creditors (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

10.8 **Financial collateral**

- (a) To the extent that the Charged Assets constitute "financial collateral" and this Deed and the obligations of a Chargor under this Deed constitute a "security financial collateral arrangement" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Creditors may after this Security has become enforceable appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (b) Where the Creditors appropriates any financial collateral:
 - (i) if it is cash, its value will be the amount standing to the credit of the relevant account on the date of appropriation plus any accrued but uncredited interest;
 - (ii) if it is listed or traded on a recognised exchange, its value will be the amount for which it could have been sold on the exchange on the date of appropriation; and
 - (iii) in any other case, its value will be the amount that the Creditors reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it,

and the Creditors will give credit for the proportion of the value of the financial collateral appropriated to its use.

11. **RECEIVER**

11.1 **Appointment of Receiver**

- (a) Except as provided below, the Creditors may from time to time appoint any one or more persons to be a Receiver of all or any part of the Charged Assets if:
 - (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Creditors in writing at any time.

- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Creditors are not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Creditors may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Charged Assets if the Creditors are prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

11.2 **Removal**

The Creditors may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 **Remuneration**

The Creditors may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

11.4 **Agent of each Chargor**

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) The Creditors will not incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

11.5 **Relationship with Creditors**

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

12. **POWERS OF RECEIVER**

12.1 **General**

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:
 - (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.2 **Possession**

A Receiver may take immediate possession of, get in and collect any Charged Asset.

12.3 **Carry on business**

A Receiver may carry on any business of any Chargor in any manner it thinks fit.

12.4 **Employees**

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as it thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

12.5 **Borrow money**

A Receiver may raise and borrow money either unsecured or on the security of any Charged Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which it thinks fit.

12.6 **Sale of assets**

- (a) A Receiver may sell, exchange, convert into money and realise any Charged Asset by public auction or private contract and generally in any manner and on any terms which it thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which it thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

12.7 **Leases**

A Receiver may let any Charged Asset for any term and at any rent (with or without a premium) which it thinks fit and may accept a surrender of any lease or tenancy of any Charged Asset on any terms which it thinks fit (including the payment of money to a lessee or tenant on a surrender).

12.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of any Chargor or relating in any way to any Charged Asset.

12.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Asset which it thinks fit.

12.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Asset.

12.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Charged Asset.

12.12 Delegation

A Receiver may delegate its powers in accordance with this Deed.

12.13 Lending

A Receiver may lend money or advance credit to any customer of any Chargor.

12.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Charged Asset;
- (b) commence and/or complete any building operation or other works; and
- (c) apply for and maintain any planning permission, building regulation approval or any other Authorisation, in each case as it thinks fit.

12.15 Other powers

A Receiver may:

- (a) do all other acts and things which it may consider desirable or necessary for realising any Charged Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Charged Asset all the powers, authorities and things which it would be capable of exercising if it were the absolute beneficial owner of that Charged Asset; and
- (c) use the name of any Chargor for any of the above purposes.

12.16 Application of Proceeds

All amounts from time to time received or recovered by the Creditors or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of this Security will be held by the Creditors and applied in the following order of priority:

- (a) in or towards payment of or provision for the Secured Obligations in accordance with the terms of the Loan Stock Documents; and
- (b) in payment of the surplus (if any) to any Chargor or other person entitled to it.

This Clause is subject to the payment of any claims having priority over this Security. This Clause does not prejudice the right of the Creditors to recover any shortfall from any Chargor.

13. RULING OFF

If the Creditors receive notice of any subsequent Security Interest or other interest affecting any of the Charged Assets (except as permitted by the B1 Loan Stock Instrument) it may open a new account for the relevant Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the relevant Chargor), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Obligations.

14. REDEMPTION OF PRIOR CHARGES

Subject to the provisions of the Deed of Priority, the Creditors may, at any time after an Event of Default has occurred and is continuing, redeem any prior Security Interest over or relating to any of the Charged Assets or procure the transfer of that Security Interest to itself, and may settle and pass the accounts of any person entitled to that prior Security Interest. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor. Each Chargor will on demand pay to the Creditors all principal monies and interest and all losses incidental to any such redemption or transfer.

15. Expenses and Indemnity

Each Chargor must:

- (a) immediately on demand, pay to the Creditors, any Receiver or any delegate, agent or attorney or other person appointed by the Creditors or any Receiver (each, a **"Secured Party"**) the amount of all costs and expenses (including legal fees) incurred by that Secured Party in connection with this Deed including any arising from any actual or alleged breach by any person of any law or regulation; and
- (b) keep each Secured Party indemnified against any failure or delay in paying those costs or expenses.

16. **DELEGATION**

16.1 **Power of Attorney**

The Creditors or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

16.2 **Terms**

Any such delegation may be made upon any terms (including power to sub-delegate) which the Creditor or any Receiver may think fit.

16.3 **Liability**

Neither the Creditors nor any Receiver will be in any way liable or responsible to any Chargor for any cost, loss or liability arising as a result of any act, default, omission or misconduct on the part of any delegate or sub-delegate.

16.4 **Cumulative Powers**

The powers which this Deed confers on the Creditors and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Creditors or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Creditors and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

17. **FURTHER ASSURANCES**

17.1 **Further assurances**

Each Chargor must, at its own expense, take whatever action the Creditors or a Receiver may require for:

- (a) creating, perfecting or protecting any security over any Charged Asset; or
- (b) facilitating the realisation of any Charged Asset, or the exercise of any right, power or discretion exercisable, by the Creditors or any Receiver or any of their respective delegates or sub-delegates in respect of any Charged Asset.

17.2 **Action required**

The action that may be required under Clause 17.1 (*Further assurances*) includes:

- (a) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance in respect of any asset, whether to the Creditors or to its nominee; or
- (b) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Creditors may think expedient.

17.3 **Power of Attorney**

Each Chargor, by way of security, irrevocably and severally appoints the Creditors, each Receiver and any person nominated for the purpose by the Creditors or any Receiver (in writing and signed by an officer of the Creditors or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Creditors or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and each Chargor covenants with the Creditors and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

18. **PRESERVATION OF SECURITY**

18.1 **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made by the Creditors in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, the liability of each Chargor under this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.2 **Waiver of defences**

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

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (b) the release of any Chargor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor or any other person;

- (d) 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 status of an Chargor or any other person;
- (f) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security; or
- (h) any insolvency, resolution or similar proceedings.

18.3 **Immediate recourse**

- (a) Each Chargor waives any right it may have of first requiring the Creditors (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed.
- (b) This waiver applies irrespective of any law or provision of a Loan Stock Document to the contrary.

18.4 **Appropriations**

The Creditors (or any trustee or agent on its behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Creditors (or trustee or agent) in respect of the Secured Obligations or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and no Chargor will be entitled to the benefit of such moneys, security or rights; and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed.

18.5 **Deferral of Chargor's rights**

- (a) Unless the Security Period has expired or the Creditors otherwise direct, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising under this Deed:
 - (i) to be indemnified by a Chargor;
 - (ii) to claim any contribution from any other person who has provided security or a guarantee in respect of any Chargor's obligations under the Loan Stock Documents;

- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Creditors under the Loan Stock Documents or of any other guarantee or security taken pursuant to, or in connection with, the Loan Stock Documents by the Creditors;
 - (iv) to bring legal or other proceedings for an order requiring any Chargor to make any payment, or perform any obligation, in respect of which any Chargor has granted security under this Deed;
 - (v) to exercise any right of set-off against any Chargor; and/or
 - (vi) to claim or prove as a creditor of any Chargor in competition with any the Creditors.
- (b) If a Chargor receives any benefit, payment or distribution in relation to such rights it must hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Chargors under or in connection with the Loan Stock Documents to be repaid in full on trust for the Secured Parties and must promptly pay or transfer them to the Creditors or as the Creditors may direct for application in accordance with the terms of this Deed.

18.6 Additional security

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by the Creditors.
- (b) No prior security held by the Creditors (in its capacity as such or otherwise) over any Charged Asset will merge with this Security.

19. MISCELLANEOUS

19.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part.

19.2 Tacking

Each Creditor must perform its obligations under the B1 Loan Stock Instrument.

19.3 New Accounts

- (a) If any subsequent charge or other interest affects any Charged Asset, the Creditors may open a new account with a Chargor.
- (b) If the Creditors do not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.

- (c) As from that time all payments made to the Creditors will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligation.

19.4 **Time deposits**

Without prejudice to any right of setoff the Creditors have under any other Loan Stock Document or otherwise, if any time deposit matures on any account a Chargor has with the Creditors within the Security Period when:

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

that time deposit will automatically be renewed for any further maturity which the Creditors consider appropriate.

19.5 **Notice to Chargor**

This Deed constitutes notice in writing to each Chargor of any charge or assignment by way of security that may at any time be created or made under any Senior Security or Alcuin Security by any member of the Group in respect of any obligation or liability under any agreement, instrument or other document to which that member is a party.

19.6 **Release of Chargor's rights**

If the shares in an Chargor are disposed of as a result of enforcement of this Security, each Chargor irrevocably authorises the Creditors (on behalf of that Chargor and without requiring any authority or consent from any Chargor) to release (in whole or in part) that Chargor (and any Subsidiary of that Chargor) from the liabilities and obligations (present and fixture, actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) it may have to that Chargor under or in connection with the Loan Stock Documents as a result of that Chargor being a guarantor or security provider (including, without limitation, any liabilities and obligations arising by way of indemnity, contribution or subrogation).

19.7 **PSC Register**

- (a) Each Chargor shall promptly:
 - (i) notify the Creditors of its intention to issue, or its receipt of, any warning notice or restrictions notice under Schedule 1B of the Companies Act 2006 in respect of any shares which constitute Charged Assets; and
 - (ii) provide to the Creditors a copy of any such warning notice or restrictions notice.

in each case before it issues, or after it receives, any such notice.

- (b) For the purposes of withdrawing any restrictions notice or for any application (or similar) to the court under Schedule 1B of the Companies Act 2006, each Chargor shall provide such assistance as the Creditors may reasonably request in respect of any shares

which constitute Charged Assets and provide the Creditors with all information, documents and evidence that it may reasonably request in connection with the same.

20. **Release**

At the end of the Security Period, the Secured Parties must, at the request and cost of a Chargor, take whatever action is necessary to release that Chargor's Charged Assets from this Security.

21. **SEVERABILITY**

If a term of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.

22. **COUNTERPARTS**

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

23. **NOTICES**

23.1 **In writing**

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post or via email transmission to the relevant email addresses set out in clause 23.2 (*Contact details*) below (or such other email addresses as notified by one Party to the other Parties from time to time).
- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

23.2 **Contact details**

- (a) The contact details of the Chargors for this purpose are:

Topco:

Address: Imperial Topco Limited
35 New Bridge Street
London
EC4V 5BN
United Kingdom
E-mail: [REDACTED]@alcuincapital.com
Attention: Nick Seaman

Bidco:

Address: Imperial Bidco Limited
35 New Bridge Street
London
EC4V 5BN
United Kingdom

E-mail: [REDACTED]@alcuincapital.com
Attention: Nick Seaman

Target:

Address: Marsden Group Holdings
Unit 1 Genesis Business Park
Sheffield Road
Rotherham
South Yorkshire
S60 1DX

E-mail: [REDACTED]@marsdengroup.co.uk
Attention: Mark Holdaway

Rent-A-Scale Limited:

Address: Unit 1 Genesis Business Park
Sheffield Road
Rotherham
South Yorkshire
S60 1DX

E-mail: [REDACTED]@marsdengroup.co.uk
Attention: Mark Holdaway

Marsden Weighing Machine Group Limited:

Address: Unit 1 Genesis Business Park
Sheffield Road
Rotherham
South Yorkshire
S60 1DX

E-mail: [REDACTED]@marsdengroup.co.uk
Attention: Mark Holdaway

(b) The contact details of the Creditors are:

Name: Gemma Bailey

Address: [REDACTED]

E-mail: [REDACTED]@baileyinstruments.co.uk

24. **GOVERNING LAW**

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

25. **JURISDICTION**

- (a) The English courts have non-exclusive jurisdiction to settle any dispute in connection with this Deed.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute.
- (c) This Clause is for the benefit of the Creditors only. To the extent allowed by law, a Creditor may take:
 - (i) proceedings in any other court; and
 - (ii) concurrent proceedings in any number of jurisdictions.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

**SCHEDULE 1
THE PARTIES**

**Part 1
The Chargors**

Name of Chargor	Registered number
Imperial Topco Limited	12211987
Imperial Bidco Limited	12212388
Marsden Group Holdings Limited	03670726
Rent- A-Scale Limited	00869801
Marsden Weighing Machine Group Limited	01014815

Part 2
The B1 Loan Stock Holders

Name of B1 Loan Stock Holder	Address	B1 Loan Stock
Gemma Bailey		£200,000

**SCHEDULE 2
CHARGED ASSETS**

**Part 1
Real Property**

Registered Land

Marsden Group Holdings Limited

Title number SYK480372

Title number SYK437741

**Part 2
Shares**

Name of Chargor which holds the shares	Name of company issuing shares	Number and class of shares
Imperial Topco Limited	Imperial Bidco Limited	95,501 Ordinary Shares
Imperial Bidco Limited	Marsden Group Holdings Limited	5,009 Ordinary Shares
Marsden Group Holdings Limited	Rent-A-Scale Limited	5,005 Ordinary Shares
Marsden Group Holdings Limited	Marsden Weighing Machine Group Limited	5,005 Ordinary Shares

Part 3
Charged Specific Contracts

[None at the date of this Deed.]

Part 4
Specific Intellectual Property Rights

[None at the date of this Deed.]

SCHEDULE 3
FORM OF LETTER FOR BANK ACCOUNT

Part 1
Notice to Account Bank of a Charged Account

To: [Account Bank]

Copy: [B1 Loan Stock Holders] (as Creditors)

[Date]

Dear Sirs,

Security Agreement dated [] between Topco, Bidco, Target
and the individuals listed therein as B1 Loan Stock Holders (the "Security Agreement")

This letter constitutes notice to you that under the Security Agreement we (the **Chargor**) have charged (by way of a first fixed charge) in favour of the individuals listed therein as B1 Loan Stock Holders (the **"Creditors"**) all our rights in respect of the account maintained by us with you (Account no. [] sort code []) (the **"Charged Account"**), any amount standing to the credit of that account and the debt represented by that account.

If the security constituted by the Security Agreement becomes enforceable, the Creditors may notify you of such event (an **"Enforcement Notice"**).

We irrevocably instruct and authorise you following receipt by you of an Enforcement Notice to:

- (a) disclose to the Creditors any information relating to the Charged Account requested from you by the Creditors;
- (b) comply with the terms of any written notice or instruction relating to the Charged Account received by you from the Creditors;
- (c) hold all sums standing to the credit of the Charged Account to the order of the Creditors; and
- (d) pay or release any sum standing to the credit of the Charged Account in accordance with the written instructions of the Creditors.

We also give you notice that until you have received an Enforcement Notice, we may make withdrawals from the Charged Account.

We acknowledge that you may comply with the instructions in this letter without any further permission from us or enquiry by you.

The instructions in this letter may not be revoked or amended without the prior written consent of the Creditors.

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

Please confirm your agreement to the above by sending the attached acknowledgement to the Creditors at [ADDRESS] with a copy to us.

Yours faithfully,

.....

(Authorised Signatory)

[Chargor]

Part 2
Acknowledgement of Account Bank

To: [B1 Loan Stock Holders] (as Creditors)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [] between Topco, Bidco, Target
and the individuals listed therein as B1 Loan Stock Holders (the "Security Agreement")**

We confirm receipt from [] (the **Chargor**) of a notice dated [] of a charge upon the terms of the Security Agreement over all the rights of the Chargor to its account with us (Account no. [], sort code []) (the **"Charged Account"**), any amount standing to the credit of that account and the debt represented by that account.

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in the Charged Account; and
- (c) have neither claimed nor exercised, nor will claim or exercise, any security interest, set-off, counter-claim or other right in respect of the Charged Account.

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

Yours faithfully,

.....

(Authorised Signatory)

[Account Bank]

SCHEDULE 4
FORMS OF LETTER FOR CHARGED SPECIFIC CONTRACTS

Part 1
Notice to Counterparty

To: [Counterparty]

Copy: [B1 Loan Stock Holders] (as Creditors)

[Date]

Dear Sirs,

**Security Agreement dated [] between Topco, Bidco, Target
and the individuals listed therein as B1 Loan Stock Holders (the Security Agreement)**

This letter constitutes notice to you that under the Security Agreement we have charged (by way of a first fixed charge) in favour of the individuals listed therein as B1 Loan Stock Holders (the "**Creditors**") all our rights in respect of *[insert details of Contract]* (the "**Contract**"),

We confirm that:

- (a) we will remain liable under the Contract to perform all the obligations assumed by us under the Contract; and
- (b) none of the Creditors, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

We will also remain entitled to exercise all the rights, powers and discretions which under the terms of the Contract were vested in us, and you should continue to send payments and communications under the Contract to us, unless and until you receive notice from the Creditors to the contrary stating that the security under the Security Agreement has become enforceable. In this event, all the rights, powers and discretions will be exercisable by, and all payments and communications must be sent to, the Creditors or as it directs. The contact details for the Creditors are as set out below or as otherwise notified to you from time to time by it. However, we have agreed with the Creditors that in no event will we amend or waive any provision of, or terminate, the Contract without the prior consent of the Creditors.

We irrevocably instruct and authorise you to disclose to the Creditors any information relating to the Contract requested from you by the Creditors.

The instructions in this letter may not be revoked or amended without the prior consent of the Creditors and you may comply with them without further permission from us or enquiry by you.

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

Please acknowledge receipt of this letter by sending the attached acknowledgement to the Creditors at [ADDRESS], with a copy to ourselves.

Yours faithfully,

.....
(Authorised Signatory)

[Chargor]

Part 2
Acknowledgement of Counterparty

To: [B1 Loan Stock Holders] (as Creditors)

Copy: [Chargor]

[Date]

Dear Sirs,

**Security Agreement dated [] between Topco, Bidco, Target
and the individuals listed therein as B1 Loan Stock Holders (the "Security Agreement")**

We confirm receipt from [] (the "**Chargor**") of a notice dated [] of a charge on the terms of the Security Agreement of all the Chargor's rights in respect of [*insert details of the Contract*] (the "**Contract**").

We confirm that we will make payments and send communications under the Contract as directed in that notice.

[We confirm that no amount payable by us under the Contract is subject to any set-off, counterclaim or other similar right and we will not exercise or claim any such right.]

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

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

Yours faithfully,

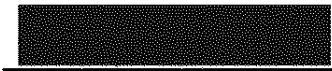
.....
(Authorised Signatory)

[Counterparty]

SIGNATORIES

Chargors


EXECUTED AS A DEED by)
IMPERIAL TOPCO LIMITED)
acting by)



Signature of Director

Indy Purewal

Name of Director



Signature of Director

Mark Holdaway

Name of Director

EXECUTED AS A DEED by)
IMPERIAL BIDCO LIMITED)
acting by)



Signature of Director

Indy Purewal

Name of Director



Signature of Director

Mark Holdaway

Name of Director

EXECUTED AS A DEED by)
MARSDEN GROUP HOLDINGS LIMITED)
acting by)



Signature of Director

Indy Purewal

Name of Director



Signature of Director

Mark Holdaway

Name of Director

EXECUTED AS A DEED by)
RENT-A-SCALE LIMITED)
acting by)



Indy Purewal Signature of Director
Name of Director

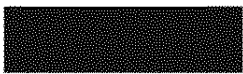


Mark Holdaway Signature of Director
Name of Director

EXECUTED AS A DEED by)
MARSDEN WEIGHING MACHINE GROUP LIMITED)
acting by)



Indy Purewal Signature of Director
Name of Director



Mark Holdaway Signature of Director
Name of Director

The Creditors

EXECUTED AS A DEED by)
GEMMA BAILEY)

In the presence of:
Witness's signature: _____
Name: _____
Address: _____

EXECUTED AS A DEED by)
RENT-A-SCALE LIMITED)
acting by)

Indy Purewal Signature of Director
Name of Director

Mark Holdaway Signature of Director
Name of Director

EXECUTED AS A DEED by)
MARSDEN WEIGHING MACHINE GROUP LIMITED)
acting by)

Indy Purewal Signature of Director
Name of Director

Mark Holdaway Signature of Director
Name of Director

The Creditors

EXECUTED AS A DEED by)
GEMMA BAILEY)

In the presence of: _____
Witness's signature: _____
Name: Nick Howard
Address: _____