



Registration of a Charge

Company name: **CARPETRIGHT PLC**

Company number: **02294875**



X73YSADO

Received for Electronic Filing: **16/04/2018**

Details of Charge

Date of creation: **12/04/2018**

Charge code: **0229 4875 0020**

Persons entitled: **THE ROYAL BANK OF SCOTLAND PLC**

Brief description: **2 PORTAFERRY ROAD, NEWTONARDS, COUNTY DOWN REGISTERED UNDER TITLE NUMBER DN105768, COUNTY DOWN AND UNIT 3, STATION SQUARE RETAIL PARK, COOKSTOWN, COUNTY TRYRONE BT18 8PA**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

KERRY LANGTON



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2294875

Charge code: 0229 4875 0020

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th April 2018 and created by CARPETRIGHT PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th April 2018 .

Given at Companies House, Cardiff on 18th April 2018

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



Companies House



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

Dated 12 APRIL 2018

THE CHARGOR

**THE ROYAL BANK OF SCOTLAND PLC
as the Security Trustee**

Northern Irish Security Agreement

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LAND REGISTRY OF NORTHERN IRELAND

FOLIOS: DN105768

COUNTY: DOWN

TY97952L

COUNTY: TYRONE

REGISTERED OWNER: CARPETRIGHT PLC

THIS DEED is made on the 12 APRIL 2018

BETWEEN:

- (1) **THE COMPANY** whose name and company number appears in Schedule 1 (the "**Chargor**"); and
- (2) **THE ROYAL BANK OF SCOTLAND PLC** as trustee and agent for the Finance Parties (as defined below) on the terms and conditions set out in this Deed and in the Restated Facilities Agreement (as defined below) (in such capacity, the "**Security Trustee**").

WHEREAS:

- (A) The Chargor enters into this Deed in connection with a facilities agreement originally dated 19 March 2008 (as amended and restated from time to time) and made between, (1) Carpetright plc (2) the Original Guarantors (3) The Royal Bank of Scotland plc and AIB Group (UK) p.l.c. in their capacity as Arrangers (4) National Westminster Bank Plc and AIB Group (UK) p.l.c. as lenders (5) The Royal Bank of Scotland plc in its capacity as agent for the Finance Parties (6) The Royal Bank of Scotland plc in its capacity as Security Trustee for the Finance Parties and (7) National Westminster Bank Plc as Ancillary Bank (the "**Restated Facilities Agreement**").
- (B) The Board of Directors of the Chargor is satisfied that the giving of the guarantee and security contained or provided for in this Deed is in the interests of the Chargor and the Board has passed a resolution to that effect.

NOW IT IS AGREED as follows:

1. Definitions and Interpretation

Specific Definitions

- 1.1 Terms defined in the Restated Facilities Agreement and the Intercreditor Agreement shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition the following words and expressions shall have the following meanings:

"**1881 Act**": the Conveyancing and Law of Property Act 1881;

"**1911 Act**": the Conveyancing Act 1911;

"**Conveyancing Acts**": the 1881 Act and the 1911 Act;

"**Delegate**": any person appointed by the Security Trustee or any Receiver pursuant to Clauses 12.2 to 12.4 (*Delegation*) and any person appointed as attorney of the Security Trustee and/or any Receiver or Delegate;

"**Enforcement Event**": the date on which the Agent serves a notice on the Company under Clause 26.27 (*Acceleration*) of the Restated Facilities Agreement;

"**Event of Default**": has the meaning given to that term in the Restated Facilities Agreement;

"**Exclusion**": a legal, valid and binding restriction in respect of any asset held by the Chargor which either precludes absolutely the creation of a Security over that asset or requires the prior

consent of any third party (other than any member of the Group) to the creation of a Security over that asset, breach of which restriction would materially impair or destroy property or other rights of the Chargor in relation to or in connection with that asset;

"Expenses": all costs (including legal fees), charges, expenses and damages sustained or incurred by the Security Trustee or any Receiver or Delegate at any time in connection with the Security Assets or the Secured Liabilities or in taking, holding or perfecting this Deed or in protecting, preserving, defending or enforcing the security constituted by this Deed and/or in exercising any rights, powers or remedies provided by or pursuant to this Deed (including any right or power to make payments on behalf of the Chargor under the terms of this Deed) or by law in each case on a full indemnity basis;

"Insurances": all of the contracts and policies of insurance or assurance (including all cover notes and slips) effected or maintained from time to time in respect of any Mortgaged Property and/or Premises together with all moneys, benefits and advantages that may become payable or accrue under them or under any substituted policy;

"Intercreditor Agreement": has the meaning given to that term in the Restated Facilities Agreement;

"Mortgaged Property": any freehold or leasehold property the subject of the security constituted by this Deed and references to any **"Mortgaged Property"** shall include references to the whole or any part or parts of it;

"Permitted Dealings":

- (i) the granting, creation or renewal of any consent, licence, interest or right to occupy in favour of third parties in relation to any of the Mortgaged Properties; and
- (ii) service of termination notices in relation to tenancies, agreeing rent reviews or taking action to enforce tenants covenants, including, but not limited to, instigation of forfeiture proceedings;

provided that in each case the taking of such action would not materially impair the value of the Mortgaged Property.

"Planning Acts": all legislation from time to time regulating the development, use, safety and control of property including, without limitation, the Planning (NI) Orders 1972, 1978 and 1991 and the Planning (Amendment) (NI) Order 1982 and any other instrument, plan, regulation, permission or direction made or issued under any such legislation;

"Premises": all buildings and erections from time to time situated on or forming part of any Mortgaged Property and including all fixtures attached to and/or forming part of such buildings and erections;

"Receiver": a receiver or receiver and manager of the whole or any part or parts of the Security Assets;

"Satisfied": in relation to an Exclusion, the legal, valid and binding satisfaction or removal of that Exclusion as a result of the granting of consent by, or the agreement of, all relevant third parties;

"Secured Liabilities": all present and future indebtedness, monies, obligations and liabilities of the Company and the Chargor to the Finance Parties under the Finance Documents (including this Deed), in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal or as surety or in some other capacity, including any liability in

respect of any further advances made under the Finance Documents, together with all Expenses and all interest under Clause 2.2 (*Interest*);

"Security": has the meaning given to that term in the Restated Facilities Agreement; and

"Security Assets": all the assets of the Chargor which from time to time are the subject of any security created or expressed to be created in favour of the Security Trustee by or pursuant to this Deed (including, for the avoidance of doubt, any assets subject to an Exclusion) once the Exclusion is satisfied.

General Definitions

1.2 Any reference in this Deed to:

1.2.1 the **"Security Trustee"**, the **"Chargor"**, a **"Borrower"** or the **"Finance Parties"** shall be construed so as to include its or their successors, permitted transferees and permitted assigns, whether immediate or derivative, and, in the case of the Security Trustee, shall include any person for the time being appointed as Security Trustee or as an additional Security Trustee for the purpose of, and in accordance with, the Intercreditor Agreement;

1.2.2 the **"assets"** of any person shall include the undertaking, property, revenues, rights and assets (present and future) of whatsoever nature of such person;

1.2.3 a **"Clause"** or a **"Schedule"** is, unless otherwise provided, a reference to a Clause or a Schedule of this Deed; and

1.2.4 a **"person"** shall include any person, firm, company, partnership, corporation or unincorporated body of persons or any state or government or any agency or delegate of them.

Construction

1.3 Any reference in this Deed to a mortgage or charge of any asset shall be construed so as to include:

1.3.1 all rights under any licence, agreement for sale or agreement for lease in respect of that asset;

1.3.2 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that asset and all other rights, benefits, claims, contracts, warranties, remedies, security or indemnities in respect of that asset;

1.3.3 the proceeds of sale of any part of that asset and any other moneys paid or payable in respect of or in connection with that asset; and

1.3.4 In respect of any Mortgaged Property and all Premises.

1.4 It is intended that this document shall take effect as and be a deed of the Chargor notwithstanding the fact that the Security Trustee may not execute this document as a deed.

1.5 Each term in any Finance Document is, to the extent not set out in or otherwise incorporated into this Deed, deemed to be incorporated into this Deed insofar as is necessary to comply with the Statute of Frauds 1695 but, except where stated otherwise, if there is any conflict between that incorporated term and any other term of this Deed that other term shall prevail.

1.6 Any reference in this Deed to any Finance Document or any other agreement or other document shall be construed as a reference to that Finance Document or that other agreement or document

as the same may have been, or may from time to time be, restated, varied, amended, supplemented, substituted, novated or assigned, whether or not as a result of any of the same:

- 1.6.1 there is an increase or decrease in any facility made available under that Finance Document or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
 - 1.6.2 any additional, further or substituted facility to or for such facility is provided;
 - 1.6.3 any rate of interest, commission or fees or relevant purpose is changed;
 - 1.6.4 the identity of the parties is changed;
 - 1.6.5 the identity of the providers of any security is changed;
 - 1.6.6 there is an increased or additional liability on the part of any person; or
 - 1.6.7 a new agreement is effectively created or deemed to be created.
- 1.7 Any reference in this Deed to "**this Deed**" shall be deemed to be a reference to this Deed as a whole and not limited to the particular Clause, Schedule or provision in which the relevant reference appears and to this Deed as the same may from time to time be restated, varied, amended, supplemented, substituted, novated or assigned.
- 1.8 References in this Deed to laws, statutes or statutory provisions shall be construed as referring to such laws, statutes or statutory provisions as respectively replaced, amended, extended, consolidated or re-enacted from time to time and shall include any order, regulation, instrument or other subordinate legislation made under the relevant law, statute or statutory provision.
- 1.9 The table of contents and headings in this Deed are inserted for convenience only and have no legal effect.
- 1.10 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
- 1.11 Any change in the constitution of any of the parties to this Deed or their absorption of or amalgamation with any other person or the acquisition of all or part of their undertaking by any other person shall not in any way prejudice or affect their rights under this Deed.
- 1.12 Where any provision of this Deed is stated to include one or more things, that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision.

Third Party Rights

- 1.13 Nothing in this Deed is intended to confer on any person any right to enforce or enjoy the benefit of any provision of this Deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

Intercreditor Agreement

- 1.14 The provisions of the intercreditor Agreement shall govern the rights, duties and obligations of the Security Trustee under this Deed and the Security Trustee holds the benefit of this Deed on trust for the Finance Parties in accordance therewith.

Perpetuity Period

- 1.15 The perpetuity period applicable to the trusts created by this Deed is 80 years.

2. Covenant to Pay

Covenant to Pay

- 2.1 The Chargor covenants with the Security Trustee (as trustee for the Finance Parties) that it will pay, perform and discharge the Secured Liabilities as and when the same fall due for payment, performance or discharge in accordance with the terms of the Finance Documents.

Interest

- 2.2 The Chargor covenants with the Security Trustee to pay interest on any amounts due under Clause 2.1 (*Covenant to Pay*) from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of that Chargor) at the rate and in the manner specified in Clause 12 (*Interest*) of the Restated Facilities Agreement, provided that, in the case of any Expense, such interest shall accrue and be payable as from the date on which the relevant Expense arose without the necessity for any demand being made for payment.

3. Fixed Security

Fixed Charges

- 3.1 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities:

3.1.1 grants and demises unto the Security Trustee (as trustee for the Finance Parties) all the Chargor's right, title and interest in and to the unregistered freehold property now vested in it and specified opposite its name in Schedule 2 (*Real Property*) to hold the same unto the Security Trustee for the term of ten thousand years from the date hereof subject to the proviso for redemption hereinafter contained; and

3.1.2 grants and demises unto the Security Trustee (as trustee for the Finance Parties) all the Chargor's right, title and interest in and to the unregistered leasehold property now vested in it and specified opposite its name in Schedule 2 (*Real Property*) for the residue of the term of years created by the respective leases short particulars of which are also set out in Schedule 2 (*Real Property*) less the last ten days thereof subject to the proviso for redemption hereinafter contained; and

3.1.3 charges in favour of the Security Trustee (as trustee for the Finance Parties) all the freehold and leasehold property comprised in the folios specified opposite its name in Schedule 2 (*Real Property*) and requests that the charge hereby created be registered as a burden on that property subject to the proviso for redemption hereinafter contained; and

3.1.4 mortgages and charges in favour of the Security Trustee (as trustee for the Finance Parties) all Premises now or from time to time in or on any property described in clauses 3.1.1 to 3.1.3.

- 3.2 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Security Trustee (as trustee for the Finance Parties) by way of first fixed charge all of the Chargor's right, title and interest in and to the following assets, both present and future (other than any subject to an Exclusion unless and until the same is Satisfied):

3.2.1 ***Other real property*** all estates or interests in any freehold or leasehold property situated in Northern Ireland and all Premises in or on that property (other than such property and Premises effectively mortgaged or charged under clause 3.1 above) which

pursuant to, and in accordance with, the provisions of clause 25.44 of the Restated Facilities Agreement, is substituted for any other Mortgaged Property mortgaged or charged under this Deed;

- 3.2.2 ***Licences on land*** all licences held by it to enter upon or use the Mortgaged Property or Premises and/or to carry on the business carried on upon the Mortgaged Property or Premises and all agreements relating to the Mortgaged Property or Premises to which it is a party or otherwise entitled, including, without limitation, all contracts, guarantees, appointments, warranties and other documents to which it is a party or in its favour or of which it has the benefit relating to any letting, development, sale, purchase or the operation of any Mortgaged Property or Premises;
 - 3.2.3 ***Rights as tenant*** where any Mortgaged Property is leasehold property, any right or interest arising by virtue of any enfranchising legislation (including, but not limited to, the Ground Rent Acts (Northern Ireland) 2001 but excluding the Business Tenancies (Northern Ireland) Order 1996) which confers upon a tenant of property whether individually or collectively with other tenants of that or other properties the right to acquire a new lease of that property or to acquire, or require the acquisition by a nominee of, the freehold or any intermediate reversionary interest in that property;
 - 3.2.4 ***Rental income*** any amounts owing to it by way of rent, licence fee, dilapidations, ground rent and/or rent charge in respect of any Mortgaged Property or Premises;
 - 3.2.5 ***Insurances*** all Insurances, including all claims, the proceeds of all claims and all returns of premium in connection with Insurances; and
 - 3.2.6 ***Criminal Damage Compensation*** any compensation received by the Chargor under the Criminal Damage (Compensation) (Northern Ireland) Order 1977 and all claims and returns of premiums in respect thereof.
- 3.3 The Chargor hereby attorns tenant to the Security Trustee of any part of the Mortgaged Property assigned or demised by way of mortgage pursuant to these presents at an annual rate of 5 pence (if demanded). The Chargor agrees that the Security Trustee may terminate the tenancy at any time after 28 days from the date hereof without notice and may enter the Mortgaged Property without notice. However, neither the receipt of any such rent nor the tenancy shall make the Security Trustee liable to anyone as mortgagee in possession of the Mortgaged Property.
- 3.4 Subject to the Chargor's right to redeem the mortgage and to have this Deed released when all relevant obligations have been met, the Chargor agrees to hold the reversion immediately following expiry of the term created in clause 3.1.2 of this Deed (if any) in trust for the Security Trustee and the Chargor also agrees that it will sell, assign or otherwise dispose of any interest as the Security Trustee may direct. The Security Trustee may at any time remove the Chargor or any other person as trustee of the trust created by this clause and may appoint new trustees of that trust. The Chargor further agrees that if the Security Trustee disposes of the Mortgaged Property that it will at its own expense join as a party to the deed evidencing the disposal to ensure that the purchaser acquires the full title to the Mortgaged Property. For the sake of clarity, the Power of Attorney provided for in clause 13 (*Power of Attorney*) of this Deed shall also apply in relation to any acts done by the Security Trustee under this provision.

4. Perfection of Security

Registration at the Land Registry of Northern Ireland

- 4.1 The Chargor hereby consents to an application being made by the Security Trustee to the Registrar of Titles to register the following inhibition as a burden on the Chargor's title to the Mortgaged Property:

"No disposition of the registered estate by the registered owner [or by the registered owner of any registered charge] is to be registered or noted without a written consent signed by the registered owner for the time being of the charge no. [●] dated [●] in favour of [insert full name of Security Trustee] referred to in Part III of the within written Folio or, if appropriate, signed on such registered owner's behalf by [its secretary or conveyancer [or specify appropriate details]]".

- 4.2 If the title to any Mortgaged Property of the Chargor is not registered at the Land Registry of Northern Ireland, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act (Northern Ireland) 1970 as the registered owner of all or any part of that Mortgaged Property without the prior consent in writing of the Security Trustee.

- 4.3 Whether or not the title to any of the Mortgaged Property is registered at the Land Registry of Northern Ireland, in the event that any caution against first registration or any notice is registered against the Chargor's title to any Mortgaged Property, the Chargor shall immediately upon becoming aware of the same provide the Security Trustee with full particulars of the circumstances relating to such registration or notice and, if such caution or notice shall have been registered in order to protect a purported interest the creation of which is not permitted under this Deed or the Restated Facilities Agreement, the Chargor shall immediately and at its own expense take such steps as the Security Trustee may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

Further Advances

- 4.4 The Security Trustee covenants with the Chargor that it shall procure that Finance Parties perform their obligations to make advances under the Restated Facilities Agreement (including any obligation to make available further advances).

Notices of Charge

- 4.5 The Chargor shall, promptly upon the request of the Security Trustee from time to time, give or join the Security Trustee in giving a notice of charge in such form as the Security Trustee may reasonably require to the relevant counterparty, insurer or other third party (as the case may be) in respect of any asset which is charged pursuant to Clause 3.2 above.

- 4.6 Such notice shall be duly signed by or on behalf of the Chargor and the Chargor shall use its reasonable endeavours to procure that each person on whom any such notice is served promptly provides to the Security Trustee a duly signed acknowledgement of that notice in such form as the Security Trustee may reasonably require.

Deposit of Documents of Title

- 4.7 The Chargor shall, upon the request of the Security Trustee, promptly deposit with the Security Trustee (unless already held by its solicitors on behalf of and to the Security Trustee's order or at the Land Registry of Northern Ireland for the purpose of registration of the security constituted by this Deed) all deeds, certificates and other documents of title from time to time relating to the Security Assets and shall promptly, upon the request of the Security Trustee from time to time,

deliver to Security Trustee all such other documents relating to the Security Assets as the Security Trustee may reasonably require.

5. Further Assurance

Further Assurance

5.1 The Chargor shall, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

5.1.1 preserving, perfecting or protecting the security constituted or intended to be constituted by this Deed over any Security Asset;

5.1.2 facilitating the realisation of any Security Asset; and/or

5.1.3 after the security constituted by this Deed has become enforceable under Clause 8.2, facilitating the exercise of all rights, powers and remedies of the Security Trustee or, any Receiver or Delegate provided by or pursuant to this Deed or by law in respect of any Security Asset,

including, without limitation, the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of, or intended to form part of, the Security Assets (whether to the Security Trustee or to its nominee(s)) and the giving of any notice, order or direction and the making of any registration which, in any such case, the Security Trustee may think expedient.

Exclusion of Assets from Security

5.2 The Chargor shall use all reasonable endeavours to procure that any Exclusions applying to any assets of the Chargor that are intended to be the subject of the security created by this Deed are Satisfied as soon as practicable after the date of this Deed and shall notify the Security Trustee, on a monthly basis thereafter, of the steps being taken in relation to any such Exclusion and, promptly, when any such Exclusion is Satisfied.

5.3 Immediately upon any Exclusion being Satisfied, the assets concerned shall become Security Assets and become the subject of an effective charge pursuant to, and in accordance with, Clause 3.1 above and the Chargor shall promptly deliver a copy of any relevant consent to the Security Trustee.

5.4 The Chargor shall hold on trust for the Security Trustee (as trustee for the Finance Parties) all its interest in and to each asset subject to any Exclusion until that Exclusion is Satisfied.

Implied Covenants for Title

5.5 Each of the mortgages and charges granted by the Chargor under this Deed are granted as beneficial owner in accordance with the 1881 Act.

6. General Undertakings

Negative Pledge

6.1 The Chargor shall not create or extend or permit to arise or subsist any Security over the whole or any part of the Security Assets or any assets subject to an Exclusion, except as expressly permitted by the terms of the Restated Facilities Agreement or with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed).

Restriction on Disposals

- 6.2 The Chargor shall not (or shall not agree to) sell, transfer, lease or otherwise dispose of the whole or any part of the Security Assets or any assets subject to an Exclusion (whether in a single transaction or in a series of transactions whether related or not), except as expressly permitted by the terms of the Restated Facilities Agreement or this Deed.

Information and Access

- 6.3 The Chargor shall permit the Security Trustee and any other person nominated by it free access at all reasonable times and on reasonable notice to enter upon and/or view the state and condition of the Security Assets (without, in any case, becoming liable to account as mortgagee in possession).

Insurance

- 6.4 The Chargor shall insure and keep insured the Security Assets in accordance with the terms of the Restated Facilities Agreement.

Remedying Insurance Default

- 6.5 If default shall be made by the Chargor in complying with Clause 6.4 above, the Security Trustee may (but shall not be obliged to) effect or renew any such insurance as is required by that Clause on such terms, in such name(s) and in such amount(s) as the Security Trustee reasonably considers appropriate. All moneys expended by the Security Trustee in so doing shall be reimbursed by the Chargor to the Security Trustee on demand and until so reimbursed shall carry interest at the rate specified in Clause 2.2 (*Interest*) from the date of payment by the Security Trustee until reimbursed (after as well as before any judgment).

Proceeds of Insurance

- 6.6 All moneys received or receivable by the Chargor under any insurances in respect of the Premises or any other Security Assets of an insurable nature shall be held on trust for the Security Trustee (as trustee for the Finance Parties) and applied (subject to the rights and claims of any person having prior rights thereto):

6.6.1 in replacing, restoring or reinstating the Premises or other Security Assets destroyed or damaged or in such other manner as the Security Trustee shall have previously approved in writing: or

6.6.2 after the security constituted by this Deed has become enforceable and if the Security Trustee so directs, in or towards satisfaction of the Secured Liabilities in accordance with Clause 15.1 (*Order of Application*).

Not Jeopardise Security

- 6.7 The Chargor shall not do or cause or permit to be done anything which would in any way impair the value to the Security Trustee of the security constituted or intended to be constituted by this Deed, except to the extent expressly permitted by the terms of this Deed.

Criminal Damage Compensation

- 6.8 in the event of Mortgaged Property or any part thereof being destroyed or damaged by circumstances giving rise to a claim for compensation, the Chargor shall forthwith institute a claim under the Criminal Damage (Compensation) (Northern Ireland) Order 1977, serve a copy of the documentation of the claim on the Security Trustee and take all steps required to obtain payment of the maximum compensation payable under the said Order and either apply all compensation

paid thereunder in rebuilding and reinstating the Mortgaged Property making good any deficiency out of the Chargor's own monies, or if the Security Trustee so requires, assigns its rights under any claim and any monies payable thereunder and pay any such deficiency whereupon the Chargor's liability to make good and reinstate the Mortgaged Property so damaged under any covenant in this Deed shall be deemed satisfied.

- 6.9 The Chargor take all reasonable and proper steps to comply without delay with any order or notice issued or made by any competent authority, body or person whatsoever which in any way relates to any of the Security Assets and at the request of (including without limitation the Police Service of Northern Ireland) the Security Trustee at the Chargor's expense make or concur with the Security Trustee in making such objections or representations as the Security Trustee may deem expedient against or in respect of any such notice or order which adversely affects any of the Security Assets or any proposal for such a notice or order and/or in appealing against any such notice, order or proposal.

7. The Mortgaged Property and Premises

Premises

- 7.1 The Chargor shall at all times repair and keep its Premises in good and substantial repair and condition and adequately and properly painted and decorated (ordinary wear and tear excepted).
- 7.2 If default shall be made by the Chargor in complying with Clause 7.1 above, the Security Trustee may (but shall not be obliged to) carry out any necessary repairs and the Chargor shall permit the Security Trustee and its agent and contractors to take any of the steps referred to in Clause 7.11 (*Remedying Mortgaged Property Defaults*) for this purpose.
- 7.3 The Chargor shall not, unless required in connection with the Permitted Dealings, or without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed) carry out or permit to be carried out any material demolition, rebuilding, reconstruction or structural alteration of any Premises.
- 7.4 The Chargor shall promptly give notice to the Security Trustee in the event of any of its Premises being materially damaged or destroyed.

Payment of Outgoings in relation to Mortgaged Property

- 7.5 The Chargor shall punctually pay or cause to be paid (except when contested on reasonable grounds) and shall indemnify the Security Trustee and any Receiver or Delegate on demand against all present and future rents, rates, taxes, assessments and outgoings of whatsoever nature imposed upon or payable in respect of its Mortgaged Property or by the owner or occupier of its Mortgaged Property upon the same becoming due and payable or within any applicable grace period.

Power of Leasing

- 7.6 The Chargor shall not, except for Permitted Dealings or with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed):
- 7.6.1 exercise any statutory or other power of leasing or letting, or accept or agree to accept surrenders of any leases, or enter into any agreement for lease or letting, in respect of any Mortgaged Property; or

- 7.6.2 create any licence in respect of any Mortgaged Property, or let any person into occupation of, or share occupation of, any Mortgaged Property or grant any other proprietary or other right or interest in any Mortgaged Property.

Performance of Obligations

7.7 The Chargor shall:

- 7.7.1 observe and perform all material restrictive and other covenants, stipulations and obligations now or at any time affecting its Mortgaged Property or the mode of user or the enjoyment of the same and shall not enter into any materially onerous or restrictive obligations affecting its Mortgaged Property;
- 7.7.2 diligently enforce all material restrictive and other covenants, stipulations and obligations benefiting its Mortgaged Property and shall not (and shall not agree to) waive, release or vary any of the same; and
- 7.7.3 obtain and maintain for the benefit of its Mortgaged Property and the owner and occupier thereof for the time being all party wall awards or agreements, rights of light agreements, and rights of access and supply of services, over and in respect of any adjoining or neighbouring property which in each case are necessary or expedient for the use, occupation and/or enjoyment of that Mortgaged Property,

where, in any such case, such failure to observe, perform, enforce, obtain or maintain would be reasonably likely to have a material adverse effect on the business, operations, assets generally (including, but not limited to, the value of the Security Assets) or condition (financial or otherwise) of the Chargor.

Obligations as Lessor

7.8 Without prejudice to the generality of Clause 7.7 above, the Chargor shall, in relation to any lease to which its Mortgaged Property may be subject:

- 7.8.1 observe and perform all material covenants, stipulations and obligations of the lessor, and diligently enforce the performance and observance of the material covenants and obligations of the lessee, contained in any such lease;
- 7.8.2 duly and efficiently implement any material provision in any such lease for the review of any rent thereby reserved and not agree to any change in rent (for less than the open market rental value of the Premises concerned); and
- 7.8.3 prudently manage the Premises subject to any such lease,

where, in any such case, such failure to observe, perform, enforce, implement, not agree or manage would be reasonably likely to have a material adverse effect on the business, operations, assets generally (including, but not limited to, the value of the Security Assets) or condition (financial or otherwise) or the Chargor.

Obligations as Lessee

7.9 Without prejudice to the generality of Clause 7.7 above, the Chargor shall, in relation to any lease under which its Mortgaged Property is held:

- 7.9.1 observe and perform all material covenants, stipulations and obligations of the lessee, and diligently enforce the performance and observance of the material covenants and obligations of the lessor, contained in any such lease;

- 7.9.2 not agree to any change in the rent payable under any such lease (in excess of the open market rental value thereof and then only as required pursuant to any review of rent in accordance with terms of such lease) without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed);
- 7.9.3 not do any act or thing whereby any such lease or any other document which gives any right to occupy the Mortgaged Property becomes subject to determination or any right of re-entry or forfeiture prior to the expiration of its term (other than as permitted or contemplated by the terms of this Deed or the Restated Facilities Agreement); and
- 7.9.4 promptly notify the Security Trustee of any matter or event under or by reason of which such lease has or may become subject to determination or to the exercise by the lessor of any right of re-entry or forfeiture and, if reasonably required by the Security Trustee, diligently pursue applications for relief from forfeiture or irritancy of any lease,

where, in any such case, such failure to observe, perform, enforce, not agree, not do, notify or pursue would be reasonably likely to have a material adverse effect on the business, operations, assets generally or condition (financial or otherwise) of the Chargor.

Notices relating to Mortgaged Property

- 7.10 The Chargor shall, within 14 days after the receipt by it of any material application, requirement, order or notice served or given by any public or local or any other authority with respect to the Mortgaged Property:
 - 7.10.1 deliver a copy of such application, requirement, order or notice to the Security Trustee;
 - 7.10.2 inform the Security Trustee of the steps taken or proposed to be taken by it to comply with the relevant application, requirement, order or notice; and
 - 7.10.3 comply with any reasonable request by the Security Trustee to take such action with respect to the relevant application, requirement, order or notice as is necessary to preserve or protect the Mortgaged Property or the security constituted by this Deed.

Remedying Mortgaged Property Defaults

- 7.11 In case of any default which is outstanding by the Chargor in performing or complying with any covenant, undertaking, restriction or applicable law or regulation affecting its Mortgaged Property, the Chargor shall permit the Security Trustee, its agent and their respective officers, agents and employees:
 - 7.11.1 to enter on the Mortgaged Property;
 - 7.11.2 to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property; and
 - 7.11.3 to take any action as the Security Trustee may reasonably consider necessary to prevent or remedy any breach of any such covenant, undertaking, restriction, applicable law or regulation or to comply with or object to any such notice.
- 7.12 All moneys expended by the Security Trustee in taking any steps referred to in Clause 7.11 above shall be reimbursed by the Chargor to the Security Trustee on demand and until so reimbursed shall carry interest at the rate specified in Clause 2.2 (*Interest*) from the date of payment by the Security Trustee until reimbursed (after as well as before any judgment).

8. Enforcement of Security

When Security becomes Enforceable

- 8.1 The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by section 19 of the 1881 Act, as varied or extended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of an Enforcement Event.
- 8.2 After an Enforcement Event, the Security Trustee may in its absolute discretion enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Security Assets.

Redemption of Prior Mortgages

- 8.3 The Security Trustee may at any time:
- 8.3.1 redeem any prior Security against any Security Asset; or
 - 8.3.2 procure the transfer of that Security to itself; or
 - 8.3.3 settle and pass the accounts of the person or persons entitled to such Security (and any accounts so settled and passed shall be conclusive and binding on the Chargor).
- 8.4 All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption or transfer shall be paid by the Chargor to the Security Trustee on demand and shall be secured by this Deed.

9. Extension and Variation of the Conveyancing Acts

General

- 9.1 For the purposes of all powers implied by the Conveyancing Acts, such powers shall arise (and the Secured Liabilities shall be deemed to have become due and payable for that purpose) on the date of this Deed.
- 9.2 Section 20 of the 1881 Act (restricting the power of sale) and section 17 of the 1881 Act (restricting the right of consolidation) shall not apply to the security constituted by this Deed.
- 9.3 The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee and any Receiver at any time after the security constituted by this Deed has become enforceable under clause 8.2 to make any lease or agreement for lease, accept surrenders of leases and/or grant options on such terms as it or he shall think fit, without the need to comply with any restrictions imposed by sections 18 of the 1881 Act and Section 3 of the 1911 Act.

Privileges

- 9.4 Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Conveyancing Acts on mortgagees and receivers.

10. Appointment of Receiver and Administrator

Appointment

- 10.1 At any time after the security constituted by this Deed has become enforceable under clause 8.2 or if the Chargor so requests the Security Trustee in writing (in which case the security constituted

by this Deed shall become immediately enforceable), the Security Trustee may without prior notice to the Chargor:

10.1.1 appoint free from the restrictions imposed by section 24(1) of the 1881 Act either under seal or in writing under its hand any one or more persons to be a Receiver of the whole or any part or parts of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Conveyancing Acts to exercise the power of sale conferred under the Conveyancing Acts; or

10.1.2 appoint one or more persons to be an administrator of the Chargor.

Removal

10.2 The Security Trustee may by writing under its hand (or by an application to the court where required by law):

10.2.1 remove any Receiver appointed by it; and

10.2.2 may, whenever it deems it expedient, appoint any one or more persons to be a new Receiver in the place of or in addition to any Receiver.

Statutory Powers of Appointment

10.3 The powers of appointment of a Receiver conferred by this Deed shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Conveyancing Acts (as extended by this Deed) or otherwise and such powers shall be and remain exercisable from time to time by the Security Trustee in respect of any part or parts of the Security Assets.

Capacity of Receiver

10.4 Each Receiver shall be deemed to be the agent of the Chargor for all purposes. The Chargor alone shall be responsible for a Receiver's contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him.

10.5 The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.

10.6 If there is more than one Receiver holding office at the same time, each Receiver shall (unless the document appointing him states otherwise) be entitled to act (and to exercise all of the powers conferred on a Receiver under this Deed) individually or together with any other person appointed or substituted as Receiver.

Remuneration of Receiver

10.7 The Security Trustee may fix the remuneration of any Receiver appointed by it without any restriction imposed by section 24(6) of the 1881 Act and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Security Trustee.

11. Powers of Receiver

General

11.1 Each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred by law.

11.2 Without prejudice to the generality of this Clause 11, each Receiver shall have all the rights, powers and discretions of an administrative receiver under Schedule 1 to the Insolvency (Northern

Ireland) Order 1989 whether he falls within the statutory definition of an administrative receiver or not.

Specific Powers

11.3 Each Receiver shall have the following powers (and every reference in this Clause 11.3 to the "Security Assets" shall be read as a reference to that part or parts of the Security Assets in respect of which that Receiver was appointed):

11.3.1 power to purchase or acquire land and purchase, acquire or grant any interest in or right over land as he thinks fit;

11.3.2 power to take immediate possession of, get in and collect any Security Asset;

11.3.3 power to carry on the business of the Chargor as he thinks fit;

11.3.4 power (but without any obligation to do so) to:

(a) make and effect all repairs, alterations, additions and insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets;

(b) commence or complete any building operations on the Mortgaged Property;

(c) apply for and maintain any planning permission, building regulation approval or any other permission, consent or licence; and

(d) negotiate for compensation with any authority which may intend to acquire or be in the process of acquiring all or any part of the Security Assets and make objections to any order for the acquisition of all or any part of the Security Assets and represent the Chargor at any enquiry to be held to consider such objections or otherwise relating to any such acquisition,

in each case as he thinks fit;

11.3.5 power to appoint and discharge managers, officers, agents, advisers, accountants, servants, workmen, contractors, surveyors, architects, lawyers and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit and power to discharge any such persons appointed by the Chargor (and the costs incurred by any Receiver in carrying out such acts or doing such things shall be reimbursed to that Receiver by the Chargor on demand and until so reimbursed shall carry interest at the rate specified in Clause 2.2 (*Interest*) from the date of payment by the Security Trustee until reimbursed (after as well as before any judgment));

11.3.6 power to raise and borrow money either unsecured or (with the prior consent of the Security Trustee) on the security of any Security Asset either in priority to the security constituted by this Deed or otherwise and generally on any terms and for whatever purpose he thinks fit;

11.3.7 power to sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms as he thinks fit;

11.3.8 power to let any Security Asset for any term and at any rent (with or without a premium) as he thinks fit and power to accept a surrender of any lease or tenancy of any Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender);

- 11.3.9 power to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset;
- 11.3.10 power to bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Security Asset or in relation to the Chargor which may seem to him to be expedient;
- 11.3.11 power to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any Security Asset;
- 11.3.12 power to form a subsidiary of the Chargor and transfer to that subsidiary any Security Asset;
- 11.3.13 power to do all such acts as may seem to him to be necessary in order to initiate or continue any development of any Security Assets and for these purposes to appoint and to enter into such contracts with such building and engineering contractors or other contractors and professional advisers as he may think fit;
- 11.3.14 power to call any meeting of the members or directors of the Chargor in order to consider such resolutions or other business as he thinks fit;
- 11.3.15 power to exercise in relation to any Security Assets all the powers and rights which he would be capable of exercising if he were the absolute beneficial owner of the same;
- 11.3.16 power to do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
- 11.3.17 power to exercise any of the above powers in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor.

Security Trustee's Powers

- 11.4 To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) upon a Receiver may after the security constituted by this Deed has become enforceable under Clause 8 (*Enforcement of Security*) be exercised by the Security Trustee in relation to any Security Asset, irrespective of whether or not it has taken possession of any Security Asset and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

12. Discretions and Delegation

Discretion

- 12.1 Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Trustee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

Delegation

- 12.2 Each of the Security Trustee and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney).
- 12.3 Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Trustee or any Receiver (as the case may be) shall think fit.

- 12.4 Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

13. Power of Attorney

Appointment and Powers

- 13.1 The Chargor, by way of security, irrevocably appoints the Security Trustee, every Receiver and every Delegate from the date that an Event of Default occurs and is continuing, severally and independently to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which are required for

13.1.1 carrying out any obligation imposed on the Chargor by this Deed; and

13.1.2 enabling the Security Trustee or any Receiver or Delegate to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on it or him by or pursuant to this Deed or by law (including the exercise of any right of an absolute legal or beneficial owner of the Security Assets).

Ratification

- 13.2 The Chargor shall ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under Clause 13.1 (*Appointment and Powers*).

14. Protection of Purchasers

Consideration

- 14.1 The receipt of the Security Trustee or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Security Assets (including a disposal by a Receiver or Delegate to any subsidiary of the Chargor) or in making any acquisition in the exercise of their respective powers, the Security Trustee, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

Protection of Third Parties

- 14.2 No person (including a purchaser) dealing with the Security Trustee, any Receiver or any Delegate shall be bound to enquire:

14.2.1 whether the Secured Liabilities have become payable; or

14.2.2 whether any power which the Security Trustee or any Receiver or Delegate is purporting to exercise has arisen or become exercisable; or

14.2.3 whether any money remains due under the Finance Documents; or

14.2.4 how any money paid to the Security Trustee or to any Receiver or Delegate is to be applied,

or shall be concerned with any propriety, regularity or purpose on the part of the Security Trustee or any Receiver or Delegate in such dealings or in the exercise of any such power.

15. Application of Proceeds

Order of Application

15.1 All moneys received or recovered by the Security Trustee, any Receiver or any Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable under clause 8, shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the 1881 Act) be applied in the following order of priority (but without prejudice to the right of the Security Trustee to recover any shortfall from the Chargor):

15.1.1 in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights and powers, including his remuneration, and all outgoings paid by him;

15.1.2 in or towards payment of all other Expenses;

15.1.3 in or towards payment of all other Secured Liabilities or such part of them as is then due and payable to the Finance Parties in accordance with the order of application set out in Clause 4 of the Intercreditor Agreement (notwithstanding any purported appropriation by the Chargor); and

15.1.4 in payment of the surplus (if any) to the Chargor or other person entitled to it.

Suspense Account

15.2 Until all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full, the Security Trustee may:

15.2.1 without affecting the liability of the Chargor under this Deed:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of the Secured Liabilities; or

(b) apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to direct the appropriation of any such moneys, security or rights or to enjoy the benefit of the same; and/or

15.2.2 hold in a suspense account any moneys received from the Chargor or on account of the Chargor's liability in respect of the Secured Liabilities.

15.3 Amounts standing to the credit of any such suspense account shall bear interest at a fair market rate.

New Accounts

15.4 If the Security Trustee (acting in its capacity as trustee for the Finance Parties or otherwise) or any other Finance Party at any time receives, or is deemed to have received, notice of any subsequent Security or other interest affecting any Security Asset, the Security Trustee and/or any other relevant Finance Party may open a new account with any Chargor.

15.5 If the Security Trustee and/or any other Finance Party does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or was deemed to have received, such notice. As from that time all payments made by or on behalf of the Chargor to the Security Trustee (whether in its capacity as trustee for the Finance Parties or otherwise) and/or any other Finance Party shall be credited or be treated as having been credited to the new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

Currency Conversion

- 15.6 For the purpose of or pending the discharge of any of the Secured Liabilities, the Security Trustee and each other Finance Party may (in its absolute discretion) convert any moneys received or recovered by it or any Receiver or Delegate pursuant to this Deed or any moneys subject to application by it or any Receiver or Delegate pursuant to this Deed from one currency to another and any such conversion shall be made at the Security Trustee's (or that Finance Party's) spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Liabilities shall be discharged only to the extent of the net proceeds of such conversion realised by the Security Trustee or that Finance Party. Nothing in this Deed shall require the Security Trustee to make, or shall impose any duty of care on the Security Trustee or any other Finance Party in respect of, any such currency conversion.

Certificate

- 15.7 Any certificate signed by an officer of the Security Trustee as to the amount at any time owing under any Finance Document shall, in the absence of manifest error, be conclusive and binding upon the Chargor.

16. No Liability as Mortgagee in Possession

- 16.1 Neither the Security Trustee nor any Receiver or Delegate shall in any circumstances (either by reason of entering into or taking possession of any Security Assets or for any other reason and whether as mortgagee in possession or on any other basis) be liable to account to the Chargor for anything, except actual receipts, or be liable to the Chargor for any costs, charges, losses, liabilities or expenses arising from the realisation of any Security Assets or from any act, default or omission of the Security Trustee, any Receiver, any Delegate or any of their respective officers, agents or employees in relation to the Security Assets or from any exercise or purported exercise or non-exercise by the Security Trustee or any Receiver or Delegate of any power, authority or discretion provided by or pursuant to this Deed or by law or for any other loss of any nature whatsoever in connection with the Security Assets or the Finance Documents.
- 16.2 If the Security Trustee, any Receiver or any Delegate enters into or takes possession of the Security Assets, it or he may at any time relinquish possession.

17. The Security Trustee as Trustee

- 17.1 The Security Trustee hereby declares itself trustee of the security and other rights (including, but not limited to, the benefit of the covenants contained in this Deed), titles and interests constituted by this Deed and of all moneys, property and assets paid to the Security Trustee or to its order or held by the Security Trustee or its nominee(s) or received or recovered by the Security Trustee or its nominee(s) pursuant to or in connection with this Deed with effect from the date of this Deed to hold the same on trust for itself and each of the other Finance Parties absolutely pro rata (save as may otherwise be agreed between the Security Trustee and the other Finance Parties from time to time) to the moneys, obligations and liabilities of the Chargor owed to all the Finance Parties (including the Security Trustee) from time to time secured by this Deed.
- 17.2 All moneys received by the Security Trustee or any Receiver or Delegate shall be held by it or him upon trust for the Security Trustee and the other Finance Parties according to their respective interests to apply the same in the order specified in Clause 15.1 (*Order of Application*).
- 17.3 The trusts in this Deed shall remain in force until whichever is the earlier of:
- 17.3.1 the expiration of a period of 80 years from the date of this Deed; or

- 17.3.2 receipt by the Security Trustee of confirmation in writing from all of the Finance Parties that the Secured Liabilities are no longer outstanding.

18. Effectiveness of Security

Continuing Security

- 18.1 The security constituted by this Deed shall remain in full force and effect as a continuing security, unless and until discharged by the Security Trustee, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

Cumulative Rights

- 18.2 The security constituted by this Deed and all rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law shall be cumulative, in addition to and independent of any other guarantee or security which the Security Trustee or any other Finance Party may at any time hold for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Trustee (whether in its capacity as trustee for the Finance Parties or otherwise) or any of the other Finance Parties over the whole or any part of the Security Assets shall be superseded by, or supersede, or merge into, the security constituted by this Deed.

Reinstatement

- 18.3 Where any discharge, whether in respect of the obligations of the Chargor or any security for those obligations or otherwise, is given or any arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise, the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

Waiver of Defences

- 18.4 Neither the obligations of the Chargor under this Deed nor the security constituted by this Deed nor the rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law will be affected by an act, omission, matter or thing which, but for this Clause 18.4, would reduce, release or prejudice any of its obligations under this Deed, any of that security or any of those rights, powers and remedies (without limitation and whether or not known to it or the Security Trustee or any other Finance Party) including:

- 18.4.1 any time, waiver or consent granted to, or composition with, any person;
- 18.4.2 the release of any person under the terms of any composition or arrangement with any creditor of any member of the Group;
- 18.4.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 18.4.4 any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any person;
- 18.4.5 any amendment (however fundamental) or replacement of a Finance Document or any other document or security;

18.4.6 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

18.4.7 any insolvency or similar proceedings.

Immediate Recourse

- 18.5 The Chargor waives any right it may have of first requiring the Security Trustee or any other Finance Party to proceed against or enforce any other rights or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding up or liquidation proceedings relating to a Borrower or any other person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of any Finance Document to the contrary.

Security held by Chargor

- 18.6 The Chargor shall not hold any security from any other person in respect of its liability under this Deed. The Chargor shall hold any security held by it in breach of this Clause 18.6 on trust for the Security Trustee (as trustee for the Finance Parties).

19. Assignment

The Security Trustee may assign, charge or transfer all or any of its rights under this Deed in accordance with the terms of the Restated Facilities Agreement and the Intercreditor Agreement. The Security Trustee shall be entitled to disclose such information concerning the Chargor and this Deed in accordance with the terms of the Restated Facilities Agreement and the Intercreditor Agreement to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

20. Partial Invalidity

In the case that one or more of the provisions contained in this Deed should prove to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby and, if any part of the security constituted, or intended to be constituted, by this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

21. Remedies and Waivers

- 21.1 No delay or omission of the Security Trustee in exercising any right, power or privilege under this Deed shall operate to impair such right, power or privilege or be construed as a waiver of it. Any single or partial exercise of any such right, power or privilege shall not preclude any other or future exercise or the exercise of any other right, power or privilege.

22. Counterparts

This Deed may be executed in any number of counterparts each of which shall be an original and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

23. Proviso for Redemption

On proof being given to the Security Trustee that all the Secured Liabilities have been paid and discharged in full and that all facilities that might give rise to Secured Liabilities have been

terminated, the Security Trustee will at the cost and expense of the Chargor on a without recourse or warranty basis release and discharge the security created hereby.

24. Applicable Law and Jurisdiction

24.1 The law of Northern Ireland is the law applicable to this Deed.

24.2 For the exclusive benefit of the Security Trustee, the parties to this Deed irrevocably agree that the courts of Northern Ireland are to have jurisdiction to hear and settle any dispute, suit, action, claim or proceeding (together in this Clause 24 referred to as "**Proceedings**") which arises out of or in connection with this Deed, save that nothing contained in this Clause 24.2 shall limit the right of the Security Trustee to take Proceedings against the Chargor in any other court of competent jurisdiction. The Chargor irrevocably agrees only to bring Proceedings in the courts of Northern Ireland.

24.3 The Chargor irrevocably waives:

24.3.1 any right it may have to the trial by jury of Proceedings in any such court as is referred to in this Clause 24;

24.3.2 any objection which it may have now or after the date of this Deed to the commencement, or to the venue, of any Proceedings in any such court; and

24.3.3 any claim that any such Proceedings should be brought in a more convenient forum, and further irrevocably agrees that a judgment in any Proceedings brought in any competent court shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

24.4 The Chargor consents generally in respect of any Proceedings arising out of or in connection with this Deed to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever of any order or judgment which may be made or given in such Proceedings.

24.5 The Chargor hereby irrevocably authorises and appoints Elliott Duffy Garrett of 34 Upper Queen St, Belfast BT1 6FD (or such other person, being a firm of solicitors resident in Northern Ireland as it may by notice to the Security Trustee substitute) to accept service of all legal process arising out of or connected with this Deed and service on Elliott Duffy Garrett as aforesaid (or such substitute) shall be deemed to be good service on the Chargor.

25. Assent and Notices

25.1 The Chargor hereby assents to the registration as burdens on the folio of any registered land referred to in Clause 3 of which the Security Trustee (as trustee for the Finance Parties) is the registered owner:-

25.1.1 of the fixed or specific charge hereby created on the said land;

25.1.2 on crystallisation of the floating charge, of such crystallised charge; and

25.1.3 of the power of any Receiver appointed hereunder to charge the said land.

25.2 The address of the Security Trustee in Northern Ireland for the service of notices is c/o Arthur Cox, Victoria House, Gloucester Street, Belfast BT1 4LS.

IN WITNESS whereof this Deed has been entered into as a deed and is intended to be and is delivered on the day and year first before written.

Schedule 1

The Chargor

| Name | Company Number | Registered Office | Address for Notices | Fax Number | FAO: |
|-----------------|-----------------------|--|--|-------------------|--------------|
| Carpetright plc | 02294875 | Harris House, Purfleet Bypass, Purfleet, Essex, RM19 1TT | Harris House, Purfleet Bypass, Purfleet, Essex, RM19 1TT | 01708 802005 | Any director |

Schedule 2

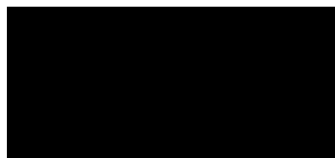
Real Property

| Address | Folio and County | Tenure |
|--|-------------------------|-------------------|
| 2 Portaferry Road, Newtownards, County Down | DN105768 County Down | Freehold |
| Unit 3, Station Square Retail Park, Cookstown, County Tyrone BT18 8PA | TY79752L County Tyrone | Good leasehold |

EXECUTION PAGE TO THE SECURITY AGREEMENT

THE CHARGOR

EXECUTED AS A DEED by)
CARPETRIGHT PLC)
acting by *NEIL PAGES*)
in the presence of:)



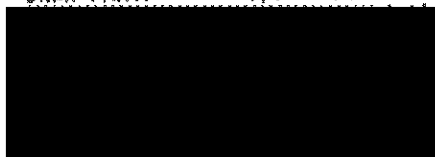
Witness signature:



Witness name:

SARAH HATTON *ALEX DIXON*

Witness address:



Witness occupation:

THE SECURITY TRUSTEE

SIGNED AS A DEED by)
) Signature
as lawful attorney of)
THE ROYAL BANK OF SCOTLAND PLC)
in the presence of:) Attorney

Witness signature:

Witness name:

Witness address:

Witness occupation:

EXECUTION PAGE TO THE SECURITY AGREEMENT

THE CHARGOR

EXECUTED AS A DEED by)
CARPETRIGHT PLC) Signature
acting by)
in the presence of:)
Director

Witness signature:

Witness name:

Witness address:

Witness occupation:

THE SECURITY TRUSTEE

SIGNED AS A DEED by)
Mark Clark) Signature
as lawful attorney of)
THE ROYAL BANK OF SCOTLAND PLC)
in the presence of:) Attorney

Witness signature:

Witness name:

Witness address:

Witness occupation: