



Registration of a Charge

Company name: **BULKHAUL LIMITED**

Company number: **01603021**



X3729CX5

Received for Electronic Filing: **02/05/2014**

Details of Charge

Date of creation: **30/04/2014**

Charge code: **0160 3021 0037**

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

Brief description: **AS MORE PARTICULARLY DESCRIBED IN CLAUSE 3 OF THE COMPOSITE DEBENTURE, FIXED AND FLOATING CHARGES OVER ALL THE ASSETS AND UNDERTAKING (PRESENT AND FUTURE) OF BULKHAUL LIMITED INCLUDING (1) LAND AND BUILDINGS ON THE NORTH WEST SIDE OF FORTY FOOT ROAD, MIDDLESBROUGH REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER CE88308, (2) LAND TO THE WEST OF AYRTON WORKS, FORTY FOOT ROAD, MIDDLESBROUGH REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER CE137458 AND (3) LAND LYING TO THE WEST OF FORTY FOOT ROAD, MIDDLESBROUGH REGISTERED AT THE LAND REGISTRY UNDER TITLE NUMBER CE1311658. FOR FURTHER DETAILS OF THE LAND CHARGED PLEASE SEE SCHEDULE 3 OF THE COMPOSITE DEBENTURE.**

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

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: **PAUL CASTLE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1603021

Charge code: 0160 3021 0037

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th April 2014 and created by BULKHAUL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd May 2014 .

Given at Companies House, Cardiff on 2nd May 2014

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Dated

30 APRIL

2014

- (1) THE GIBSON O'NEILL COMPANY LIMITED
- (2) BULKHAUL LIMITED
- (3) LLOYDS BANK PLC as Security Agent

Composite Debenture

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This Deed is made on

30 APRIL

2014 between:

- (1) THE GIBSON O'NEILL COMPANY LIMITED, a company incorporated in England and Wales with company number 2991817, (the "**First Chargor**");
- (2) BULKHAUL LIMITED, a company incorporated in England and Wales with company number 01603021, (the "**Second Chargor**"); and
- (3) LLOYDS BANK PLC, a company incorporated in England and Wales with company number 2065, in its capacity as Security Agent pursuant to the Security Trust Agreement.

1. **INTERPRETATION**

1.1 **Expressly defined terms**

Terms defined in the Security Trust Agreement shall have the same meaning when used in this Deed unless defined in this Deed. In addition, the following terms shall have the following meanings:

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

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

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

"Charged Contracts" means, in relation to any Chargor, those contracts (if any) brief particulars of which are set out in Schedule 2 (*Charged Contracts*) in respect of such Chargor and any other contracts designated as such by a Chargor and the Security Agent.

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

"Chargor" means the First Chargor, the Second Chargor, or any company which becomes a Party by executing and delivering a Deed of Accession (together the "**Chargors**").

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

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

"Companies Act" means the Companies Act 2006.

"Deed of Accession" means a deed substantially in the form set out in Schedule 10 (*Form of Deed of Accession*) subject to such variations as the Security Agent shall agree.

"Deed of Priority" means the deed of priority to be entered into between (1) the Parent, (2) Rockliffe Hall Limited and (3) the Security Agent in relation to Security granted by Rockliffe Hall Limited.

"Default Rate" means two per cent per annum above the highest rate of interest ordinarily applicable to any part of the Secured Obligations from time to time.

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

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

"Designated Chattels" means the plant, machinery, equipment, vehicles, and other chattels (if any) listed in respect of any Chargor in Schedule 5 (*Designated Chattels*) and shall include any additions, modifications and/or equipment ancillary to any such plant, machinery, equipment, vehicles or other chattels.

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

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

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

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

"Event of Default" has the meaning given to the term "Senior Event of Default" in the Security Trust Agreement.

"Excluded Shares" means the shares owned by the Parent from time to time in any Subsidiary other than a member of the Group or Rockliffe Hall Limited (Company Number 05972297).

"Facilities Agreement" means the term and multicurrency revolving facilities agreement dated on or around the date of this deed, made between, among others, (1) the First Chargor as parent, (2) the Second Chargor as original borrowers, (3) the Chargors as original guarantors, (4) Lloyds Bank plc and Barclays Bank plc as arrangers, (5) Lloyds Bank plc and Barclays Bank plc as original lenders, (6) Lloyds Bank plc as agent and (7) Lloyds Bank plc as security agent.

"Fitch" means Fitch Ratings Limited or any successor to its rating business.

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

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

"Holding Account" means the account held with Lloyds Bank plc named "Lloyds Bank plc re Bulkhaul Ltd – Holding" with sort code 30-00-05 and account number 00494414, as the same may be redesignated, substituted, replaced and/or re-numbered from time to time.

"Insolvency Act" means the Insolvency Act 1986.

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

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

"Intellectual Property" means, in relation to any Chargor, (a) all rights in confidential information, copyright and like rights, database rights, design rights, rights in design, knowhow, rights in inventions, patents, service marks, trade marks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by such Chargor or in which such Chargor has an interest from time to time and (b) the benefit of such Chargor's applications and rights to use such assets, in each case throughout the world now and in the future.

"Investment" means, in respect of any Chargor, any negotiable instrument, certificate of deposit, debenture, share (including, save where the context otherwise requires, any of the Shares) or other investment (as specified for the purposes of section 22 of the Financial Services and Markets Act 2000 as at the date of this Deed) now or in the future owned by such Chargor, excluding the Excluded Shares, in each case whether held directly by, or to the order of, such Chargor or by any trustee, nominee, fiduciary or clearance system on behalf of such Chargor, and also including any rights in respect of such Investment against any such trustee, nominee, fiduciary or clearing system.

"Legal Opinion" means any legal opinion delivered to the Agents under Clause 4.1 (*Initial conditions precedent*) or Clause 28 (*Changes to the Obligors*) of the Facilities Agreement.

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors;

- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim; and
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction and relevant jurisdiction of incorporation of any member of the Group and any general principles of law which are set out or referred to in the qualifications to any Legal Opinion.

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"LPA" means the Law of Property Act 1925.

"Material Adverse Effect" has the meaning given to it in the Facilities Agreement.

"Moody's" means Moody's Investors Services Limited or any successor to its rating business.

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

"Perfection Requirements" means the making or procuring of the appropriate registrations, filings, stampings and/or notifications of the Security Documents and the Security created by them.

"Permitted Security" has the meaning given to it in the Facilities Agreement.

"Permitted Transaction" has the meaning given to it in the Facilities Agreement.

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

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

"Relevant Interbank Market" means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market.

"Relevant Jurisdiction" means, in relation to any Chargor (a) its jurisdiction of incorporation; and (b) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"Repeating Representations" has the meaning given to it in the Facilities Agreement.

"Requisite Rating" means in relation to an insurance company or underwriter with long or short term (as appropriate) unsecured debt instruments in issue

which are neither subordinated nor guaranteed and which in relation to, long term instruments with ratings of the following: A (or better) by Fitch, A2 (or better) by Moody's and A (or better) by S&P.

"S&P" means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. or any successor to its rating business.

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

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent, whether owed or incurred solely or jointly or severally or in any other capacity whatsoever and whether as principal or surety) of each Debtor and each member of the Group to the Secured Parties (or any of them) under each or any of the Debt Documents together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Debt Documents or any other document evidencing or securing any such liabilities.

"Secured Parties" means:

- (a) Lloyds Bank plc and Barclays Bank PLC as Senior Lenders as at the date of this Deed;
- (b) Lloyds Bank plc and Barclays Bank PLC as Hedge Counterparties as at the date of this Deed;
- (c) Lloyds Bank plc and Barclays Bank PLC as Senior Arrangers as at the date of this Deed;
- (d) Lloyds Bank plc as Senior Agent as at the date of this Deed;
- (e) Lloyds Bank plc as Security Agent as at the date of this Deed;
- (f) Barclays Bank PLC as Bilateral Lender as at the date of this Deed; and
- (g) each other Secured Party as defined in the Security Trust Agreement.

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

"Security Trust Agreement" means a security trust agreement made on or about the date of this Deed between, amongst others, (1) Lloyds Bank plc as Senior Agent, (2) Lloyds Bank plc and Barclays Bank PLC as Senior Lenders, (3) Lloyds Bank plc and Barclays Bank PLC as Senior Arrangers, (4) Lloyds Bank plc and Barclays Bank PLC as Hedge Counterparties, (5) Barclays Bank PLC as Bilateral Lender; (6) the First Chargor, (7) the Second Chargor, (8) Rockliffe Hall Limited and (9) Lloyds Bank plc as Security Agent.

"Shares" means (in relation to each Chargor) all shares (if any) specified in Schedule 4 (*Shares*) in respect of such Chargor and also all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by such Chargor from time to time, or any in which it has an interest, excluding the Excluded Shares.

"Specified Bank Balances" means all monies (including interest) from time to time standing to the credit of the accounts specified in Schedule 1 (*Bank*

accounts), as such accounts may be re-designated and/or re-numbered from time to time, and all indebtedness represented by any such account.

"Specified Shares" means, in relation to a Chargor, the Shares specified in Schedule 4 (*Shares*) opposite its name.

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

1.2 Construction

In this Deed:

1.2.1 unless a contrary indication appears, a reference to:

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

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

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

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

1.2.1.5 **"regulation"** includes any regulation, rule, official directive, request or guideline (in each case, whether or not having the force of law but, if not having the force of law, one that is customarily complied with in the relevant jurisdiction) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

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

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

1.2.2 where something (or a list of things) is introduced by the word **"including"**, or by the phrase **"in particular"**, or is followed by the phrase **"or otherwise"**, the intention is to state an example (or

examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);

- 1.2.3 unless this Deed expressly states otherwise or the context requires otherwise, (a) each reference in this Deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this Deed) and (b) each reference in this Deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this Deed and whether amended or re-enacted since the date of this Deed);
- 1.2.4 each reference to this Deed (or to any other agreement, instrument or deed) means, at any time, this Deed (or as applicable such other agreement, instrument or deed) as amended, novated, supplemented, extended, or restated, at that time, provided that the relevant amendment, novation, supplement, extension, substitution or restatement does not breach any term of this Deed or of the Security Trust Agreement;
- 1.2.5 the index and Clause and Schedule headings are for ease of reference only;
- 1.2.6 an Event of Default is "**continuing**" in accordance with Clause 1.2(e) of the Facilities Agreement;
- 1.2.7 in relation to any Chargor which becomes a Party upon the execution and delivery of a Deed of Accession, (a) where any assets are identified by reference to a Schedule this includes assets identified in any corresponding or analogous schedule to such Deed of Accession and (b) provisions which apply by reference to the date of execution of this Deed shall apply by reference to the date of execution of such Deed of Accession; and
- 1.2.8 references to any Security "**created by this Deed**" are to be deemed to include such Security created, constituted, given, made or extended by, under or pursuant to this Deed, or by, under or pursuant to any Deed of Accession.

1.3 **Third Party Rights**

No person has any right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed, other than a Secured Party, which may do so, or any other person, to the extent that this Deed or any other of the Debt Documents expressly provides for it to do so. No consent of any person who is not a Party is required to rescind or vary this Deed at any time. This Clause 1.3 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act.

1.4 **Incorporation of other terms**

The terms of the other Debt Documents under which the Secured Obligations arise and of any side letters between any Chargor and the Secured Parties or any of them relating to the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of the Secured Assets

contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. **COVENANT TO PAY**

Each Chargor, as primary obligor and not merely as surety, covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay, discharge and perform the Secured Obligations when due and in the manner provided in the Debt Documents.

3. **SECURITY**

3.1 **Fixed charges**

Each Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges in favour of the Security Agent the following assets both present and future, from time to time owed by it or in which it has an interest:

- 3.1.1 **First legal mortgage on specified Property** - by way of first legal mortgage, all its Property (if any) identified in Schedule 3 (*Details of Property*);
- 3.1.2 **First fixed charges in respect of other Property** - by way of first fixed charge, (a) all the Property from time to time owned by it (but excluding any Property which is subject to a valid legal mortgage under Clause 3.1.1), (b) any other rights, title or interest of such Chargor in Property, wherever situated, and (c) all Associated Rights in relation to its Property;
- 3.1.3 **First fixed charges in respect of Designated Chattels** - by way of first fixed charge, (a) the Designated Chattels (if any) in respect of such Chargor (but not including any of the assets which are subject to a valid legal mortgage or valid fixed charge under Clauses 3.1.1 or 3.1.2), and (b) to the extent that they are capable of being charged, all Associated Rights in relation to such Designated Chattels;
- 3.1.4 **First fixed charges in respect of other chattels** - by way of first fixed charge, (a) all plant, machinery, vehicles and computer equipment now or in the future owned by it (but not including any such asset which is subject to a valid legal mortgage or valid fixed charge under Clauses 3.1.1, 3.1.2 or 3.1.3 nor any chattel for the time being forming part of such Chargor's stock-in-trade or work in progress), (b) its rights, title or interest in any chattel now or in the future in its possession which is not owned by it, but which had it been so owned would have been validly charged by paragraph (a) of this Clause 3.1.4 and (c) the benefit of all Associated Rights relating to any chattel validly charged by this Clause 3.1.4;
- 3.1.5 **First fixed charge on specified Shares** - by way of first fixed charge, (a) the Shares (if any) listed in respect of such Chargor in Schedule 4 (*Shares*) and (b) the Distribution Rights (if any) from time to time accruing to or on such Shares;
- 3.1.6 **First fixed charge on Investments** - by way of first fixed charge, (a) all Investments (but not including Shares which are subject to a

valid fixed charge under Clause 3.1.5) and (b) all Distribution Rights from time to time accruing to or on such Investments;

- 3.1.7 **First fixed charges in respect of Insurances** - to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to Clause 3.2.3 but are capable of being effectively charged, by way of first fixed charge, the Insurances owned by or written in favour of such Chargor and all Insurance Proceeds either now or in the future held by or payable to such Chargor or in which such Chargor otherwise has an interest (to the extent of such interest);
- 3.1.8 **First fixed charges in respect of book debts** - by way of first fixed charge, (a) all present and future book and other debts, revenues and monetary claims of or owing to such Chargor and (b) all rights and claims of whatever nature of such Chargor now, or which may at any time be, held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims;
- 3.1.9 **First fixed charge on Specified Bank Balances** - by way of first fixed charge, all of the Specified Bank Balances in respect of such Chargor;
- 3.1.10 **First fixed charge on other Bank Balances** - by way of first fixed charge, all of its Bank Balances (but not including any Specified Bank Balances which are subject to a valid fixed charge under Clause 3.1.9);
- 3.1.11 **First fixed charge on Intellectual Property** - to the extent that such Intellectual Property is incapable for any reason of being effectively assigned pursuant to Clause 3.2.4, by way of first fixed charge, all Intellectual Property (if any) owned by such Chargor or in which such Chargor has an interest (to the extent of such interest);
- 3.1.12 **First fixed charges in respect of Authorisations** - to the extent that such Authorisations and Derivative Payments are purported to be assigned and are incapable for any reason of being effectively assigned pursuant to Clauses 3.2.1 or 3.2.5 respectively but are capable of being effectively charged, by way of first fixed charge, (a) the benefit of all Authorisations held or utilised by such Chargor in connection with its business or the use of any of its assets and (b) the right to recover and receive all Derivative Payments which may at any time become payable to such Chargor in respect of such Authorisations;
- 3.1.13 **First fixed charge on contracts** - to the extent that they do not fall within any other provision of this Clause 3.1 (*Fixed Charges*) and are not effectively assigned under Clause 3.2.2, by way of first fixed charge all of its rights under each agreement or document to which such Chargor is a party;
- 3.1.14 **First fixed charge on goodwill and uncalled capital** - by way of first fixed charge, all the goodwill and uncalled capital of such Chargor; and
- 3.1.15 **First fixed charge on other Associated Rights** - by way of first fixed charge, the benefit of all Associated Rights relating to any of the assets of such Chargor (except for the Excluded Shares), in each case to the extent that such Associated Rights are capable of being made

the subject of a fixed charge and are not otherwise the subject of any valid fixed charge pursuant to this Deed.

3.2 **Assignments by way of security**

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

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

3.3 **Notice of charge or assignment**

- 3.3.1 Each Chargor shall promptly upon receiving a request to that effect from the Security Agent, give notice of each charge or assignment of all (if any) its right, title and interest in and to:
 - 3.3.1.1 the Insurances and Insurance Proceeds assigned by Clause 3.2.3 (*Insurances and Insurance Proceeds*) and charged by Clause 3.1.7 (*First fixed charges in respect of Insurances*), by sending a notice in the form of Part 1 of Schedule 6 (*Notices*) (with such amendments as the Security Agent may agree and/or require) duly completed to each of the other parties to the Insurances; and
 - 3.3.1.2 the Charged Contracts, by sending a notice in the form of Part 2 of Schedule 6 (*Notices*) (with such amendments as the Security Agent may agree and/or require) duly

completed to each of the other parties to the Charged Contracts.

- 3.3.2 Each Chargor shall use its reasonable endeavours to procure that, within 14 days of the date of its giving the notice to the relevant other party pursuant to Clause 3.3.1, each such other party delivers an acknowledgement to the Security Agent substantially in the form of the acknowledgement of notice endorsed on a copy of the relevant notice as set out in Part 1 or Part 2 of Schedule 6 (*Notices*).

3.4 Exercise of rights under Charged Contracts

- 3.4.1 Whilst no Event of Default has occurred and is continuing, the Security Agent shall permit the relevant Chargor to exercise its rights under any of the Charged Contracts to which it is party, provided that the exercise of those rights in the manner proposed would not result in an Event of Default or a breach of Clause 7.11 (*Charged Contracts*).
- 3.4.2 Where an Event of Default has occurred and is continuing, the relevant Chargor shall, if requested by the Security Agent, exercise its rights under the Charged Contracts only in accordance with the instructions of the Security Agent.

3.5 Floating charge

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

3.6 Conversion of floating charge

- 3.6.1 The Security Agent may, at any time, by notice in writing to any Chargor, convert any floating charge created by this Deed into a fixed charge as regards the assets of that Chargor as it shall specify in the relevant notice if:
- 3.6.1.1 an Event of Default has occurred which is continuing; or
- 3.6.1.2 the Security Agent is of the view (acting reasonably and in good faith) that (a) such assets are in danger of being seized, (b) any legal process or execution is being enforced against such assets, (c) such assets are otherwise in jeopardy, or (d) steps have been taken which would, in the reasonable opinion of the Security Agent, be likely to lead to the appointment of an administrator or administrative receiver in relation to such Chargor (or such administrator or administrative receiver has been appointed) or to the winding-up of such Chargor.

- 3.6.2 By way of further assurance, each Chargor shall, promptly following service of such notice upon it, execute a fixed charge or legal assignment over such assets in such form as the Security Agent shall require.

3.7 **Automatic conversion of floating charge**

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

- 3.7.1 If any Chargor creates (or purports to create) any Security on or over any of the Floating Charge Assets (other than Permitted Security or as a Permitted Transaction) without the prior written consent of the Security Agent;
- 3.7.2 if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or
- 3.7.3 if any Chargor convenes any meeting of its members to consider a resolution in relation to its winding up, or if a liquidator, administrative receiver, receiver, administrator or another similar officer is appointed in respect of such Chargor or any of its assets,

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

3.8 **Continuing security**

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

3.9 **Miscellaneous**

- 3.9.1 All the Security created by this Deed by any Chargor is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- 3.9.2 Clauses 3.1.2 to 3.1.15 inclusive shall be read and construed as if each asset described, and each asset comprised within any category of asset described, in each such Clause were expressed, separately and specifically, to have been made subject to a first fixed charge; and the validity and effectiveness of each such fixed charge will not be prejudiced by any other such first fixed charge being found not to be fully valid or effective as such.
- 3.9.3 The fact that no, or incomplete, details of any particular Secured Assets are included or inserted in any relevant Schedule shall not affect the validity or enforceability of the charges created by this Deed.

3.9.4 Any charge which has crystallised pursuant to Clause 3.6 (*Conversion of floating charge*) and/or Clause 3.7 (*Automatic conversion of floating charge*) may, by written notice at any time by the Security Agent to the Chargor be re-converted to a floating charge in respect of such assets or crystallised charge.

3.9.5 The Security created by this Deed is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Deed hold for any of the Secured Obligations, and the Security created by this Deed may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

4. **FURTHER ASSURANCE**

Each Chargor shall (and the First Chargor shall procure that each other Chargor will):

4.1 promptly (at its own expense) do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s) (a) to perfect the Security created or intended to be created or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Deed; (b) to confer on the Security Agent or the Secured Parties Security over any property or assets of such Chargor located in England and Wales or any other jurisdiction equivalent or similar to the Security intended to be created, or expressed to be created, by this Deed; and/or (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed; and

4.2 take all such action as is available to it (including making all filings and registrations and the payment of all fees and Taxes) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent by or pursuant to this Deed.

5. **NEGATIVE PLEDGE**

5.1 During the Security Period, no Chargor shall create, extend, or permit to subsist, any Security over any of the Secured Assets; nor may it (a) sell, transfer or otherwise dispose of any of its assets on terms that they are or may be leased to or re-acquired by any other member of the Group, (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms, (c) enter into any arrangement under which money, debts or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or (d) enter into any other preferential arrangement having a similar effect to any of the arrangements or transactions previously described in this Clause 5.1, in any case in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

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

6. **REPRESENTATIONS AND WARRANTIES**

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

6.2 Each Chargor further represents and warrants as follows:

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

6.2.2 **Matters affecting Shares -**

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

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

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

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

6.2.3 **Priority of Security** - The Security created by this Deed constitutes first ranking priority Security over the assets which are expressed to be subject to such Security and those assets are not subject to any other Security other than Permitted Security or a Permitted Transaction.

6.2.4 **Property** - It represents and warrants as set out in Part 2 of Schedule 8 (*Property warranties and undertakings*).

- 6.3 Each of the Repeating Representations and each of the further representations and warranties set out in Clause 6.2 (other than those at Clauses 6.2.1 (*Commercial benefit*) Clause 6.2.2 (*Matters affecting Shares*) and 6.2.2.1 (Property) which are not repeated) shall be deemed to be repeated on each day during the Security Period on which representations and warranties set out in clause 22 (*Representations*) of the Facilities Agreement are, or are deemed to be, made or repeated.

7. UNDERTAKINGS

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

- 7.1 **Not jeopardise Security** - It will not (and, without prejudice to Clause 7.10.4, will procure that no nominee will) do or omit to do anything, or allow anything to be done or omitted, the result of which may be in any way to depreciate, jeopardise or otherwise prejudice the value to the Security Agent of the Security created by this Deed or the priority of its ranking as expressed in this Deed which has or is reasonably likely to have a Material Adverse Effect.
- 7.2 **Maintenance** - It will keep the Property and such other Secured Assets which are material in the ordinary course of its business in a good and substantial state of repair, working order and condition, ordinary wear and tear excepted. Where the Secured Assets include any item of plant or machinery which becomes incapable of economic repair, it will replace such asset in the ordinary course of its business with an asset which is a comparable modern equivalent or which is otherwise approved by the Security Agent.
- 7.3 **Observe covenants** - It will observe and perform all covenants and stipulations from time to time on its part to be performed or observed and affecting any of the assets owned by it or in which it has an interest or the way in which it uses or benefits from such assets where failure to do so has or is reasonably likely to have a Material Adverse Effect.
- 7.4 **Observe laws** - It will not do or omit to do or allow anything to be done in relation to the Secured Assets which would infringe any laws affecting (whether directly or indirectly) the Secured Assets and will comply with all notices, orders, injunctions and mandatory proposals served on it, issued or made by any local or other authority or governmental agency, or by its landlords relating to any of the Secured Assets or its use of them, and will serve within any relevant time limit any counter-notice necessary or desirable to preserve the value of any such Secured Assets where failure to do so has or is reasonably likely to have a Material Adverse Effect.
- 7.5 **Effect registrations** - It will effect all registrations, make all filings or applications other than to the extent that the Security Agent's legal advisors have agreed to make such filing, registration or application or the Security Agent does not require such filing, registration or application to be completed or made) and pay all Taxes, rents, fees or dues necessary to keep in full force and effect, and where necessary to renew or extend, all the Secured Assets and such Chargor's right to make full use and enjoy the full benefit of the Secured Assets, except where failure to do so has not or is not reasonably likely to have a Material Adverse Effect.

- 7.6 **Chattels** - If so requested by the Security Agent following the occurrence of an Event of Default which is continuing, it will place and maintain on each chattel the value of which exceeds £50,000 and which is expressed to be subject to a fixed charge under this Deed, in a conspicuous place, an identification marking in the following terms and not conceal, alter or remove such marking or permit it to be concealed, altered or removed:

"Notice of Charge - This [*specify the chattel*] and additions and ancillary equipment are subject to a first fixed charge in favour of *Lloyds Bank plc.*".

7.7 **Property**

- 7.7.1 It will comply with the provisions of Part 3 of Schedule 8 (*Property warranties and undertakings*).

- 7.7.2 It will:

7.7.2.1 promptly after execution of this Deed, give notice of the charge of its right, title and interest in and to each leasehold Property listed in Schedule 3 (*Details of Property*) by sending a notice in the form required by the Security Agent (with such amendments as the Security Agent may agree and/or require); and

7.7.2.2 use its reasonable endeavours to procure that, within 14 days of the date of its giving the notice to each relevant landlord pursuant to Clause 7.7.2.1, each such landlord delivers an acknowledgement to the Security Agent substantially in the form of the acknowledgement of notice endorsed on a copy of the relevant notice.

7.8 **Land Registry**

- 7.8.1 In relation to all present and future registered Property (and any unregistered Property subject to compulsory first registration at the date of this Deed), it will apply to the Land Registrar to enter on the register against the title number of or to be allocated to the relevant Property a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [*date of this Deed*] in favour of Lloyds Bank plc referred to in the charges register, or its conveyancer"

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

- 7.8.2 It shall submit the relevant applications no later than the date of submission of the initial application for registration of the Security created by this Deed (or, in the case of The Land Registry form CH2, where applicable, promptly following its later receipt of such form duly completed by the Security Agent), and pay all fees, costs and expenses incurred in connection with the applications.

- 7.8.3 The Security Agent, in its absolute discretion, may make any of the applications referred to in this Clause 7.8 in place of such Chargor. In

such a case, such Chargor consents to the entry of the relevant restriction and will pay all fees, costs and expenses incurred in connection with the application.

7.9 Collection of book debts -

- 7.9.1 Where any Specified Bank Balances are charged to the Security Agent pursuant to the provisions of Clause 3.1.9, the Chargor to which such Specified Bank Balances are attributable shall, promptly after the execution of this Deed give a notice in the form set out in Schedule 7 (*Form of notice to bank operating secured account*) to the Security Agent or such other bank or financial institution with whom such Specified Bank Balances are held and shall use its reasonable endeavours to procure a receipt and confirmation in respect of that notice as provided substantially in such form from such other party within 14 days of such Chargor giving notice to the relevant other party. In respect of the Holding Account only, the Security Agent may only send the written instruction referred to in such notice to such other party if at any time if an Event of Default has occurred and is continuing.
- 7.9.2 It will not, without the prior written consent of the Security Agent, charge, factor, discount or assign any of the Charged Debts in favour of any other person or purport to do so, except pursuant to any Permitted Security or any Permitted Transaction.
- 7.9.3 Following the occurrence of an Event of Default which is continuing:
- 7.9.3.1 if requested by the Security Agent (following receipt of notice to do so), it will collect (as agent for the Security Agent) all Charged Debts and pay into the Collection Account all money which it shall receive in respect of such Charged Debts immediately upon receipt and pending such payment it will hold all such money upon trust for the Security Agent; and
- 7.9.3.2 where the Collection Account attributable to it is not maintained with the Security Agent in its capacity as Security Agent but with the Security Agent in some other capacity or with some other bank or financial institution, and/or where any other Bank Balances are charged to the Security Agent pursuant to the provisions of Clause 3.1.10, it will procure that the Security Agent (if such account is maintained with the Security Agent in some other capacity than as Security Agent) or such other bank or financial institution with whom the Collection Account attributable to it is maintained or where such other Bank Balances are held has received a notice in the form set out in Schedule 7 (*Form of notice to bank operating secured account*) and has issued a receipt and confirmation in respect of that notice as provided in such form.
- 7.9.4 Following the service of a notice referred to in Clauses 7.9.1 and 7.9.3.2 above, it will not, without the prior consent of the Security Agent, withdraw all or any monies from time to time standing to the credit of the Collection Account or any other Bank Balances (including the Specified Bank Balances and any other accounts which are the

subject of notices) charged to the Security Agent pursuant to the provisions of Clauses 3.1.9 and 3.1.10.

7.10 Shares and other Investments -

- 7.10.1 It will, promptly upon receipt of them, deliver to the Security Agent copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares.
- 7.10.2 It will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so the Security Agent may pay the calls or other payments on its behalf.
- 7.10.3 Save with the prior written consent of the Security Agent, it will not (a) take any action by or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this Deed is increased, nor (b) participate in any rights issue relating to the Shares, nor (c) apply for, or consent to, the conversion of any Shares held in certificated form into uncertificated form.
- 7.10.4 Except where the Security Agent requires it to do so, it will not nominate another person or persons to enjoy or exercise all or any of its rights as the registered holder of the Shares.
- 7.10.5 If the Security Agent requires it to do so, it will take all steps within its power to procure that any of the companies to which the Shares relate will make such changes to its respective articles of association as may be necessary, pursuant to section 145 of the Companies Act, to permit it to nominate the Security Agent or a nominee of the Security Agent to exercise or enjoy all of any of such Chargor's rights as a registered holder of the Shares of such company.
- 7.10.6 In respect of the Specified Shares which are held within CREST or otherwise in uncertificated form, and any further Shares in uncertificated form which it subsequently acquires, it will provide such information, give such instructions and enter into such documents as the Security Agent may reasonably require to perfect the Security created by this Deed over such Shares.
- 7.10.7 Immediately following the execution of this Deed it will deliver to the Security Agent (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the Shares executed in blank (except for the number and class of Shares and the name of the transferor) and left undated.
- 7.10.8 If it acquires Investments, whether pursuant to its Distribution Rights or for any other reason, after the date of this Deed, the provisions of Clause 7.10.3 and the remaining provisions of this Clause 7.10 shall apply to such Investments.
- 7.10.9 The Security Agent may, at any time if the Security Agent reasonably considers that the Security created by this Deed is in jeopardy, complete the instruments of transfer on behalf of such Chargor in

favour of itself or such other person as it shall select, and such Chargor shall procure that such instruments of transfer are promptly registered in the statutory registers of the relevant company and that share certificates in the name of the Security Agent and/or its nominee(s) in respect of the Shares to which such instrument of transfer relates are delivered to the Security Agent as soon as reasonably practicable, but in any event no later than 5 Business Days after the date upon which the Security Agent has delivered the relevant instrument of transfer.

7.10.10 Prior to the occurrence of an Event of Default, but not after such occurrence while such Event of Default is continuing, such Chargor will be entitled to receive and retain all Dividends and will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of the Security Agent to realise, the Security created by this Deed.

7.10.11 It shall give to the Security Agent reasonable notice of the manner in which it proposes to exercise the rights and powers referred to in Clause 7.10.10.

7.10.12 Throughout the period following the occurrence of an Event of Default and while it is continuing (the "**default period**"), any Dividends will be received by such Chargor on trust for the Security Agent and paid into a separate account or otherwise dealt with as directed by the Security Agent, and such Chargor shall, if the Security Agent so requires, during the default period, exercise all voting and other rights and powers attaching to the Shares as the Security Agent shall direct.

7.10.13 At any time when any Investments are registered in the name of the Security Agent or its nominee:

7.10.13.1 for so long as there is no Event of Default which is continuing, the Security Agent will (so far as is consistent with the Security created by this Deed) exercise any applicable voting or other rights and powers in accordance with the directions of such Chargor and account to such Chargor for any Dividends; but

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

7.11 **Charged Contracts** - It will perform all its obligations under the Charged Contracts in a diligent and timely manner, not make or agree to make any amendments or modifications to the Charged Contracts, nor waive any of its rights under the Charged Contracts, nor exercise any right to terminate any of the Charged Contracts, except, in any case, with the prior written consent of the Security Agent or in a way which is not reasonably likely to materially and

adversely affect the interests of the Security Agent, and will promptly inform the Security Agent of any material disputes relating to the Charged Contracts.

- 7.12 **Centre of main interests** - It will not move its COMI, nor have any Establishment, outside England and Wales.
- 7.13 **Deposit of documents** - It will promptly at the Security Agent's request deposit with the Security Agent (or as the Security Agent directs) (a) all deeds and documents of title relating to the Property which are in the possession or control of such Chargor (and if these are not within the possession or control of such Chargor, such Chargor undertakes to use reasonable endeavours to obtain possession of the same), including counterpart leases, licences and any other deeds or documents necessary or desirable to assist the Security Agent to enforce the Security created by this Deed, (b) all policies of insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this Deed and (c) all such other documents relating to the Secured Assets as the Security Agent may from time to time reasonably require which are in the possession or control of such Chargor (and if these are not within the possession or control of such Chargor, such Chargor undertakes to use reasonable endeavours to obtain possession of the same).
- 7.14 **Retention of documents** - The Security Agent may retain any document delivered to it pursuant to Clause 7.12 (*Deposit of documents*) or otherwise until the Final Discharge Date and if, for any reason, the Security Agent returns any such document to any Chargor before such time, the Security Agent may, by notice to such Chargor, require that the relevant document be redelivered to it and such Chargor shall comply (or procure compliance) with such notice as soon as reasonably practicable.
- 7.15 **Power to remedy** - If such Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 7.1 (*Not jeopardise Security*) to 7.14 (*Retention of documents*) inclusive and Part 3 of Schedule 8 (*Property warranties and undertakings*), it will allow (and irrevocably authorises) the Security Agent and/or such persons as the Security Agent nominates to take on behalf of such Chargor such action (including the making of payments) as is necessary to protect any relevant assets against the consequences of such failure to comply and/or to ensure compliance with such covenants and undertakings.
- 7.16 **Interest** - If the Chargor fails to pay any sum payable under this Deed on the due date for payment of that sum (or, in the case of any sums demanded under Clause 2 (*Covenant to pay*), on the date of demand being made) it will pay interest on any such sum, before and after judgment, from the due date for payment (or date of demand, as the case may be) until the actual date of payment, calculated on a daily basis at the Default Rate, but only to the extent that interest at a default rate is not otherwise being paid on such sum.
- 7.17 **Indemnity** - It will indemnify the Security Agent and will keep the Security Agent indemnified against all costs, Taxes, losses and liabilities incurred by the Security Agent as a result of any default by such Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed and in connection with the exercise by the Security Agent of its rights contained in Clauses 7.10.2 and 7.15 (*Power to remedy*). All sums the subject of this indemnity will be payable by such Chargor to the Security Agent within three Business Days of demand.

8. **ENFORCEABILITY**

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

9. **ENFORCEMENT OF SECURITY**

- 9.1 At any time after the Security Agent's power of sale has become exercisable, the Security Agent may, without further notice, (a) appoint one or more than one person to be Receiver in respect of the Secured Assets or any of them and, if more than one person is appointed as Receiver, such appointees may act jointly and severally or individually, (b) take possession of the Secured Assets, and/or (c) in its absolute discretion enforce all or any part of the Security created by this Deed in such other lawful manner as it thinks fit. The Security Agent may remove any person from appointment as Receiver and may appoint another person as Receiver. The Security Agent may also appoint an additional Receiver.
- 9.2 The Receiver will, so far as the law permits, be the agent of each Chargor in respect of which the Receiver is appointed and each such Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Security Agent will not be responsible for any misconduct, negligence or default of the Receiver. The powers of the Receiver will continue in full force and effect following any liquidation of such Chargor.
- 9.3 The remuneration of the Receiver may be fixed by the Security Agent but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.
- 9.4 The Receiver will have the power, on behalf and at the cost of each Chargor in respect of which the Receiver is appointed, (a) to do or omit to do anything which he considers appropriate in relation to the Secured Assets and (b) to exercise all or any of the powers conferred on the Receiver or the Security Agent under this Deed or conferred upon administrative receivers by the Insolvency Act (even if he is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision) but so that if there is any ambiguity or conflict between the powers contained in such legislation and those contained in this Deed, those contained in this Deed shall prevail.
- 9.5 Without prejudice to the general powers set out in Clause 9.4, a Receiver will also have the powers and discretions set out in Schedule 9 (*Receiver's specific powers*).
- 9.6 The Security Agent or any Receiver may sever any Fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Obligations.

- 9.7 If the Security Agent or the Receiver obtains possession of the Property, the Security Agent or the Receiver may use and remove, store or sell any chattels on the Property, whether or not forming part of the Secured Assets, without being under any liability to any Chargor other than to account for their net proceeds of the sale. All costs, losses and liabilities incurred by the Security Agent or the Receiver in connection with the removal, storage and sale of such chattels will form part of the Secured Obligations.
- 9.8 If (notwithstanding any representation or warranty to the contrary contained in this Deed) there shall be any Security affecting the Secured Assets or any of them which ranks in priority to the Security created by this Deed and the holder of such prior Security takes any steps to enforce such Security, the Security Agent or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such Security.
- 9.9 The Security Agent may, at any time after this Deed has become enforceable pursuant to Clause 8 (*Enforceability*), exercise, to the fullest extent permitted by law, all or any of the powers, authorities and discretions conferred on a Receiver by this Deed, whether as attorney of any Chargor or otherwise and whether or not a Receiver has been appointed.
- 9.10 The Security Agent may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on a Receiver by this Deed.
- 9.11 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this Deed.
10. **PAYMENTS, ACCOUNTS AND APPLICATION OF PROCEEDS**
- 10.1 **Right of appropriation** - Subject to the provisions of Clause 10.8 (*Recoveries by Receiver*), the Security Agent is entitled to appropriate money and/or assets to the Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.
- 10.2 **No set-off by Chargors** - No Chargor shall exercise any right of set-off or counterclaim it might have in respect of any payment due to the Security Agent under this Deed.
- 10.3 **Security Agent's rights of set-off** - The Security Agent may, at any time after this Deed has become enforceable, and without notice (a) combine or consolidate all or any of a Chargor's then existing accounts with, and liabilities to, the Security Agent, (b) set-off or transfer any sums standing to the credit of any one or more of such accounts, and/or (c) set-off any other obligation owed by the Security Agent to any such Chargor (whether or not matured at such time), in or towards satisfaction of any of the Secured Obligations; and if any amount is in a different currency from the amount against which it is to be set-off, the Security Agent may convert either amount (or both) at any reasonable time and at a market rate of exchange. The Security Agent shall notify such Chargor in writing that any such transaction has taken place.
- 10.4 **Suspense Account** - The Security Agent may, at any time, credit to a suspense account any money received by it under this Deed, to be held for so long as and on such terms as the Security Agent may determine pending its application towards discharging the Secured Obligations.

- 10.5 **New account** - If the Security Agent receives notice of a subsequent mortgage or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Security Agent does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.
- 10.6 **Time deposit** - Without prejudice to the provisions of Clause 10.3 (*Security Agent's rights of set-off*), if at any time any Chargor has made a deposit with the Security Agent on terms that it will be repaid on a specified date (a "**Time Deposit**") then: (a) if the Security Agent has made any demand under Clause 2 (*Covenant to pay*), it may vary the terms of such Time Deposit so that it becomes repayable immediately or on any other date before such specified date; or (b) if an Event of Default has occurred which is continuing but no amount of Secured Obligations has fallen due before such specified date, the Security Agent may renew such Time Deposit for such further maturity as the Security Agent in its absolute discretion determines.
- 10.7 **Calculations**
- 10.7.1 In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Agent are *prima facie* evidence of the matters to which they relate.
- 10.7.2 Any certification or determination by the Security Agent of a rate or amount under this Deed is, in the absence of manifest or demonstrable error, conclusive evidence of the matters to which it relates.
- 10.7.3 Any interest, commission or fee accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.
- 10.8 **Recoveries by Receiver** - The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the direction of the Receiver in or towards discharging or satisfying the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration and thereafter, to the Security Agent for application in the order of priority set out in Clause 15.1 (*Order of application*) of the Security Trust Agreement.
- 10.9 **Tax gross-up** - Each Chargor shall not make any withholding on account of Tax from any payment due to the Security Agent under this Deed, unless it is required by law to do so at that time. If it is required by law to do so at that time, it shall increase the amount of the relevant payment so that, after the withholding, the Security Agent receives the amount it would have received if such withholding had not been required to be made. Such Chargor shall notify the Security Agent if these circumstances arise.
- 10.10 **Currency of payment** - No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of any Chargor in respect of which it was made unless and until the Security Agent shall have received payment in full in the relevant currency specified in Clause 15.17. To the extent that the amount of any such payment shall, on actual conversion into such currency, fall short of such obligation or liability expressed in that currency, the Security Agent shall have a further separate

cause of action against such Chargor and shall be entitled to enforce the Security created by this Deed to recover the amount of the shortfall.

11. PROTECTION OF THIRD PARTIES

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

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

12. PROTECTION OF SECURITY AGENT

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

12.2 Exclusion of liability -

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

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

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

12.3 Effect of possession - If the Security Agent or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Security Agent or the Receiver to account as mortgagee in possession, and if at any time the Security Agent enters into possession of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

12.4 Chargors' indemnity - Each Chargor agrees with the Security Agent to indemnify the Security Agent and any Receiver or Delegate on demand against any costs, Taxes, losses, liabilities or damage incurred by any of them in respect of (a) the taking, holding, protection or enforcement of the Security created by this Deed, (b) any exercise of the rights, powers, discretions or remedies of, or vested in, any Secured Party or any attempt or failure to exercise those rights, powers, discretions or remedies and (c) anything done or omitted to be done in the exercise or purported exercise of the powers under this Deed or under any appointment duly made under the provisions of this Deed.

13. POWER OF ATTORNEY

13.1 Each Chargor irrevocably and by way of security appoints the Security Agent and each Receiver and any person nominated for the purpose by the Security Agent or the Receiver (in writing, under hand, signed by an officer of the Security Agent or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in Clause 13.2.

13.2 The power of attorney granted in Clause 13.1 allows the Security Agent, the Receiver or the relevant nominee, in the name of such Chargor, on its behalf, as its act and deed and at its expense to perfect the Security created by such Chargor under this Deed and to execute and deliver (using such Chargor's seal where appropriate) any document or do any act or thing which such Chargor has agreed to execute or do under this Deed but has failed to do for a period of not less than 5 Business Days or which the attorney may in its absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Security Agent or the Receiver under, or otherwise for the purposes of, this Deed.

13.3 Each Chargor covenants with the Security Agent to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 13.

14. APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS

14.1 The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind a Chargor only if, in any case, the relevant covenant imposes upon such Chargor a burden, liability or obligation that would not otherwise arise under this Deed.

14.2 For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of Clause 8 (*Enforceability*)), the conditions set out in that section, as to when the powers conferred on a mortgagee by that section arise, do not apply and the Secured Obligations become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this Deed. The Security Agent and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this Deed.

14.3 The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise the Security Agent in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this Deed.

14.4 The restriction on the consolidation of mortgages in section 93 of the LPA does not apply to this Deed nor to any Security given to the Security Agent pursuant to this Deed. Section 109(1) of the LPA shall not apply to this Deed. Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to the Security Agent nor to a Receiver appointed under this Deed.

14.5 The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by any Chargor in relation to the Secured Assets or any part of them. The restrictions on the powers of the Security Agent or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this Deed.

15. OTHER MISCELLANEOUS PROVISIONS

- 15.1 Except where expressly stated to the contrary, the powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.
- 15.2 If a Secured Party fails to exercise any power, right or remedy under this Deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If a Secured Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.
- 15.3 The Security Agent may decide when and how to apply any payments and distributions received for its own account under this Deed, and also, as between the Security Agent and any Chargor, whether and, if so, when, how and to what extent (a) to exercise its rights under this Deed and (b) to exercise any other right it might have in respect of any Chargor (or otherwise) without, in any case, any Chargor having the right to control or restrict the Security Agent's exercise of this discretion.
- 15.4 No provision of this Deed will interfere with the Security Agent's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.
- 15.5 Each Chargor authorises the holder of any prior or subsequent Security to provide to the Security Agent, and the Security Agent to receive from such holder, details of the state of account between such holder and such Chargor.
- 15.6 No Chargor shall assign, novate or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of the Security Agent.
- 15.7 The Security Agent may at any time assign, novate or otherwise deal with any rights or obligations under or interests in this Deed.
- 15.8 Subject to obtaining a confidentiality undertaking substantially in the form approved by the Loan Market Association from time to time, the Security Agent may disclose any information about any Chargor, the Secured Assets and/or this Deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this Deed, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests and any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this Deed in the same way as if it had been an original party to this Deed.
- 15.9 If, at any time, there has been a release, settlement or discharge of any Chargor's obligations under this Deed and, as a consequence of any insolvency proceedings (or analogous proceedings) or for any other reason, (a) any payment made to any person in respect of any of the Secured Obligations is required to be repaid and/or (b) any such payment or any Security (or other right) held by the Security Agent in respect of any of the Secured Obligations (whether under this Deed or otherwise) is void, is set aside or is otherwise affected, then such Chargor's obligations under this Deed shall continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and/or (as applicable) the relevant Security (or other right) had not been held by the Security Agent; and

accordingly (but without limiting the Security Agent's other rights under this Deed) the Security Agent shall be entitled to recover from such Chargor the value which the Security Agent has placed upon such Security or the amount of any such payment as if such payment, settlement or discharge had not occurred.

- 15.10 If the Security Agent, acting reasonably, considers that any amount paid by any Chargor in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in Clause 15.9, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.
- 15.11 The Security Agent as agent for the Secured Parties confirms that the Secured Parties shall perform their respective obligations, to the extent arising under the Debt Documents, to make further advances. The Security created by this Deed has been made for securing such further advances.
- 15.12 To the extent that any Chargor may be entitled in any jurisdiction to claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process of any kind wherever it might originate, or to the extent that in any such jurisdiction there may be attributed to such Chargor or its assets such immunity (whether or not claimed), it irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.
- 15.13 On the Final Discharge Date (but subject to Clauses 15.9 and 15.10) the Security Agent shall, at the request and cost of each Chargor, execute and do all deeds, acts and things as may be reasonably necessary to (a) release the Secured Assets from the Security created by this Deed and (b) reassign to each Chargor all of that Chargor's rights, title, interest and benefit in and to the assets which have been assigned to the Security Agent pursuant to this Deed.
- 15.14 Each Chargor (other than the First Chargor) by its execution of this Deed or a Deed of Accession irrevocably appoints the First Chargor to act on its behalf as its agent in relation to any Security Document and irrevocably authorises:
- 15.14.1 the First Chargor on behalf of such Chargor to supply to the Security Agent all information concerning such Chargor contemplated by this Deed and to complete and give all notices, requests and instructions, to execute on its behalf any Deed of Accession and any other Security Document, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by such Chargor, notwithstanding that they may affect such Chargor, without (in any case) further reference to or the consent of such Chargor; and
- 15.14.2 the Security Agent to give or make to the First Chargor (and not to such Chargor) any notice, demand or other communication concerning such Chargor pursuant to the Security Documents;
- and in each case such Chargor shall be bound as though such Chargor itself had given the information, notices, requests and instructions or executed or made the Deed of Accession, such other Security Documents or such agreements, or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.
- 15.15 Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the First

Chargor or given to the First Chargor under or in connection with any Deed of Accession or other Security Document on behalf of another Chargor (whether or not known to any other Chargor and whether occurring before or after such other Chargor became a Chargor under this Deed) shall be binding for all purposes on that Chargor as if that Chargor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the First Chargor and any other Chargor, those of the First Chargor shall prevail.

- 15.16 The obligations of each Chargor under Clause 2 (*Covenant to pay*) are unconditional and neither the provisions of this Deed nor the obligations of any Chargor will be affected by the occurrence or existence at any time of any of the following events or circumstances or by any person's knowledge or lack of knowledge as to any such matter: (a) any person's insolvency or lack of capacity, power or authority; (b) any unenforceability, illegality or invalidity of any obligation of any person; (c) any change in the constitution, membership, ownership, legal form, name or status of any person; (d) the making, amendment or termination of any other deed or agreement; (e) any amendment, novation, re-statement or substitution of, or any supplement to, any other deed or agreement; (f) any increase or reduction in the amount of any person's indebtedness or any alteration of any term, condition or arrangement in respect of any person's indebtedness; (g) any person taking or omitting to take any steps in relation to (i) any Chargor or any other person, (ii) any of the Secured Obligations, (iii) any Security, guarantee or other financial support in respect of any indebtedness and/or (iv) any other asset; or (h) anything else which, although it could affect the liability of a surety, would not affect the liability of a principal debtor.

15.17 Currency of account

15.17.1 Subject to Clauses 15.17.2 to 15.17.4 below, Sterling is the currency of account and payment for any sum due from each Chargor under this Deed.

15.17.2 Each payment of interest shall be made in Sterling.

15.17.3 Each payment in respect of costs, expenses or Taxes shall be made in Sterling.

15.17.4 Any amount expressed to be payable in a currency other than Sterling shall be paid in that other currency.

15.18 Change of currency

15.18.1 Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

- (a) any reference in this Deed to, and any obligations arising under this Deed in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Security Agent (after consultation with the relevant Chargor); and
- (b) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or

currency unit into the other, rounded up or down by the Security Agent (acting reasonably).

15.18.2 If a change in any currency of a country occurs, this Deed will, to the extent the Security Agent (acting reasonably and after consultation with the relevant Chargor) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

15.19 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

15.20 No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under this Deed shall operate as a waiver, of any such right or remedy or constitute an election to affirm this Deed. No election to affirm any this Deed on the part of any Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

16. **COMMUNICATIONS**

16.1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

16.2 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

16.2.1 if by way of fax, when received in legible form; or

16.2.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 16.6, if addressed to that department or officer.

16.3 Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

16.4 All notices from or to each Chargor shall be sent through the Security Agent.

16.5 Any communication or document which becomes effective, in accordance with Clauses 16.2 to 16.4 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

16.6 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication

or document to be made or delivered under or in connection with this Deed is that identified on the signature page below.

16.7 Each Chargor shall promptly notify the Security Agent of an address or fax number or change of address or fax number.

16.8 The address of each Receiver and each Delegate is that notified in writing to the Security Agent (whether in that capacity or in any other capacity) by such Receiver or Delegate (or by the Security Agent on its behalf) as soon as practicable after its appointment.

16.9 Electronic communication

16.9.1 Any communication to be made between any two Parties under or in connection with this Deed may be made by electronic mail or other electronic means.

16.9.2 To the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties;

(a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

16.9.3 Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.

16.9.4 Any electronic communication which will become effective, in accordance with Clause 16.9.3, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

16.10 English language

16.10.1 Any notice given under or in connection with this Deed must be in English.

16.10.2 All other documents provided under or in connection with this Deed must be:

(a) in English; or

(b) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

17. **THIS DEED**

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

18. **GOVERNING LAW**

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

19. **JURISDICTION**

19.1 **Jurisdiction**

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a "**Dispute**"). The Parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and accordingly no Party will argue to the contrary. This Clause 19.1 is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, each Secured Party may take concurrent proceedings in any number of jurisdictions.

19.2 Service of process

19.2.1 Without prejudice to any other mode of service allowed under any relevant law, each Chargor (other than a Chargor incorporated in England and Wales):

19.2.1.1 irrevocably appoints the First Chargor as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed (and the First Chargor, by its execution of this Deed, accepts that appointment); and

19.2.1.2 agrees that failure by an agent for service of process to notify the relevant Chargor of the process will not invalidate the proceedings concerned.

19.2.2 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the First Chargor (on behalf of all the Chargors) shall immediately (and in any event within 5 Business Days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent for this purpose.

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

SCHEDULE 1

Bank accounts

	Name or designation of bank account	Number of bank account	Name of bank and branch at which account held	Name of Chargor which holds the account
1.	Lloyds Bank plc re Bulkhaul Ltd - Man Prepay	Sort Code [REDACTED] Account Number [REDACTED]	Lloyds Bank plc 6-7 Park Row Leeds LS1 5HD	Bulkhaul Limited
2.	Lloyds Bank plc re Bulkhaul Ltd - Holding	Sort Code [REDACTED] Account Number [REDACTED]	Lloyds Bank plc 6-7 Park Row Leeds LS1 5HD	Bulkhaul Limited

SCHEDULE 2

Charged Contracts

	Brief description of Charged Contract	Date of Charged Contract	Parties to Charged Contract
1.	Loan Agreement (Existing Loans)	21 January 2012	(1) The Gibson O'Neill Company Limited (as Lender) (2) Rockliffe Hall Limited (as Borrower)
2.	Deed of Assignment	21 January 2012	(1) Bulkhaul Limited (2) The Gibson O'Neill Company Limited
3.	Loan Agreement (Refinancing Loan)	2 February 2012	(1) The Gibson O'Neill Company Limited (2) Rockliffe Hall Limited
4.	Debenture	2 February 2012	(1) Rockliffe Hall Limited (2) The Gibson O'Neill Company Limited
5.	Loan Agreement (Existing Loans)	21 January 2012	(1) Bulkhaul Limited (as Lender) (2) Rockliffe Hall Limited (as Borrower)

SCHEDULE 3

Details of Property

- 1. Name of legal and beneficial owner:** Bulkhaul Limited

Address of Property: Land and buildings on the North West side of Forty Foot Road, Middlesbrough

Freehold/Leasehold Estate: Freehold

Title Details (where applicable): CE88308

County and District (or London Borough): Middlesbrough

- 2. Name of legal and beneficial owner:** Bulkhaul Limited

Address of Property: Land to the West of Ayrton Works, Forty Foot Road, Middlesbrough

Freehold/Leasehold Estate: Freehold

Title Details (where applicable): CE137458

County and District (or London Borough): Middlesbrough

- 3. Name of legal and beneficial owner:** Bulkhaul Limited

Address of Property: Land lying to the West of Forty Foot Road, Middlesbrough

Freehold/Leasehold Estate: Freehold

Title Details (where applicable): CE131658

County and District (or London Borough): Middlesbrough

4. Name of legal and beneficial owner: Bulkhaul Limited

Address of Property: Land at Brignell Road, Riverside Park Industrial Estate,
Middlesbrough

**Freehold/Leasehold
Estate:** Leasehold

Title Details (where applicable): CE125505

**County and District (or
London Borough):** Middlesbrough

5. Name of legal and beneficial owner: Bulkhaul Limited

Address of Property: Land and buildings on the South side of Startforth
Road, Middlesbrough

**Freehold/Leasehold
Estate:** Leasehold

Title Details (where applicable): CE104446

**County and District (or
London Borough):** Middlesbrough

6. Name of legal and beneficial owner: Bulkhaul Limited

Address of Property: Land lying to the West of Brignell Road, Riverside Park
Industrial Estate, Middlesbrough

**Freehold/Leasehold
Estate:** Leasehold

Title Details (where applicable): CE127861

**County and District (or
London Borough):** Middlesbrough

SCHEDULE 04

Shares

	Name of owning Chargor	Name of Subsidiary or other company	Company Number	Number and Class of Shares (and where held by nominees, names of nominees)
1.	The Gibson O'Neill Company Limited	Bulkhaul Limited	01603021	25,000 ordinary shares of £1.00 each
2.	The Gibson O'Neill Company Limited	Rockliffe Hall Limited	05972297	39,100,000 ordinary shares of £1.00

SCHEDULE 5

Designated Chattels

This Schedule has intentionally been left blank.

SCHEDULE 6

Notices

Part 1

Notice to insurer

(For attachment by way of endorsement to the Insurances)

To: *[name and address of insurer]*

Dated: *[date]*

Dear Sirs,

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

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

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

We irrevocably and unconditionally authorise and request you:

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

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

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

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

Yours faithfully,

For and on behalf of *[Chargor]*:

By:.....

THE SCHEDULE

The Policies*

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

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

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

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

[to be included on copy notice]

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

Copy to:[name and address of Chargor]

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

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

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

Signed:.....

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

Part 2

Form of notice to counterparties of Charged Contracts

To: [name and address of counterparty]

Dated: [date]

Dear Sirs,

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

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

We further irrevocably and unconditionally:

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

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

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

Yours faithfully,

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

By:.....

[to be included on copy notice]

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

Copy to:[*name and address of Chargor*]

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

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

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

Signed:

for and on behalf of [*name of counterparty*]

Dated: [*date*]

SCHEDULE 7

Form of notice to bank operating secured account

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

Dated: [date]

Dear Sirs,

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

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

We irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Charged Account to the order of the Security Agent and accordingly to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect (the "**Written Instructions**"); and
2. to disclose to the Security Agent such information relating to us and the Charged Account as the Security Agent may from time to time request you to provide; and
3. that all expenses relating to the maintenance of the Charged Account and your costs and expenses in complying with our instructions in accordance with this notice shall be our responsibility and in the event that these are not otherwise met by us such expenses may be debited directly by you to the Account.

We notify you that [following your receipt of the Written Instructions] [wording to be included in the Holding Account form of notice only] we may not withdraw any monies from the Charged Account without first having produced to you the prior written consent of the Security Agent to such withdrawal.

We agree that you have no notice of the particulars of the security created by the Debenture, save as set out in this notice.

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

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

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

Yours faithfully,

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

[to be included on copy notice]

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

Copy to:[name and address of Chargor]

We [*Name of Account Bank*]:

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

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

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

Dated: [*date*]

SCHEDULE 8

Property warranties and undertakings

Part 1

Definitions and interpretation applicable to Schedule 8

6. Expressly defined terms

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

"Adverse Property Effect" means a material and adverse effect on (a) the value or marketability of the Property, (b) the ability of such Chargor to use the Property for the purposes for which it is currently used, or (c) subject to the Legal Reservations and Perfection Requirements, the validity or enforceability of, or the effectiveness or ranking of the Security created or purported to be created by, this Deed in relation to the Property or the rights or remedies of the Security Agent under this Deed.

"Certificate of Title" has the meaning given to it in the Senior Facilities Agreement.

"Contamination" means the presence, retention or accumulation of any Hazardous Materials in, at or under any Property.

"Granted Lease" means any lease, agreement for lease, tenancy, contractual licence or other document which gives a person who is not such Chargor the right to occupy, use or enjoy the Property.

"Licensing Acts" means the Gambling Act 2005, the Licensing Act 2003, the Licensing Act 1964, the Betting Gaming and Lotteries Act 1963 and the Gaming Act 1968 (to the extent that any such Acts are in force or have not been repealed), and all other legislation in force for the time being relating to the regulation and sale of alcohol, the provision of entertainment and late night refreshment, the regulation of betting, gaming or lotteries or the location or provision of gaming or amusement machines.

"Planning Acts" means the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any order, regulations or permission made or granted under or by virtue of such Acts or any of them.

"Relevant Lease" means any lease, agreement for lease, tenancy, contractual licence or other document which gives such Chargor the right to occupy use or enjoy the Property.

7. Construction

In this Schedule, unless a contrary indication appears:

- 7.1 the words **"would have an Adverse Property Effect"** are to be construed as meaning "would or is reasonably likely to have an Adverse Property Effect";

- 7.2 reference in any Part of this Schedule to matters, events or circumstances having an Adverse Property Effect are to be construed as if such matters, events or circumstances were taken together with all other matters, events or circumstances arising under any paragraph of such Part of this Schedule which would, on such construction, in aggregate have an Adverse Property Effect; and
- 7.3 a reference to the "**Property**" is a reference to the Property identified in Schedule 3.

Part 2

Property Warranties

1. MATTERS AFFECTING THE PROPERTY

In relation to the Property:

- 1.1 such Chargor is the legal and beneficial owner of the Property for the estate set out in relation to each part of the Property in Schedule 3 (*Details of Property*);
- 1.2 the Property is free from Security or third party rights of any kind whatever save any Security or rights which constitute a Permitted Security or a Permitted Transaction;
- 1.3 the Property is free from any tenancies or licences to occupy;
- 1.4 nothing has arisen or been created or is subsisting which would be an overriding interest over the Property;
- 1.5 there is no dispute regarding boundaries, easements, covenants or other matters relating to any part of the Property or its present use which it believes, or has reasonable grounds to believe, is likely to be materially adversely determined;
- 1.6 it has received no notice of any outstanding breach of any material covenant (whether affecting the freehold or the leasehold titles to the Property);
- 1.7 all Authorisations legally required for the continued use of the Property for its present purpose have been obtained and have not been (and it is not aware of any circumstance having arisen whereby they might be) withdrawn;
- 1.8 there is no covenant, restriction, burden, stipulation or outgoing (other than usual business outgoings) affecting the Property which is of an onerous or unusual nature (either generally or in the context of the present use of the Property) or which conflicts with its present use;
- 1.9 it has not received notice of any outstanding material breach of any Planning Acts or other law, regulation or covenant capable of enforcement action which affects the present use of the Property;
- 1.10 it has not received notice of any adverse claim by any person in respect of the ownership of the Property or any interest in the Property nor has any acknowledgement been given to any person in respect of any such claim or interest;
- 1.11 no facilities necessary for the enjoyment and use of the Property and/or the carrying on of its business at the Property (including, without limitation, access to and egress from the Property) are enjoyed on terms entitling any person to terminate or curtail its or their use (in the absence of breach by such Chargor of any such terms) other than on a temporary basis or on terms which conflict with or materially restrict its present use,

if, in any case other than paragraphs 1.1 and 1.2, such action would have a Material Adverse Effect.

Part 3

Property undertakings

1. It shall not confer on any person:
 - 1.1 any lease or tenancy of any of the Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
 - 1.2 any right or licence to occupy any land or buildings forming part of the Property;
or
 - 1.3 any licence to assign or sub let any part of the Property.
2. It shall not do, or permit to be done, anything as a result of which any lease to which it is subject may be liable to forfeiture or otherwise be determined.
3. It shall, in respect of any such freehold or leasehold Property which is acquired by it after the date of this Deed, the title of which is registered at the Land Registry or the title to which is required to be so registered, give the Land Registry written notice of this Deed and procure that notice of this Deed is clearly noted in the Register to each such title.
4. It will observe and perform all covenants, agreements, restrictions, stipulations and conditions from time to time affecting its interest in the Property or the mode of user or the enjoyment of it, and will promptly pay all present and future tax, rates, assessments and outgoings of any kind imposed upon or payable in respect of the Property, or by the owner or occupier of the Property, in each case where failure to do so would have a Material Adverse Effect.
5. It will observe and comply with the terms of all Authorisations relating to the Property and will not do or allow or omit to be done any act, matter or thing which might cause any provisions of, or regulations made under, the Planning Acts or any other legislation having application to the Property to be infringed where failure to do so would have a Material Adverse Effect.
6. If, following any inspection of the Property by the Security Agent or any of its professional advisors, the Security Agent considers that the Property is suffering any material defect or want of material repair which has an Adverse Property Effect, the Security Agent may serve a notice specifying the relevant defect or want of repair, and such Chargor shall promptly commence action to remedy such defect or want of repair.
7. It will not, otherwise than in the ordinary course of maintenance or replacement, sever or dispose of any Fixtures which are now, or which at any time after the date of this Deed may be, affixed to the Property, except as permitted by the Facilities Agreement.
8. It will not grant any Granted Lease or otherwise part with or share possession of the Property (except where it is permitted by the Facilities Agreement or the prior written consent of the Security Agent has been obtained).
9. It will notify the Security Agent if it intends to acquire any estate or interest in any freehold, leasehold or other real property and will in any event notify the Security Agent promptly in writing of the actual acquisition by it of any such freehold, leasehold or other real property.

SCHEDULE 9

Receiver's specific powers

The Receiver will have full power and authority:

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

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

SCHEDULE 10

Form of Deed of Accession

This Deed is made on [date] between:

- (1) [name of acceding company], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], (the "**New Chargor**");
- (2) [name of First Chargor], [a company incorporated in England and Wales with company number [number]] / [alternative corporate description, as appropriate], for itself and as agent for and on behalf of each of the other Chargors defined as such in the Debenture referred to below, (the "**First Chargor**");
- (3) Lloyds Bank plc, a company incorporated in England and Wales with company number 2065, in its capacity as Security Agent; and
- (4) Lloyds Bank plc, a company incorporated in England and Wales with company number 2065, in its capacity as agent under the Facilities Agreement (the "**Agent**").

1. INTERPRETATION

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

2. REPRESENTATIONS

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

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

3. AGREEMENT TO ACCEDE

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

4. **EFFECT OF ACCESSION**

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

5. **SECURITY**

5.1 **Security over all assets**

5.1.1 The New Chargor grants to the Security Agent in relation to its assets and undertaking the same Security as is set out in clause 3 (*Security*) of the Debenture.

5.1.2 The New Chargor agrees and confirms that such Security (a) shall be effective and binding upon it and its assets and undertaking and (b) shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other Party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any Security contained in the Debenture or in any other Deed of Accession.

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

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

5.2.1 [by way of first legal mortgage, all its Property, identified in Schedule 3 (*Details of Property owned by the New Chargor*) to this Deed;]

5.2.2 [by way of first fixed charge, (a) the chattels (which shall be Designated Chattels for the purposes of the Debenture) listed in Schedule 3 (*Specifically identified chattels owned by the New Chargor*) to this Deed (but not including any of the assets which is subject to a valid legal mortgage under Clause 5.2.1 and (b) the benefit of all Associated Rights in relation to such Designated Chattels;]

5.2.3 [by way of first fixed charge, all the Shares listed in Schedule 0 (*Shares*) to this Deed;]

5.2.4 [by way of first fixed charge, all the Distribution Rights accruing to or on the Shares listed in Schedule 0 (*Shares*) to this Deed;]

[and as a continuing security for the payment, discharge and performance of the Secured Obligations assigns and agrees to assign in favour of the Security Agent all of its right, title and interest (if any) in and to each of the contracts and

agreements specified in Schedule 2 (*Details of Charged Contracts*) to this Deed, each of which is deemed to be included in the definition of "Charged Contracts" for the purposes of the Debenture.]]

6. **AGREEMENT AND CONSENT BY CHARGORS**

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

7. **CONSTRUCTION**

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

8. **THIS DEED**

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

8.2 [The New Chargor has entered into this Deed in consideration of the Secured Parties (or some of them) making or continuing to make facilities available to [the New Chargor] [and] [the First Chargor or any other member of the Group] on the terms agreed in the Finance Documents.] / [This Deed is made pursuant to the requirements of clause [number] of the Facilities Agreement.]

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

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

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

[insert Schedules as appropriate]

[insert execution provisions as appropriate]


EXECUTION

The First Chargor

Executed as a deed by
The Gibson O'Neill Company Limited,
acting by a director


Director

In the presence of:

Witness Signature: 


Witness Name: LAURA MCNABB
BOND DICKINSON LLP
Witness Address: ST ANN'S WHARF
112 QUAYSIDE
NEWCASTLE UPON TYNE
NE1 3DX

The Second Chargor

Executed as a deed by
Bulkhall Limited,
acting by a director


Director

In the presence of:

Witness Signature: 

Witness Name: LAURA MCNABB
Witness Address: BOND DICKINSON LLP
ST ANN'S WHARF
112 QUAYSIDE
NEWCASTLE UPON TYNE
NE1 3DX

Communications to be delivered to:

Address:
Brignell Road
Riverside Industrial Estate
Middlesbrough, Cleveland, TS2 1PS

Fax number: 01642 236 940

Attention: Robin Bloom

Communications to be delivered to:


Address:
Brignell Road
Riverside Industrial Estate
Middlesbrough, Cleveland, TS2 1PS

Fax number: 01642 236 940

Attention: Robin Bloom

The Security Agent

Executed as a deed by
as attorney for **LLOYDS BANK PLC**,
in the presence of:

 **NANNE ROBINSON**
as attorney for **LLOYDS BANK PLC**

Witness signature: 

Witness Name: **GARETH OVEN**

Witness Address: **10 GRESHAM ST**
LONDON
EC2V 7AE

Witness Occupation: **ASSOCIATE DIRECTOR**

Communications to be delivered to:

Address:
10 Gresham Street
London
EC2V 7AE

Fax number: 020 7158 3198

Attention: Wholesale Loans Agency