



Registration of a Charge

Company name: **SOURCE INSURANCE LIMITED**

Company number: **02864963**



X8IP926Y

Received for Electronic Filing: **21/11/2019**

Details of Charge

Date of creation: **21/11/2019**

Charge code: **0286 4963 0006**

Persons entitled: **BARCLAYS BANK PLC**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

PINSENT MASONS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2864963

Charge code: 0286 4963 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st November 2019 and created by SOURCE INSURANCE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st November 2019 .

Given at Companies House, Cardiff on 22nd November 2019

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



Companies House



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

EXECUTION VERSION

DATED 21 NOVEMBER 2019

(1) SOURCE INSURANCE LIMITED
(AS CHARGOR)

(2) BARCLAYS BANK PLC
(AS LENDER)

SUPPLEMENTAL DEBENTURE

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THIS SUPPLEMENTAL DEBENTURE is made on 21 NOVEMBER 2019

BETWEEN:-

- (1) **SOURCE INSURANCE LIMITED** (Company Number 02864963) whose registered office is at Global Reach, Dunleavy Drive, Cardiff, Wales, CF11 0SN (the "**Chargor**") and
- (2) **BARCLAYS BANK PLC** (the "**Lender**").

THIS DEED WITNESSES as follows:-

1. **INTERPRETATION**

1.1 **Definitions**

In this Supplemental Debenture:-

"Account" means any account now or at any time (and from time to time) opened, owned, operated, held or maintained by the Chargor (or in which the Chargor has an interest) at any bank or financial institution (and shall include any replacement account, subdivision or sub-account of that account) and all moneys from time to time standing to the credit (including any interest thereon) of such accounts

"Assigned Account" means:-

- (a) each of the Accounts specified in Schedule 2 (*Details of Assigned Accounts*) (and any renewal or redesignation of such Accounts)
- (b) any Blocked Accounts which are maintained with any bank or financial institution other than the Lender and
- (c) any other Account agreed by the Lender and the Chargor in writing to be an Assigned Account

"Assigned Contract" means:-

- (a) each Credit Agreement
- (b) any other contract agreed by the Lender and the Chargor in writing to be an Assigned Contract

"Assigned Receivables" means the Borrowing Base Receivables and Refund Receivables

"Blocked Account" means any Account agreed by the Lender and the Chargor in writing to be a Blocked Account and such accounts shall be those blocked such that the proceeds cannot be withdrawn without the consent of the bank or financial institution with which it is held

"Borrowing Base" means those Eligible Receivables which relate to repayments under the Credit Agreements and which

"Receivables"	have created Availability under the terms of the Facility Agreement and in respect of such Availability the Lender has made a Loan to the Chargor pursuant to the terms of the Facility Agreement
"Charged Account"	means:- <ul style="list-style-type: none"> (a) the Accounts maintained by the Chargor with the Lender and designated in writing as a Charged Account by the Lender including those specified in Schedule 3 (<i>Details of Charged Accounts</i>) and (b) any Blocked Accounts maintained with the Lender (acting in any capacity)
"Charged Property"	means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Lender by or pursuant to this Supplemental Debenture
"Debenture"	means the debenture dated 24 February 2017 made between the Chargor and the Lender
"Enforcement Action"	means:- <ul style="list-style-type: none"> (a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are prematurely due and payable or payable on demand (b) the taking of any steps to enforce or require the enforcement of this Supplemental Debenture (including the crystallisation of any floating charge) (c) the making of any demand against the Chargor in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities (d) the exercise of any right of set-off against the Chargor in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank (e) the suing for, commencing or joining of any legal or arbitration proceedings against the Chargor to recover any Secured Liabilities or (f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding-up, insolvency or dissolution of or in relation to the Chargor
"Enforcement Date"	means the date on which the Lender first takes Enforcement Action
"Facility Agreement"	means the £12,000,000 receivables finance facility agreement dated 24 February 2017 and entered into between the Chargor and the Lender

"Finance Documents"	has the meaning given to the term "Finance Documents" in the Facility Agreement
"Fixed Plant and Equipment"	means all plant, machinery or equipment of the Chargor of any kind which does not for any reason constitute a Fixture, but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building
"Fixtures"	means all things of any kind now or at any time affixed to the Land for any purpose, including, without limitation, trade and tenants fixtures
"Insurances"	means any policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy
"Intellectual Property"	means any of the following in which the Chargor has an interest:- <ul style="list-style-type: none"> (a) any registered intellectual property right in any territory or jurisdiction, including, without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above (b) any invention, copyright, design right or performance right (c) any trade secrets, know-how and confidential information and (d) the benefit of any agreement or licence for the use of any such right
"Land"	means any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on the Land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes "Land" excludes heritable property situated in Scotland
"Loose Plant and Equipment"	means, in relation to the Chargor, all plant, machinery, equipment and motor vehicles now or at any time owned by the Chargor as a capital asset which is not Fixed Plant and Equipment
"LPA"	means the Law of Property Act 1925
"Monetary Claims"	means, other than a Borrowing Base Receivable or Refund Receivable, all other book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together

with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt

"Notice of Charge" means a notice of charge in such form as may be specified by the Lender

"Receiver" means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property

"Refund Receivables" means the Eligible Receivable which relates to amounts returned to or recovered by the Chargor following the early termination or cancellation of a Credit Agreement

"Related Rights" means in relation to any Charged Property:-

- (a) the proceeds of sale of any part of that Charged Property
- (b) allotments, rights, money or property arising from that Charged Property, by way of conversion, exchange, redemption, bonus, preference, option or otherwise
- (c) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property
- (d) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Property and
- (e) any moneys and proceeds paid or payable in respect of that Charged Property

"Secured Liabilities" means all present and future obligations and liabilities expressed to be due, owing or payable by the Chargor to the Lender (whether present or future, actual or contingent and whether incurred solely or jointly (or jointly and severally) with any other person) including without limitation interest, commission, costs, charges and expenses charged by the Lender at rates agreed between it and the Chargor, or in the absence of express agreement, in accordance with the Lender's normal practice for the time being

"Securities" means all the right, title and interest of the Chargor, now or in the future, in any:-

- (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person
- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any

person and

- (c) units or other interests in any unit trust or collective investment scheme

"Security" means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

1.2 **Incorporation of terms**

Unless the context otherwise requires or unless defined in this Supplemental Debenture, all words and expressions defined or whose interpretation is provided for in the Finance Documents shall have the same meanings in this Supplemental Debenture.

1.3 **Interpretation**

In this Supplemental Debenture, unless the context otherwise requires:-

- 1.3.1 words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- 1.3.2 the term "**assets**" includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- 1.3.3 references to a "**guarantee**" include an indemnity or any other form of surety;
- 1.3.4 a Default (other than a Termination Event) is "**continuing**" if it has not been remedied or waived and a Termination Event is continuing if it has not been waived
- 1.3.5 all references to documents include all variations and replacements of such documents and supplements to such documents;
- 1.3.6 all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;
- 1.3.7 references to persons include bodies corporate, unincorporated associations and partnerships; and
- 1.3.8 words and phrases defined in the Companies Act 2006 have the same meanings in this Supplemental Debenture but the word "**company**" includes any body corporate.

1.4 **Statutes and headings**

In this Supplemental Debenture:-

- 1.4.1 any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced; and
- 1.4.2 headings are for reference purposes only and shall not affect the construction of anything in this Supplemental Debenture.

1.5 **Clauses and Schedule**

In this Supplemental Debenture references to "**Clauses**" are to the clauses or sub-clauses of this Supplemental Debenture and references to the "**Schedule**" are to the schedule to this Supplemental Debenture. The Schedule shall be treated as an integral part of this Supplemental Debenture and references to this Supplemental Debenture shall include the Schedule.

2. **COVENANT TO PAY**

2.1 **Secured Liabilities**

The Chargor covenants that it will on demand of the Lender pay and discharge any or all of the Secured Liabilities when due.

2.2 **Interest**

The Chargor covenants to pay interest to the Lender upon any sum demanded in accordance with Clause 2.1 (*Secured Liabilities*) until payment (both before and after any judgment) at two per cent. above the rate applicable to that sum immediately before demand.

3. **CHARGES**

3.1 **Mortgages and Fixed Charges**

As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender all its right, title and interest from time to time in each of the following assets:-

- 3.1.1 by way of first legal mortgage all Land which is described in Schedule 1 (if any) and all other Land now vested in the Chargor;
- 3.1.2 by way of first fixed charge all other Land now vested in the Chargor (to the extent not effectively charged by Clause 3.1.1) and all Land acquired by the Chargor after the date of this Supplemental Debenture;
- 3.1.3 by way of first fixed charge:-
 - (a) the Securities;
 - (b) the Intellectual Property;
 - (c) the Borrowing Base Receivables to the extent the assignment in Clause 3.2 (*Assignments*) has failed for any reason;
 - (d) the Refund Receivables to the extent the assignment in Clause 3.2 (*Assignments*) has failed for any reason;
 - (e) the Monetary Claims;
 - (f) the Fixed Plant and Equipment;
 - (g) the Loose Plant and Equipment;
 - (h) all amounts standing to the credit of the Charged Accounts;
 - (i) the Insurances;

- (j) the Related Rights under or in connection with the Securities, the Charged Accounts, the Insurances, the Intellectual Property, the Borrowing Base Receivables, the Refund Receivables, the Monetary Claims, the Fixed Plant and Equipment and the Loose Plant and Equipment; and
- (k) its present and future goodwill and uncalled capital.

3.2 **Assignments**

As a continuing security for payment and discharge of the Secured Liabilities, the Chargor assigns absolutely, subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities, all its right, title and interest from time to time in:-

- 3.2.1 the Assigned Contracts to which it is a party;
- 3.2.2 all Related Rights under or in connection with the Assigned Contracts to which it is a party;
- 3.2.3 the Assigned Accounts in its name;
- 3.2.4 all Related Rights under or in connection with the Assigned Accounts in its name;
- 3.2.5 the Assigned Receivables;
- 3.2.6 all Related Rights under or in connection with the Assigned Receivables.

3.3 **Floating Charge**

As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Supplemental Debenture, including, without limitation, any heritable property of the Chargor situated in Scotland.

3.4 **Trust**

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Lender.

3.5 **Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Supplemental Debenture.

4. **CRYSTALLISATION OF FLOATING CHARGE**

4.1 **Crystallisation: By Notice**

The Lender may at any time by notice in writing to the Chargor convert the floating charge created by Clause 3.2 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:-

- 4.1.1 the Enforcement Date has occurred;
- 4.1.2 the Lender considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or

- 4.1.3 the Lender considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Supplemental Debenture.

4.2 Crystallisation: Automatic

The floating charge created by Clause 3.2 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:-

- 4.2.1 the Chargor creates or attempts to create any Security (other than as permitted pursuant to the terms of the Finance Documents) over any of the Charged Property; or
- 4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 4.2.3 any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor, over all or any part of its assets, or if such person is appointed.

4.3 Crystallisation: Moratorium where directors propose voluntary arrangement

The floating charge created by Clause 3.2 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:-

- 4.3.1 the obtaining of a moratorium; or
- 4.3.2 anything done with a view to obtaining a moratorium, under Schedule A1 to the Insolvency Act 1986.

5. PERFECTION OF SECURITY

5.1 Notices of Charge

The Chargor shall deliver to the Lender (or procure delivery of) Notices of Charge duly executed by, or on behalf of, the Chargor:-

- 5.1.1 in respect of the Insurances, on the date of this Supplemental Debenture and promptly upon purchasing any further Insurance after the date of this Supplemental Debenture;
- 5.1.2 in respect of each Charged Account, on the date of this Supplemental Debenture and promptly upon the opening of any further Account after the date of this Supplemental Debenture; and
- 5.1.3 in respect of any other asset which is the subject of a charge pursuant to Clause 3.1.3, promptly upon the request of the Lender from time to time,

and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the party to whom such Notice of Charge is addressed.

5.2 Notices of assignment

- 5.2.1 The Chargor must deliver notices of assignment in relation to each part of the Charged Property which is subject to an assignment under this Deed:-

- (a) Assigned Contracts: on the date on which there is a Termination Event which is continuing, the Chargor shall (unless the Lender

has agreed otherwise) serve a notice of assignment (in a form acceptable to the Lender in its absolute discretion) addressed to the relevant counterparty;

(b) Assigned Accounts:

- (i) in respect of each Assigned Account (other than a Blocked Account) by issuing, on the date on which the assignment is granted, a notice (in a form acceptable to the Lender in its absolute discretion) addressed to the bank or financial institution with whom the Assigned Account is held;
- (ii) in respect of each Blocked Account which is an Assigned Account by issuing, on the date on which the assignment is granted, a notice (in a form acceptable to the Lender in its absolute discretion) addressed to the bank or financial institution with whom the Assigned Account is held; and
- (iii) in respect of any Account subsequently designated in writing by the Lender and the Chargor as an Assigned Account or a Blocked Account, by issuing, within 5 Business Days of the date of the designation, a notice (in a form acceptable to the Lender in its absolute discretion) addressed to the bank or financial institution with whom the Assigned Account or Blocked Account is held.

5.2.2 The Chargor shall use all reasonable endeavours to procure that, within 14 days of the date of the each notice of assignment delivered pursuant to Clause 5.2.1 above, each notice of assignment is acknowledged by the party to whom it is addressed.

5.2.3 The Chargor will deliver to the Lender:-

- (a) a copy of each notice of assignment, within 5 Business Days of delivery to the relevant counterparty; and
- (b) a copy of each acknowledgment of a notice of assignment, within 5 Business Days of receipt from the relevant counterparty.

5.3 Delivery of Documents of Title

The Chargor shall upon the execution of this Supplemental Debenture (or, if later, upon receipt or entitlement thereof), deposit with the Lender and the Lender during the continuance of this security shall be entitled to hold all deeds, certificates and other documents of title relating to Land, the Securities and the Insurances. In the case of the Securities, the Chargor shall also deliver such stock transfer forms or other instruments of transfer (stamped and executed in blank by the Chargor) as the Lender may request.

5.4 Application to the Land Registry

The Chargor and the Lender apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by the Chargor:-

5.4.1 a restriction in the following terms:-

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a

written consent signed by the proprietor for the time being of the charge dated *[insert date of charge]* in favour of *[insert name of Lender]* referred to in the charges register (Form P)".

- 5.4.2 a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents and the security created by the charge dated *[insert date]* in favour of *[insert name of Lender]* has been created for the purpose of securing such further advances.

6. DEBENTURE

For the purposes of this Supplemental Debenture and the Debenture with effect from the date of this Supplemental Debenture, the property and assets of the Chargor mortgaged, charged, or assigned to the Lender (whether by way of legal mortgage, assignment or fixed or floating charge) by or pursuant to this Supplemental Debenture shall form part of the Charged Property and references in the Debenture to the Security created by or pursuant to the Debenture will be deemed to include the Security created by or pursuant to this Supplemental Debenture.

7. FURTHER ASSURANCE

7.1 General

The Chargor shall, at its own expense, at any time when required by the Lender, execute and deliver to the Lender:-

- 7.1.1 a valid legal mortgage of any Land now or in the future owned by the Chargor;
- 7.1.2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to the Chargor;
- 7.1.3 a legal assignment or other fixed Security over all or any of the Charged Property;
- 7.1.4 where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Lender may require; and
- 7.1.5 a notice to any third party of any of the charges or assignments created by or pursuant to this Debenture,

in each case, in the Lender's standard form or such other form as the Lender may require.

7.2 Other acts

Without prejudice to Clause 7.1 (*General*), the Chargor shall, at its own expense, at any time when required by the Lender, do and concur in all acts or things as the Lender may deem necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any of the Security intended to be created by this Debenture over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Lender or any Receiver by this Supplemental Debenture.

8. RESTRICTIONS ON DEALING

8.1 Negative Pledge

The Chargor undertakes that it shall not, at any time during the subsistence of this Supplemental Debenture, create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the terms of the Finance Documents.

8.2 Disposals

The Chargor undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Debenture, except as expressly permitted under the terms of the Finance Documents, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, provided that, until:-

8.2.1 the floating charge created by Clause 3.2 (*Floating Charge*) is converted into a fixed charge; or

8.2.2 the occurrence of the Enforcement Date,

the Chargor may hold, enjoy and deal with, in accordance with the Finance Documents, the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

9. SECURITIES

9.1 Securities: Before Enforcement Date

Prior to the occurrence of the Enforcement Date, the Chargor shall:-

9.1.1 pay all dividends, interest and other monies arising from the Securities into an Account; and

9.1.2 exercise all voting rights in relation to the Securities for any purpose not inconsistent with the terms of the Finance Documents.

9.2 Securities: After Enforcement Date

After the occurrence of the Enforcement Date, the Lender may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):-

9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Securities;

9.2.2 apply all dividends, interest and other monies arising from the Securities in accordance with Clause 17 (*Application of Moneys*);

9.2.3 transfer the Securities into the name of such nominee(s) of the Lender as it shall require; and

9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Lender may think fit and the proceeds of any such action shall form part of the Charged Property.

9.3 **Securities: Payment of Calls**

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Securities which are not fully paid (unless reasonably contested), and in any case of default by the Chargor in such payment, the Lender may, if it thinks fit, make such payment on behalf of the Chargor in which case any sums paid by the Lender shall be reimbursed by the Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate notified to the Chargor by the Lender.

9.4 **Securities: Exercise of Rights**

The Chargor shall not exercise any of its respective rights and powers in relation to any of the Securities in any manner which, in the opinion of the Lender, would prejudice the effectiveness of, or the ability of the Lender to realise, the security created by or pursuant to this Debenture.

10. **ACCOUNTS**

10.1 **General**

10.1.1 The Chargor shall:

- (a) deliver to the Lender:-
 - (i) on the date of this Deed, details of each of its Accounts; and
 - (ii) if any change in such detail (including any renewal or redesignation of any such Account) occurs after the date of this Deed or any new Account is opened as permitted under the terms of the Facility Agreement, details of such change or new Account on the date of such change or opening;
- (b) not, without the prior written consent of the Lender, permit or agree to any variation of the rights attaching to, or close, any Account; and
- (c) open such new Accounts as the Lender may require (whether before or after the Security created by this Deed has become enforceable).

10.1.2 Without prejudice to and in addition to Clause 8.1 (*Negative pledge*) and 8.2 (*Disposals*):

- (a) the benefit of each Charged Account and each Assigned Account shall not be capable of assignment or charge (in whole or in part) save pursuant to this Deed; and
- (b) the Chargor agrees that it will not assign (whether by sale or mortgage), charge or otherwise seek to deal with or dispose of all or any part of any Charged Account or Assigned Account without the prior written consent of the Lender.

10.1.3 Upon the Security created by this Deed becoming enforceable, the Lender shall be deemed to have designated in writing all Accounts other than the Charged Accounts and the Assigned Accounts as Assigned Accounts (or, in the case of any Accounts maintained with the Lender (in any capacity), as Charged Accounts) and at any time thereafter the Lender may:

- (a) in relation to such new Assigned Accounts, require the Chargor to, and the Chargor shall immediately on request, serve a notice of assignment in accordance with Clause 5.2 (*Notices of assignment*) on each bank or other financial institution with which any such Account is maintained (and the Chargor shall comply with its obligation under Clause 5.2.3 to obtain an acknowledgement of each such notice of assignment); and
- (b) exercise from time to time, all rights, powers and remedies of the Chargor in relation to any or all of its Accounts, including to demand and receive all and any moneys standing to the credit of such Accounts.

10.2 Charged Accounts

10.2.1 Charged Accounts: before a Termination Event

- (a) The Chargor shall, prior to the occurrence of a Termination Event, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Charged Account (other than any Blocked Account).
- (b) Save as permitted pursuant to the terms of the Finance Documents, the Chargor shall not make any withdrawal from any Blocked Account without the prior written consent of the Lender.
- (c) If and to the extent necessary to enable, and for the sole purpose of enabling:
 - (i) the Chargor to comply with their obligations to make repayments of the Secured Liabilities arising under the Finance Documents; or
 - (ii) the Lender to apply the proceeds thereof in or towards repayment of the Secured Liabilities in accordance with the terms of the Finance Documents,

the Lender shall release from the Security created by this Deed the whole or any part of the sums standing to the credit of any Blocked Account.

- (d) The Chargor hereby authorises the Lender (in its capacity as the bank with whom each Charged Account is maintained) to endorse any statement in relation to any Charged Account with a statement to the effect that:-
 - (i) the benefit of such Charged Account is not capable of assignment or charge without the prior written consent of the Lender;
 - (ii) the Chargor has agreed not to assign, charge or otherwise deal with any moneys standing to the credit of such Charged Account without the prior written consent of the Lender; and
 - (iii) the benefit of such Charged Account is subject to a first fixed charge in favour of the Lender.

10.2.2 Charged Accounts: after a Termination Event

- (a) The Lender shall, upon the occurrence of a Termination Event be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Charged Account in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 17 (*Application of Moneys*).
- (b) After the occurrence of a Termination Event, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Charged Account except with the prior consent of the Lender.

10.3 Assigned Accounts

10.3.1 Assigned Accounts: before a Termination Event

- (a) Subject to Clause 10.3.1(b) below, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account except with the prior consent of the Lender or as expressly permitted pursuant to the terms of the Finance Documents.
- (b) If and to the extent necessary to enable, and for the sole purpose of enabling:
 - (i) the Chargor to comply with its obligations to make repayments of the Secured Liabilities arising under the Finance Documents; or
 - (ii) the Lender to apply the proceeds thereof in or towards repayment of the Secured Liabilities in accordance with the terms of the Finance Documents,

the Lender shall provide consent or execute any documentation required to allow for the release from the Security created by this Deed the whole or any part of the sums standing to the credit of any Blocked Account.

10.3.2 Assigned Accounts: after a Termination Event

The Lender shall, upon the occurrence of a Termination Event, be entitled without notice to exercise from time to time all rights, powers and remedies held by it as assignee of the Assigned Accounts and to:-

- (a) demand and receive all and any moneys due under or arising out of each Assigned Account;
- (b) exercise all such rights as the Chargor was then entitled to exercise in relation to such Assigned Account or might, but for the terms of this Deed, exercise; and
- (c) apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 17 (*Application of Moneys*).

11. MONETARY CLAIMS

11.1 No dealing with Monetary Claims, Borrowing Base Receivables and Refund Receivables

The Chargor shall not at any time during the subsistence of this Debenture, without the prior written consent of the Lender or as permitted pursuant to the terms of the Finance Documents, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims, Borrowing Base Receivables or Refund Receivables or enter into any agreement to do any of the foregoing.

11.2 Proceeds of Monetary Claims, Borrowing Base Receivables and Refund Receivables

The Chargor shall get in and realise the Monetary Claims, Borrowing Base Receivables or Refund Receivables and pay those proceeds in each case in accordance with the terms of the Finance Documents.

12. INSURANCES

12.1 Insurances: Undertakings

The Chargor shall at all times during the subsistence of this Supplemental Debenture:-

12.1.1 keep the Charged Property insured with those insurances normally maintained by prudent companies carrying on a similar business and with an insurance office or underwriters to be approved by the Lender in writing from time to time and otherwise in accordance with the terms of the Finance Documents;

12.1.2 if required by the Lender, cause each Insurance relating to the Charged Property to contain (in form and substance satisfactory to the Lender) an endorsement naming the Lender as sole loss payee in respect of all claims;

12.1.3 promptly pay all premiums and other moneys payable under all its Insurances or procure that such is done and, promptly upon request, produce to the Lender a copy of each policy and evidence (acceptable to the Lender) of the payment of such sums (or procure that such is done) and not do or omit to do or permit or suffer to be done or omitted to be done, anything which might render any Insurance required by this clause void, voidable or unenforceable; and

12.1.4 if required by the Lender, provide a copy of all Insurances relating to the Charged Property to the Lender.

12.2 Insurance: Default

If the Chargor defaults in complying with Clause 12.1 (*Insurance: Undertakings*), the Lender may effect or renew any such Insurance on such terms, in such name(s) and in such amount(s) as it considers appropriate, and all moneys expended by the Lender in doing so shall be reimbursed by the Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate specified in Clause 2 (*Covenant to Pay*).

12.3 Application of Insurance Proceeds

All moneys received under any Insurance relating to the Charged Property shall, prior to the occurrence of the Enforcement Date, be applied in accordance with the terms of the Finance Documents. After the occurrence of the Enforcement Date, the Chargor shall hold such moneys upon trust for the Lender pending payment to the Lender for

application in accordance with Clause 17 (*Application of Moneys*) and the Chargor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

13. LAND

The Chargor shall (with the intent that this Clause 13 (*Land*) shall apply in relation to all Land now vested in the Chargor or acquired by the Chargor after the date of this Supplemental Debenture):-

13.1 Repair and Alterations

- 13.1.1 keep or cause to be kept all buildings and Fixtures from time to time on or in any of its Land and all other plant, machinery and equipment belonging to it in good and substantial repair and good working order;
- 13.1.2 not, without the prior written consent of the Lender, make or permit the making of any alteration or addition to any of its Land (other than internal non-structural alterations) or commit or permit any person to commit any waste upon or injure or in any manner or by any means lessen the value of its Land or sever or permit to be severed from any of its Land any Fixtures except for the purpose of replacing them as soon as practicable with others of equal or greater value; and
- 13.1.3 permit any authorised representative of the Lender at any time to enter any of its Land for any purpose without becoming liable to account as a mortgagee in possession and to inspect and test any work being carried out and, where any breach of covenant, defect, disrepair or unauthorised alteration, improvement or addition shall be found, remedy all such breaches and execute all such repairs or removals as the Lender may require within 28 days after notice (or immediately, in case of emergency);

13.2 Statutes

- 13.2.1 comply with the provisions of all statutes and the requirement of any competent authority affecting any of its Land or the use of any of its Land or anything done on any Land; and
- 13.2.2 ensure that all consents and approvals under all statutes and the regulations and codes of practice of any competent authority affecting any of its Land have been obtained and are complied with, and produce on demand such evidence as the Lender may require to satisfy itself that such consents and approvals have been obtained and are complied with;

13.3 Leases

- 13.3.1 pay the rents and observe and perform all covenants, conditions, agreements or obligations on its part to be observed and performed contained in any lease under which any of its Land is held by the Chargor and any licence, consent or approval given under any lease, and use its best endeavours to enforce observance and performance of the lessor's covenants in any lease;
- 13.3.2 not accelerate or defer payment of any moneys payable under any such lease and where any lease contains a provision for the review of rent promptly notify the Lender of any attempt by the lessor to implement a review but not agree the reviewed rent or appoint or agree to the appointment of a third party to determine a rent review without the prior written consent of the Lender;

- 13.3.3 not to apply for any licence, consent or approval under any such lease or any superior lease without the prior written consent of the Lender; and
- 13.3.4 promptly give notice to the Lender if the Chargor receives notice under section 146 of the LPA or any proceedings are commenced for forfeiture of any such lease or any superior lease or the lessor or any superior lessor re-enters or attempts to re-enter thereunder and at the request of the Lender but at the cost of the Chargor take such steps as the Lender may require in relation thereto;

13.4 Power of Leasing

not, without the prior written consent of the Lender, exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors by common law or by statute or create or suffer to be created a tenancy of any description of any of its Land or confer or permit to be conferred upon any person any contractual licence, right or interest to occupy or use or grant any licence or permission to assign, underlet or part with possession of the whole or any part of its Land or agree to do any of the foregoing, and sections 99 and 100 of the LPA shall not apply to this Supplemental Debenture;

13.5 Compulsory Acquisition

not without the prior written consent of the Lender enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its Land or consent to the compulsory acquisition of any of its Land, and, if so requested by the Lender, permit the Lender or its authorised representatives to conduct such negotiations or to give such consent on the Chargor's behalf;

13.6 Outgoings

pay as and when the same become due all rates, taxes, duties, charges, assessments and other outgoings payable in respect of its Land; and

13.7 Encumbrances

comply with:-

- 13.7.1 all obligations, covenants, exceptions, reservations, licences, approvals, consents, stipulations, restrictions and conditions to which it is subject including, but without limitation, those relating to any of its Land or the use or enjoyment of any of its Land or imposed upon the Chargor as owner, occupier or user, as the case may be, of any of its Land; and
- 13.7.2 its obligations under any Security having priority to the Security created by or pursuant to this Supplemental Debenture.

14. DEMAND AND ENFORCEMENT

14.1 Enforcement

This Supplemental Debenture shall become enforceable in respect of and against the Chargor:-

- 14.1.1 upon any demand being made by the Lender under any Finance Document for payment of any of the Secured Liabilities by the Chargor;
- 14.1.2 upon any request being made by the Chargor to the Lender for the appointment of a Receiver or for the Lender to exercise any other power or right available to it;

- 14.1.3 upon the occurrence of any event causing, or purporting to cause, the floating charge created by this Supplemental Debenture to become fixed in relation to any Charged Property; or
- 14.1.4 upon the passing of any resolution, or the presentation of a petition, for winding up of the Chargor or the making of an application for an administration order in relation to the Chargor or the taking of any steps in relation to the appointment of an administrator of the Chargor.

14.2 Demand for payment

Any demand for payment, and any other notice to be given by the Lender under this Supplemental Debenture, shall be in writing and may be signed by any authorised signatory on behalf of the Lender, and may be made or given to the Chargor at any place of business of the Chargor, or the registered office of the Chargor:-

- 14.2.1 by delivering it to any such place; or
- 14.2.2 by sending it by first class post to any such place (in which case it shall be deemed received at 10.00am on the next Business Day after posting, and proof of posting shall be proof of delivery); or
- 14.2.3 by sending it by fax to any fax number of the Chargor (in which case it shall be deemed received when sent, and proof of sending shall be proof of receipt).

14.3 Powers on enforcement

At any time after this Supplemental Debenture has become enforceable, the Lender may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:-

- 14.3.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Supplemental Debenture, without the restrictions contained in sections 103 or 109(1) of the LPA; and
- 14.3.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Property, without the restrictions imposed by sections 99 and 100 of the LPA.

15. RECEIVERS

15.1 Appointment

At any time after this Supplemental Debenture has become enforceable in respect of and against the Chargor, the Lender may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Property of the Chargor charged under this Supplemental Debenture or an administrator of the Chargor. An appointment over part only of such Charged Property shall not preclude the Lender from making any subsequent appointment over any other part of such Charged Property.

15.2 Appointment in writing

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Lender. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

15.3 Remuneration

The Lender may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

15.4 Powers

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Lender, and the Receiver shall have and be entitled to exercise in relation to the Charged Property all the powers:-

- 15.4.1 conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- 15.4.2 of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 15.4.3 and rights that an absolute owner would have in relation to any Charged Property; and
- 15.4.4 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

16. POWER OF ATTORNEY

16.1 Appointment

The Chargor hereby irrevocably and by way of security appoints:-

- 16.1.1 the Lender (whether or not a Receiver has been appointed); and also
- 16.1.2 (as a separate appointment) each Receiver,

severally as the attorney and attorneys of the Chargor with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Supplemental Debenture, or which the Lender in its sole opinion may consider necessary or desirable for perfecting the Lender's title to any of the Charged Property of the Chargor or enabling the Lender or the Receiver to exercise any of its or his rights or powers under this Supplemental Debenture.

16.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 16.1 (*Appointment*) shall do or purport to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 16.1 (*Appointment*).

17. APPLICATION OF MONEYS

17.1 Application of moneys

All sums received by virtue of this Supplemental Debenture by the Lender or the Receiver shall, subject to the payment of any claim having priority to this Supplemental Debenture, be paid or applied in the following order of priority:-

- 17.1.1 first, in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Lender, or the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;
- 17.1.2 secondly, in or towards payment of the Secured Liabilities in such order as the Lender may at its discretion require; and
- 17.1.3 thirdly, as to the surplus (if any), to the person or persons entitled to such surplus,

and section 109(8) of the LPA shall not apply.

18. CONSOLIDATION

18.1 Combination of accounts

In addition to any general lien, right to combine accounts, right of set-off or other right which it may at any time have, the Lender shall have the right at any time or times, without notice to the relevant Chargor, to combine or consolidate all or any accounts which it then has in relation to the Chargor (in whatever name) and any Secured Liabilities owed by the Chargor to the Lender, and/or to set-off or transfer any amounts standing to the credit of one or more accounts of the Chargor in or towards satisfaction of any Secured Liabilities owed to the Lender on any other account or otherwise.

18.2 Application

The Lender's rights under Clause 18.1 apply:-

- 18.2.1 whether or not any demand has been made under this Supplemental Debenture, or any liability concerned has fallen due for payment;
- 18.2.2 whether or not any credit balance is immediately available or subject to any restriction;
- 18.2.3 irrespective of the currencies in which any balance or liability is denominated, and the Lender may for the purpose of exercising its right elect to convert any sum or liability in one currency into any other at its spot rate applying at or about 11.00am on the date of conversion; and
- 18.2.4 in respect of any Secured Liabilities owed by the Chargor, whether owed solely or jointly, certainly or contingently, presently or in the future, as principal or surety, and howsoever arising.

19. PROTECTION OF THIRD PARTIES

19.1 Statutory powers

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Lender, as varied and extended by this Supplemental Debenture, and all other powers of the Lender, shall be deemed to arise (and the

Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Supplemental Debenture.

19.2 Purchasers

No purchaser from or other person dealing with the Lender, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

19.3 Receipts

The receipt of the Lender or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Lender.

20. PROTECTION OF THE LENDER AND ANY RECEIVER

20.1 No liability

The Lender and any Receiver shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of their respective powers under this Supplemental Debenture.

20.2 Not mortgagee in possession

Without prejudice to any other provision of this Supplemental Debenture, entry into possession of any Charged Property shall not render the Lender or the Receiver liable:-

20.2.1 to account as mortgagee in possession;

20.2.2 for any loss on realisation; or

20.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Lender or the Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to go out of such possession.

20.3 Indemnity

The Chargor shall indemnify and keep indemnified the Lender, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs, expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Supplemental Debenture, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Supplemental Debenture or the Charged Property.

20.4 Currency protection

If any amount due to be paid to the Lender is, for any reason, paid in a currency (the "currency of payment") other than the currency in which it was expressed to be payable (the "contractual currency"), the Lender may wherever it thinks fit apply the amount of the currency of payment received by it in the purchase, in accordance with its normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and

commissions payable in connection with that purchase, the Chargor shall indemnify the Lender against the amount of the shortfall.

20.5 Continuing protection

The provisions of this Clause 20 shall continue in full force and effect notwithstanding any release or discharge of this Supplemental Debenture, or the discharge of any Receiver from office.

21. PROVISIONS RELATING TO THE LENDER

21.1 Powers and discretions

The rights, powers and discretions given to the Lender in this Supplemental Debenture:-

21.1.1 may be exercised as often as, and in such manner as, the Lender thinks fit;

21.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and

21.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

21.2 Certificates

A certificate by an authorised officer of the Lender as to any sums payable to the Lender under this Supplemental Debenture shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

21.3 Assignment

The Lender may assign this Supplemental Debenture to any successor in title to any of the Secured Liabilities and the Lender may disclose any information in its possession relating to the Chargor, its affairs or the Secured Liabilities to any actual or prospective assignee.

21.4 Delegation

The Lender may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers and discretions which are for the time being exercisable by it under this Supplemental Debenture.

22. PRESERVATION OF SECURITY

22.1 Continuing Security

This Supplemental Debenture shall be a continuing security to the Lender and shall remain in force until expressly discharged in writing by the Lender notwithstanding any intermediate settlement of account or other matter or thing whatsoever and shall be without prejudice and in addition to any other right, remedy or Security of any kind which the Lender may have now or at any time in the future for or in respect of any of the Secured Liabilities.

22.2 No Merger

This Supplemental Debenture is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Lender may at any time hold for any other Secured Liabilities.

22.3 Waiver of Defences

Neither the Security created by this Supplemental Debenture nor the obligations of the Chargor under this Supplemental Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it or the Lender) including:-

- 22.3.1 any time, waiver or consent granted to, or composition with, the Chargor or other person;
- 22.3.2 the release of the Chargor or any other person under the terms of any composition or arrangement with any person;
- 22.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 22.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- 22.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- 22.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- 22.3.7 an insolvency, liquidation, administration or similar procedure.

22.4 Order of Recourse

This Supplemental Debenture may be enforced against the Chargor without the Lender first having recourse to any other right, remedy, guarantee or Security held by or available to any of them.

22.5 Suspense Accounts

The Lender may, without prejudice to any other rights it may have, at any time and from time to time place (and keep for such time as it may think prudent) any moneys received, recovered or realised under or by virtue of this Supplemental Debenture on a separate or suspense account to the credit either of the Chargor or, at the sole discretion of the Lender if a Termination Event has occurred and is continuing, of the Lender as the Lender shall think fit without any intermediate obligation on the Lender's part to apply the same or any part of it in or towards the discharge of the Secured Liabilities.

22.6 New Accounts

If the Lender receives notice of any subsequent charge or other security interest affecting any of the Charged Property, the Lender shall be entitled to close the Chargor's then current account or accounts and to open a new account or accounts for the Chargor. If the Lender does not open a new account or accounts immediately on receipt of such notice it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made for the

credit of the Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from the Chargor to the Lender at the time when it received such notice.

22.7 Tacking

For the purposes of section 94(1) of the LPA and section 49(3) of the Land Registration Act 2002 the Lender confirms that it shall make further advances to the Chargor on the terms and subject to the conditions of the Finance Documents.

22.8 Reinstatement

If any payment by the Chargor or discharge given by the Lender (whether in respect of the obligations of the Chargor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:-

22.8.1 the liability of the Chargor and the Security created by this Supplemental Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

22.8.2 the Lender shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

23. RELEASE

23.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Lender shall, or shall procure that its appointees will, at the request and cost of the Chargor:-

23.1.1 release the Charged Property from this Supplemental Debenture; and

23.1.2 re-assign the Charged Property that has been assigned to the Lender under this Supplemental Debenture.

23.2 Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Supplemental Debenture.

24. MISCELLANEOUS PROVISIONS

24.1 Severability

If any provision of this Supplemental Debenture is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

24.1.1 the validity or enforceability of any other provision, in any jurisdiction; or

24.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

24.2 Costs, charges and expenses

All costs, charges and expenses incurred or paid by the Lender or by the Receiver in the exercise of any power or right given by this Supplemental Debenture or in relation to any consent requested by the Chargor, or in perfecting or otherwise in connection with this Supplemental Debenture, the other Finance Documents or the Charged Property, all sums recoverable under Clause 20 (*Protection of the Lender and any Receiver*) and all costs of the Lender (on an indemnity basis) of all proceedings for the enforcement of this Supplemental Debenture or for obtaining payment of moneys by

this Supplemental Debenture secured, shall be recoverable from the Chargor as debts, may be debited by the Lender at any time to any account of the Chargor and shall bear interest until payment at the rate or rates applicable to the account to which they are debited, or, if there is no such rate, at two per cent. over the Lender's base rate.

24.3 Contracts (Rights of Third Parties) Act 1999

The Lender, any Receiver and their respective officers, employees and agents may enforce any term of this Supplemental Debenture which purports to confer a benefit on that person, but no other person who is not a party to this Supplemental Debenture has any right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Supplemental Debenture.

24.4 Counterparts

This Supplemental Debenture 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 Supplemental Debenture.

25. NOTICES

25.1 Communications in Writing

Each communication to be made under or in connection with this Supplemental Debenture shall be made in writing and, unless otherwise stated, shall be made by e-mail or letter.

25.2 Addresses

The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Supplemental Debenture is:-

25.2.1 in the case of each Chargor, that identified with its name below;

25.2.2 in the case of the Lender, that identified with its name below,

or any substitute address, e-mail address, or department or officer as the Chargor may notify to the Lender (or the Lender may notify to the Chargor, if a change is made by the Lender) by not less than five Business Days' notice.

25.3 Delivery

25.3.1 Any communication or document made or delivered by one person to another under or in connection with this Supplemental Debenture will only be effective:-

(a) if by email, at the time of receipt;

(b) 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 25.2 (*Addresses*) of this Supplemental Debenture if addressed to that department or officer.

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

25.4 English language

25.4.1 Any notice given under or in connection with this Supplemental Debenture must be in English.

25.4.2 All other documents provided under or in connection with this Supplemental Debenture must be:-

(a) in English; or

(b) if not in English, and if so required by the Lender, 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.

26. EFFECT ON DEBENTURE

The Debenture shall continue in full force and effect as supplemented by this Supplemental Debenture.

27. GOVERNING LAW

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

EXECUTED AND DELIVERED AS A DEED by the Chargor and executed by the Lender on the date set out at the beginning of this Supplemental Debenture.

SCHEDULE 1
DETAILS OF LAND
REGISTERED LAND

Title number	Description	Chargor

UNREGISTERED LAND

Description	Chargor

SCHEDULE 2

DETAILS OF ASSIGNED ACCOUNTS

Name of bank or financial institution	Account name	Account number	Sort code
None at the date of this deed			

SCHEDULE 3
DETAILS OF CHARGED ACCOUNTS

Account name	Account number	Sort code
<div></div>		

The Chargor

EXECUTED (but not delivered until)
the date hereof) **AS A DEED** by)
SOURCE INSURANCE LIMITED acting by)
a director, in the presence of:-)

Director Signature:

Name:

TANIA PROWSE.

Witness Signature:

Name:

PAUL BECKETT

Occupation:

Address:

Email address for notices:

Attention details for notices:

FLOOR 2 WING A GLOBAL REACH
DUNLEAVY DRIVE CANINE
CA11 0SN

The Lender

SIGNED by)
a duly authorised signatory for and on)
behalf of **BARCLAYS BANK PLC** in the)
presence of:-)

Duly authorised attorney

Witness Signature:

Name:

Occupation:

Address:

Email address for notices:

Attention details for notices:

EXECUTION VERSION

DATED 21 NOVEMBER 2019

(1) SOURCE INSURANCE LIMITED
(AS CHARGOR)

(2) BARCLAYS BANK PLC
(AS LENDER)

SUPPLEMENTAL DEBENTURE

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THIS SUPPLEMENTAL DEBENTURE is made on 21 NOVEMBER 2019

BETWEEN:-

- (1) **SOURCE INSURANCE LIMITED** (Company Number 02864963) whose registered office is at Global Réach, Dunleavy Drive, Cardiff, Wales, CF11 0SN (the "Chargor") and
- (2) **BARCLAYS BANK PLC** (the "Lender").

THIS DEED WITNESSES as follows:-

1. **INTERPRETATION**

1.1 **Definitions**

In this Supplemental Debenture:-

"Account" means any account now or at any time (and from time to time) opened, owned, operated, held or maintained by the Chargor (or in which the Chargor has an interest) at any bank or financial institution (and shall include any replacement account, subdivision or sub-account of that account) and all moneys from time to time standing to the credit (including any interest thereon) of such accounts

"Assigned Account" means:-

- (a) each of the Accounts specified in Schedule 2 (*Details of Assigned Accounts*) (and any renewal or redesignation of such Accounts)
- (b) any Blocked Accounts which are maintained with any bank or financial institution other than the Lender and
- (c) any other Account agreed by the Lender and the Chargor in writing to be an Assigned Account

"Assigned Contract" means:-

- (a) each Credit Agreement
- (b) any other contract agreed by the Lender and the Chargor in writing to be an Assigned Contract

"Assigned Receivables" means the Borrowing Base Receivables and Refund Receivables

"Blocked Account" means any Account agreed by the Lender and the Chargor in writing to be a Blocked Account and such accounts shall be those blocked such that the proceeds cannot be withdrawn without the consent of the bank or financial institution with which it is held

"Borrowing Base" means those Eligible Receivables which relate to repayments under the Credit Agreements and which

Receivables"	have created Availability under the terms of the Facility Agreement and in respect of such Availability the Lender has made a Loan to the Chargor pursuant to the terms of the Facility Agreement
"Charged Account"	means:- <ul style="list-style-type: none"> (a) the Accounts maintained by the Chargor with the Lender and designated in writing as a Charged Account by the Lender including those specified in Schedule 3 (<i>Details of Charged Accounts</i>) and (b) any Blocked Accounts maintained with the Lender (acting in any capacity)
"Charged Property"	means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Lender by or pursuant to this Supplemental Debenture
"Debenture"	means the debenture dated 24 February 2017 made between the Chargor and the Lender
"Enforcement Action"	means:- <ul style="list-style-type: none"> (a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are prematurely due and payable or payable on demand (b) the taking of any steps to enforce or require the enforcement of this Supplemental Debenture (including the crystallisation of any floating charge) (c) the making of any demand against the Chargor in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities (d) the exercise of any right of set-off against the Chargor in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank (e) the suing for, commencing or joining of any legal or arbitration proceedings against the Chargor to recover any Secured Liabilities or (f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding-up, insolvency or dissolution of or in relation to the Chargor
"Enforcement Date"	means the date on which the Lender first takes Enforcement Action
"Facility Agreement"	means the £12,000,000 receivables finance facility agreement dated 24 February 2017 and entered into between the Chargor and the Lender

"Finance Documents"	has the meaning given to the term "Finance Documents" in the Facility Agreement
"Fixed Plant and Equipment"	means all plant, machinery or equipment of the Chargor of any kind which does not for any reason constitute a Fixture, but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building
"Fixtures"	means all things of any kind now or at any time affixed to the Land for any purpose, including, without limitation, trade and tenants fixtures
"Insurances"	means any policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy
"Intellectual Property"	means any of the following in which the Chargor has an interest:- <ul style="list-style-type: none"> (a) any registered intellectual property right in any territory or jurisdiction, including, without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above (b) any invention, copyright, design right or performance right (c) any trade secrets, know-how and confidential information and (d) the benefit of any agreement or licence for the use of any such right
"Land"	means any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on the Land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes "Land" excludes heritable property situated in Scotland
"Loose Plant and Equipment"	means, in relation to the Chargor, all plant, machinery, equipment and motor vehicles now or at any time owned by the Chargor as a capital asset which is not Fixed Plant and Equipment
"LPA"	means the Law of Property Act 1925
"Monetary Claims"	means, other than a Borrowing Base Receivable or Refund Receivable, all other book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together

	with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt
"Notice of Charge"	means a notice of charge in such form as may be specified by the Lender
"Receiver"	means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property
"Refund Receivables"	means the Eligible Receivable which relates to amounts returned to or recovered by the Chargor following the early termination or cancellation of a Credit Agreement
"Related Rights"	means in relation to any Charged Property:- <ul style="list-style-type: none"> (a) the proceeds of sale of any part of that Charged Property (b) allotments, rights, money or property arising from that Charged Property, by way of conversion, exchange, redemption, bonus, preference, option or otherwise (c) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property (d) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Property and (e) any moneys and proceeds paid or payable in respect of that Charged Property
"Secured Liabilities"	means all present and future obligations and liabilities expressed to be due, owing or payable by the Chargor to the Lender (whether present or future, actual or contingent and whether incurred solely or jointly (or jointly and severally) with any other person) including without limitation interest, commission, costs, charges and expenses charged by the Lender at rates agreed between it and the Chargor, or in the absence of express agreement, in accordance with the Lender's normal practice for the time being
"Securities"	means all the right, title and interest of the Chargor, now or in the future, in any:- <ul style="list-style-type: none"> (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any

person and

- (c) units or other interests in any unit trust or collective investment scheme

"Security" means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

1.2 Incorporation of terms

Unless the context otherwise requires or unless defined in this Supplemental Debenture, all words and expressions defined or whose interpretation is provided for in the Finance Documents shall have the same meanings in this Supplemental Debenture.

1.3 Interpretation

In this Supplemental Debenture, unless the context otherwise requires:-

- 1.3.1 words importing the singular shall include the plural and vice versa and reference to any gender includes the other gender;
- 1.3.2 the term **"assets"** includes all property, rights and revenues whatsoever, and wheresoever, present and future;
- 1.3.3 references to a **"guarantee"** include an indemnity or any other form of surety;
- 1.3.4 a Default (other than a Termination Event) is **"continuing"** if it has not been remedied or waived and a Termination Event is continuing if it has not been waived
- 1.3.5 all references to documents include all variations and replacements of such documents and supplements to such documents;
- 1.3.6 all references to a party include references to its personal representatives, permitted assigns and transferees and its successors in title;
- 1.3.7 references to persons include bodies corporate, unincorporated associations and partnerships; and
- 1.3.8 words and phrases defined in the Companies Act 2006 have the same meanings in this Supplemental Debenture but the word **"company"** includes any body corporate.

1.4 Statutes and headings

In this Supplemental Debenture:-

- 1.4.1 any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced; and
- 1.4.2 headings are for reference purposes only and shall not affect the construction of anything in this Supplemental Debenture.

1.5 **Clauses and Schedule**

In this Supplemental Debenture references to "**Clauses**" are to the clauses or sub-clauses of this Supplemental Debenture and references to the "**Schedule**" are to the schedule to this Supplemental Debenture. The Schedule shall be treated as an integral part of this Supplemental Debenture and references to this Supplemental Debenture shall include the Schedule.

2. **COVENANT TO PAY**

2.1 **Secured Liabilities**

The Chargor covenants that it will on demand of the Lender pay and discharge any or all of the Secured Liabilities when due.

2.2 **Interest**

The Chargor covenants to pay interest to the Lender upon any sum demanded in accordance with Clause 2.1 (*Secured Liabilities*) until payment (both before and after any judgment) at two per cent. above the rate applicable to that sum immediately before demand.

3. **CHARGES**

3.1 **Mortgages and Fixed Charges**

As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender all its right, title and interest from time to time in each of the following assets:-

3.1.1 by way of first legal mortgage all Land which is described in Schedule 1 (if any) and all other Land now vested in the Chargor;

3.1.2 by way of first fixed charge all other Land now vested in the Chargor (to the extent not effectively charged by Clause 3.1.1) and all Land acquired by the Chargor after the date of this Supplemental Debenture;

3.1.3 by way of first fixed charge:-

- (a) the Securities;
- (b) the Intellectual Property;
- (c) the Borrowing Base Receivables to the extent the assignment in Clause 3.2 (*Assignments*) has failed for any reason;
- (d) the Refund Receivables to the extent the assignment in Clause 3.2 (*Assignments*) has failed for any reason;
- (e) the Monetary Claims;
- (f) the Fixed Plant and Equipment;
- (g) the Loose Plant and Equipment;
- (h) all amounts standing to the credit of the Charged Accounts;
- (i) the Insurances;

(j) the Related Rights under or in connection with the Securities, the Charged Accounts, the Insurances, the Intellectual Property, the Borrowing Base Receivables, the Refund Receivables, the Monetary Claims, the Fixed Plant and Equipment and the Loose Plant and Equipment; and

(k) its present and future goodwill and uncalled capital.

3.2 Assignments

As a continuing security for payment and discharge of the Secured Liabilities, the Chargor assigns absolutely, subject to a proviso for reassignment on the irrevocable discharge in full of the Secured Liabilities, all its right, title and interest from time to time in:-

3.2.1 the Assigned Contracts to which it is a party;

3.2.2 all Related Rights under or in connection with the Assigned Contracts to which it is a party;

3.2.3 the Assigned Accounts in its name;

3.2.4 all Related Rights under or in connection with the Assigned Accounts in its name;

3.2.5 the Assigned Receivables;

3.2.6 all Related Rights under or in connection with the Assigned Receivables.

3.3 Floating Charge

As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charges by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Supplemental Debenture, including, without limitation, any heritable property of the Chargor situated in Scotland.

3.4 Trust

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Lender.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by this Supplemental Debenture.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: By Notice

The Lender may at any time by notice in writing to the Chargor convert the floating charge created by Clause 3.2 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:-

4.1.1 the Enforcement Date has occurred;

4.1.2 the Lender considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or

- 4.1.3 the Lender considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Supplemental Debenture.

4.2 Crystallisation: Automatic

The floating charge created by Clause 3.2 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:-

- 4.2.1 the Chargor creates or attempts to create any Security (other than as permitted pursuant to the terms of the Finance Documents) over any of the Charged Property; or
- 4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 4.2.3 any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor, over all or any part of its assets, or if such person is appointed.

4.3 Crystallisation: Moratorium where directors propose voluntary arrangement

The floating charge created by Clause 3.2 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:-

- 4.3.1 the obtaining of a moratorium; or
- 4.3.2 anything done with a view to obtaining a moratorium,
- under Schedule A1 to the Insolvency Act 1986.

5. PERFECTION OF SECURITY

5.1 Notices of Charge

The Chargor shall deliver to the Lender (or procure delivery of) Notices of Charge duly executed by, or on behalf of, the Chargor:-

- 5.1.1 in respect of the Insurances, on the date of this Supplemental Debenture and promptly upon purchasing any further Insurance after the date of this Supplemental Debenture;
- 5.1.2 in respect of each Charged Account, on the date of this Supplemental Debenture and promptly upon the opening of any further Account after the date of this Supplemental Debenture; and
- 5.1.3 in respect of any other asset which is the subject of a charge pursuant to Clause 3.1.3, promptly upon the request of the Lender from time to time,

and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the party to whom such Notice of Charge is addressed.

5.2 Notices of assignment

- 5.2.1 The Chargor must deliver notices of assignment in relation to each part of the Charged Property which is subject to an assignment under this Deed:-

- (a) Assigned Contracts: on the date on which there is a Termination Event which is continuing, the Chargor shall (unless the Lender

has agreed otherwise) serve a notice of assignment (in a form acceptable to the Lender in its absolute discretion) addressed to the relevant counterparty;

(b) **Assigned Accounts:**

- (i) in respect of each Assigned Account (other than a Blocked Account) by issuing, on the date on which the assignment is granted, a notice (in a form acceptable to the Lender in its absolute discretion) addressed to the bank or financial institution with whom the Assigned Account is held;
- (ii) in respect of each Blocked Account which is an Assigned Account by issuing, on the date on which the assignment is granted, a notice (in a form acceptable to the Lender in its absolute discretion) addressed to the bank or financial institution with whom the Assigned Account is held; and
- (iii) in respect of any Account subsequently designated in writing by the Lender and the Chargor as an Assigned Account or a Blocked Account, by issuing, within 5 Business Days of the date of the designation, a notice (in a form acceptable to the Lender in its absolute discretion) addressed to the bank or financial institution with whom the Assigned Account or Blocked Account is held.

5.2.2 The Chargor shall use all reasonable endeavours to procure that, within 14 days of the date of the each notice of assignment delivered pursuant to Clause 5.2.1 above, each notice of assignment is acknowledged by the party to whom it is addressed.

5.2.3 The Chargor will deliver to the Lender:-

- (a) a copy of each notice of assignment, within 5 Business Days of delivery to the relevant counterparty; and
- (b) a copy of each acknowledgment of a notice of assignment, within 5 Business Days of receipt from the relevant counterparty.

5.3 Delivery of Documents of Title

The Chargor shall upon the execution of this Supplemental Debenture (or, if later, upon receipt or entitlement thereof), deposit with the Lender and the Lender during the continuance of this security shall be entitled to hold all deeds, certificates and other documents of title relating to Land, the Securities and the Insurances. In the case of the Securities, the Chargor shall also deliver such stock transfer forms or other instruments of transfer (stamped and executed in blank by the Chargor) as the Lender may request.

5.4 Application to the Land Registry

The Chargor and the Lender apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by the Chargor:-

5.4.1 a restriction in the following terms:-

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a

written consent signed by the proprietor for the time being of the charge dated *[insert date of charge]* in favour of *[insert name of Lender]* referred to in the charges register (Form P)".

- 5.4.2 a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents and the security created by the charge dated *[insert date]* in favour of *[insert name of Lender]* has been created for the purpose of securing such further advances.

6. DEBENTURE

For the purposes of this Supplemental Debenture and the Debenture with effect from the date of this Supplemental Debenture, the property and assets of the Chargor mortgaged, charged, or assigned to the Lender (whether by way of legal mortgage, assignment or fixed or floating charge) by or pursuant to this Supplemental Debenture shall form part of the Charged Property and references in the Debenture to the Security created by or pursuant to the Debenture will be deemed to include the Security created by or pursuant to this Supplemental Debenture.

7. FURTHER ASSURANCE

7.1 General

The Chargor shall, at its own expense, at any time when required by the Lender, execute and deliver to the Lender:-

- 7.1.1 a valid legal mortgage of any Land now or in the future owned by the Chargor;
- 7.1.2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to the Chargor;
- 7.1.3 a legal assignment or other fixed Security over all or any of the Charged Property;
- 7.1.4 where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Lender may require; and
- 7.1.5 a notice to any third party of any of the charges or assignments created by or pursuant to this Debenture,

in each case, in the Lender's standard form or such other form as the Lender may require.

7.2 Other acts

Without prejudice to Clause 7.1 (*General*), the Chargor shall, at its own expense, at any time when required by the Lender, do and concur in all acts or things as the Lender may deem necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any of the Security intended to be created by this Debenture over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Lender or any Receiver by this Supplemental Debenture.

8. RESTRICTIONS ON DEALING

8.1 Negative Pledge

The Chargor undertakes that it shall not, at any time during the subsistence of this Supplemental Debenture, create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the terms of the Finance Documents.

8.2 Disposals

The Chargor undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Debenture, except as expressly permitted under the terms of the Finance Documents, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, provided that, until:-

8.2.1 the floating charge created by Clause 3.2 (*Floating Charge*) is converted into a fixed charge; or

8.2.2 the occurrence of the Enforcement Date,

the Chargor may hold, enjoy and deal with, in accordance with the Finance Documents, the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

9. SECURITIES

9.1 Securities: Before Enforcement Date

Prior to the occurrence of the Enforcement Date, the Chargor shall:-

9.1.1 pay all dividends, interest and other monies arising from the Securities into an Account; and

9.1.2 exercise all voting rights in relation to the Securities for any purpose not inconsistent with the terms of the Finance Documents.

9.2 Securities: After Enforcement Date

After the occurrence of the Enforcement Date, the Lender may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor):-

9.2.1 exercise (or refrain from exercising) any voting rights in respect of the Securities;

9.2.2 apply all dividends, interest and other monies arising from the Securities in accordance with Clause 17 (*Application of Moneys*);

9.2.3 transfer the Securities into the name of such nominee(s) of the Lender as it shall require; and

9.2.4 exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Securities,

in each case, in such manner and on such terms as the Lender may think fit and the proceeds of any such action shall form part of the Charged Property.

9.3 Securities: Payment of Calls

The Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Securities which are not fully paid (unless reasonably contested), and in any case of default by the Chargor in such payment, the Lender may, if it thinks fit, make such payment on behalf of the Chargor in which case any sums paid by the Lender shall be reimbursed by the Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate notified to the Chargor by the Lender.

9.4 Securities: Exercise of Rights

The Chargor shall not exercise any of its respective rights and powers in relation to any of the Securities in any manner which, in the opinion of the Lender, would prejudice the effectiveness of, or the ability of the Lender to realise, the security created by or pursuant to this Debenture.

10. ACCOUNTS

10.1 General

10.1.1 The Chargor shall:

- (a) deliver to the Lender:-
 - (i) on the date of this Deed, details of each of its Accounts;
and
 - (ii) if any change in such detail (including any renewal or redesignation of any such Account) occurs after the date of this Deed or any new Account is opened as permitted under the terms of the Facility Agreement, details of such change or new Account on the date of such change or opening;
- (b) not, without the prior written consent of the Lender, permit or agree to any variation of the rights attaching to, or close, any Account;
and
- (c) open such new Accounts as the Lender may require (whether before or after the Security created by this Deed has become enforceable).

10.1.2 Without prejudice to and in addition to Clause 8.1 (*Negative pledge*) and 8.2 (*Disposals*):

- (a) the benefit of each Charged Account and each Assigned Account shall not be capable of assignment or charge (in whole or in part) save pursuant to this Deed; and
- (b) the Chargor agrees that it will not assign (whether by sale or mortgage), charge or otherwise seek to deal with or dispose of all or any part of any Charged Account or Assigned Account without the prior written consent of the Lender.

10.1.3 Upon the Security created by this Deed becoming enforceable, the Lender shall be deemed to have designated in writing all Accounts other than the Charged Accounts and the Assigned Accounts as Assigned Accounts (or, in the case of any Accounts maintained with the Lender (in any capacity), as Charged Accounts) and at any time thereafter the Lender may:

- (a) in relation to such new Assigned Accounts, require the Chargor to, and the Chargor shall immediately on request, serve a notice of assignment in accordance with Clause 5.2 (*Notices of assignment*) on each bank or other financial institution with which any such Account is maintained (and the Chargor shall comply with its obligation under Clause 5.2.3 to obtain an acknowledgement of each such notice of assignment); and
- (b) exercise from time to time, all rights, powers and remedies of the Chargor in relation to any or all of its Accounts, including to demand and receive all and any moneys standing to the credit of such Accounts.

10.2 Charged Accounts

10.2.1 Charged Accounts: before a Termination Event

- (a) The Chargor shall, prior to the occurrence of a Termination Event, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Charged Account (other than any Blocked Account).
- (b) Save as permitted pursuant to the terms of the Finance Documents, the Chargor shall not make any withdrawal from any Blocked Account without the prior written consent of the Lender.
- (c) If and to the extent necessary to enable, and for the sole purpose of enabling:
 - (i) the Chargor to comply with their obligations to make repayments of the Secured Liabilities arising under the Finance Documents; or
 - (ii) the Lender to apply the proceeds thereof in or towards repayment of the Secured Liabilities in accordance with the terms of the Finance Documents,

the Lender shall release from the Security created by this Deed the whole or any part of the sums standing to the credit of any Blocked Account.

- (d) The Chargor hereby authorises the Lender (in its capacity as the bank with whom each Charged Account is maintained) to endorse any statement in relation to any Charged Account with a statement to the effect that:-
 - (i) the benefit of such Charged Account is not capable of assignment or charge without the prior written consent of the Lender;
 - (ii) the Chargor has agreed not to assign, charge or otherwise deal with any moneys standing to the credit of such Charged Account without the prior written consent of the Lender; and
 - (iii) the benefit of such Charged Account is subject to a first fixed charge in favour of the Lender.

10.2.2 Charged Accounts: after a Termination Event

- (a) The Lender shall, upon the occurrence of a Termination Event be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Charged Account in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 17 (*Application of Moneys*).
- (b) After the occurrence of a Termination Event, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Charged Account except with the prior consent of the Lender.

10.3 Assigned Accounts

10.3.1 Assigned Accounts: before a Termination Event

- (a) Subject to Clause 10.3.1(b) below, the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account except with the prior consent of the Lender or as expressly permitted pursuant to the terms of the Finance Documents.
- (b) If and to the extent necessary to enable, and for the sole purpose of enabling:
 - (i) the Chargor to comply with its obligations to make repayments of the Secured Liabilities arising under the Finance Documents; or
 - (ii) the Lender to apply the proceeds thereof in or towards repayment of the Secured Liabilities in accordance with the terms of the Finance Documents,

the Lender shall provide consent or execute any documentation required to allow for the release from the Security created by this Deed the whole or any part of the sums standing to the credit of any Blocked Account.

10.3.2 Assigned Accounts: after a Termination Event

The Lender shall, upon the occurrence of a Termination Event, be entitled without notice to exercise from time to time all rights, powers and remedies held by it as assignee of the Assigned Accounts and to:-

- (a) demand and receive all and any moneys due under or arising out of each Assigned Account;
- (b) exercise all such rights as the Chargor was then entitled to exercise in relation to such Assigned Account or might, but for the terms of this Deed, exercise; and
- (c) apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Liabilities in accordance with Clause 17 (*Application of Moneys*).

11. MONETARY CLAIMS

11.1 No dealing with Monetary Claims, Borrowing Base Receivables and Refund Receivables

The Chargor shall not at any time during the subsistence of this Debenture, without the prior written consent of the Lender or as permitted pursuant to the terms of the Finance Documents, sell, factor, discount, transfer, assign, lend or otherwise dispose of any of the Monetary Claims, Borrowing Base Receivables or Refund Receivables or enter into any agreement to do any of the foregoing.

11.2 Proceeds of Monetary Claims, Borrowing Base Receivables and Refund Receivables

The Chargor shall get in and realise the Monetary Claims, Borrowing Base Receivables or Refund Receivables and pay those proceeds in each case in accordance with the terms of the Finance Documents.

12. INSURANCES

12.1 Insurances: Undertakings

The Chargor shall at all times during the subsistence of this Supplemental Debenture:-

12.1.1 keep the Charged Property insured with those insurances normally maintained by prudent companies carrying on a similar business and with an insurance office or underwriters to be approved by the Lender in writing from time to time and otherwise in accordance with the terms of the Finance Documents;

12.1.2 if required by the Lender, cause each Insurance relating to the Charged Property to contain (in form and substance satisfactory to the Lender) an endorsement naming the Lender as sole loss payee in respect of all claims;

12.1.3 promptly pay all premiums and other moneys payable under all its Insurances or procure that such is done and, promptly upon request, produce to the Lender a copy of each policy and evidence (acceptable to the Lender) of the payment of such sums (or procure that such is done) and not do or omit to do or permit or suffer to be done or omitted to be done, anything which might render any Insurance required by this clause void, voidable or unenforceable; and

12.1.4 if required by the Lender, provide a copy of all Insurances relating to the Charged Property to the Lender.

12.2 Insurance: Default

If the Chargor defaults in complying with Clause 12.1 (*Insurance: Undertakings*), the Lender may effect or renew any such Insurance on such terms, in such name(s) and in such amount(s) as it considers appropriate, and all moneys expended by the Lender in doing so shall be reimbursed by the Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate specified in Clause 2 (*Covenant to Pay*).

12.3 Application of Insurance Proceeds

All moneys received under any Insurance relating to the Charged Property shall, prior to the occurrence of the Enforcement Date, be applied in accordance with the terms of the Finance Documents. After the occurrence of the Enforcement Date, the Chargor shall hold such moneys upon trust for the Lender pending payment to the Lender for

application in accordance with Clause 17 (*Application of Moneys*) and the Chargor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

13. LAND

The Chargor shall (with the intent that this Clause 13 (*Land*) shall apply in relation to all Land now vested in the Chargor or acquired by the Chargor after the date of this Supplemental Debenture):-

13.1 Repair and Alterations

- 13.1.1 keep or cause to be kept all buildings and Fixtures from time to time on or in any of its Land and all other plant, machinery and equipment belonging to it in good and substantial repair and good working order;
- 13.1.2 not, without the prior written consent of the Lender, make or permit the making of any alteration or addition to any of its Land (other than internal non-structural alterations) or commit or permit any person to commit any waste upon or injure or in any manner or by any means lessen the value of its Land or sever or permit to be severed from any of its Land any Fixtures except for the purpose of replacing them as soon as practicable with others of equal or greater value; and
- 13.1.3 permit any authorised representative of the Lender at any time to enter any of its Land for any purpose without becoming liable to account as a mortgagee in possession and to inspect and test any work being carried out and, where any breach of covenant, defect, disrepair or unauthorised alteration, improvement or addition shall be found, remedy all such breaches and execute all such repairs or removals as the Lender may require within 28 days after notice (or immediately, in case of emergency);

13.2 Statutes

- 13.2.1 comply with the provisions of all statutes and the requirement of any competent authority affecting any of its Land or the use of any of its Land or anything done on any Land; and
- 13.2.2 ensure that all consents and approvals under all statutes and the regulations and codes of practice of any competent authority affecting any of its Land have been obtained and are complied with, and produce on demand such evidence as the Lender may require to satisfy itself that such consents and approvals have been obtained and are complied with;

13.3 Leases

- 13.3.1 pay the rents and observe and perform all covenants, conditions, agreements or obligations on its part to be observed and performed contained in any lease under which any of its Land is held by the Chargor and any licence, consent or approval given under any lease, and use its best endeavours to enforce observance and performance of the lessor's covenants in any lease;
- 13.3.2 not accelerate or defer payment of any moneys payable under any such lease and where any lease contains a provision for the review of rent promptly notify the Lender of any attempt by the lessor to implement a review but not agree the reviewed rent or appoint or agree to the appointment of a third party to determine a rent review without the prior written consent of the Lender;

13.3.3 not to apply for any licence, consent or approval under any such lease or any superior lease without the prior written consent of the Lender; and

13.3.4 promptly give notice to the Lender if the Chargor receives notice under section 146 of the LPA or any proceedings are commenced for forfeiture of any such lease or any superior lease or the lessor or any superior lessor re-enters or attempts to re-enter thereunder and at the request of the Lender but at the cost of the Chargor take such steps as the Lender may require in relation thereto;

13.4 Power of Leasing

not, without the prior written consent of the Lender, exercise any of the powers of leasing or agreeing to lease vested in or conferred on mortgagors by common law or by statute or create or suffer to be created a tenancy of any description of any of its Land or confer or permit to be conferred upon any person any contractual licence, right or interest to occupy or use or grant any licence or permission to assign, underlet or part with possession of the whole or any part of its Land or agree to do any of the foregoing, and sections 99 and 100 of the LPA shall not apply to this Supplemental Debenture;

13.5 Compulsory Acquisition

not without the prior written consent of the Lender enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its Land or consent to the compulsory acquisition of any of its Land, and, if so requested by the Lender, permit the Lender or its authorised representatives to conduct such negotiations or to give such consent on the Chargor's behalf;

13.6 Outgoings

pay as and when the same become due all rates, taxes, duties, charges, assessments and other outgoings payable in respect of its Land; and

13.7 Encumbrances

comply with:-

13.7.1 all obligations, covenants, exceptions, reservations, licences, approvals, consents, stipulations, restrictions and conditions to which it is subject including, but without limitation, those relating to any of its Land or the use or enjoyment of any of its Land or imposed upon the Chargor as owner, occupier or user, as the case may be, of any of its Land; and

13.7.2 its obligations under any Security having priority to the Security created by or pursuant to this Supplemental Debenture.

14. DEMAND AND ENFORCEMENT

14.1 Enforcement

This Supplemental Debenture shall become enforceable in respect of and against the Chargor:-

14.1.1 upon any demand being made by the Lender under any Finance Document for payment of any of the Secured Liabilities by the Chargor;

14.1.2 upon any request being made by the Chargor to the Lender for the appointment of a Receiver or for the Lender to exercise any other power or right available to it;

- 14.1.3 upon the occurrence of any event causing, or purporting to cause, the floating charge created by this Supplemental Debenture to become fixed in relation to any Charged Property; or
- 14.1.4 upon the passing of any resolution, or the presentation of a petition, for winding up of the Chargor or the making of an application for an administration order in relation to the Chargor or the taking of any steps in relation to the appointment of an administrator of the Chargor.

14.2 Demand for payment

Any demand for payment, and any other notice to be given by the Lender under this Supplemental Debenture, shall be in writing and may be signed by any authorised signatory on behalf of the Lender, and may be made or given to the Chargor at any place of business of the Chargor, or the registered office of the Chargor:-

- 14.2.1 by delivering it to any such place; or
- 14.2.2 by sending it by first class post to any such place (in which case it shall be deemed received at 10.00am on the next Business Day after posting, and proof of posting shall be proof of delivery); or
- 14.2.3 by sending it by fax to any fax number of the Chargor (in which case it shall be deemed received when sent, and proof of sending shall be proof of receipt).

14.3 Powers on enforcement

At any time after this Supplemental Debenture has become enforceable, the Lender may (without prejudice to any other rights and remedies and without notice to the Chargor) do all or any of the following:-

- 14.3.1 exercise the power of sale under section 101 of the LPA together with all other powers and rights conferred on mortgagees by the LPA, as varied and extended by this Supplemental Debenture, without the restrictions contained in sections 103 or 109(1) of the LPA; and
- 14.3.2 exercise the power of leasing, letting, entering into agreements for leases or lettings or accepting or agreeing to accept surrenders of leases in relation to any Charged Property, without the restrictions imposed by sections 99 and 100 of the LPA.

15. RECEIVERS

15.1 Appointment

At any time after this Supplemental Debenture has become enforceable in respect of and against the Chargor, the Lender may appoint any person or persons to be a Receiver or Receivers of all or any part of the Charged Property of the Chargor charged under this Supplemental Debenture or an administrator of the Chargor. An appointment over part only of such Charged Property shall not preclude the Lender from making any subsequent appointment over any other part of such Charged Property.

15.2 Appointment in writing

The appointment of a Receiver shall be in writing, and may be signed by any authorised signatory on behalf of the Lender. Where more than one person is acting at any time as Receiver, they shall have power to act severally as well as jointly.

15.3 Remuneration

The Lender may from time to time determine the remuneration of the Receiver (which shall not be subject to the limit in section 109(6) of the LPA) and may (subject to the application of section 45 of the Insolvency Act 1986) remove any person from office in relation to all or any part of the Charged Property of which he is the Receiver and at any time appoint a further or other Receiver or Receivers over all or any part of such Charged Property.

15.4 Powers

The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation from which time he shall act as principal and shall not become the agent of the Lender, and the Receiver shall have and be entitled to exercise in relation to the Charged Property all the powers:-

- 15.4.1 conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- 15.4.2 of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986, whether or not the Receiver is an administrative receiver;
- 15.4.3 and rights that an absolute owner would have in relation to any Charged Property; and
- 15.4.4 to do all things incidental or conducive to any functions, powers, authorities or discretions conferred or vested in the Receiver.

16. POWER OF ATTORNEY

16.1 Appointment

The Chargor hereby irrevocably and by way of security appoints:-

- 16.1.1 the Lender (whether or not a Receiver has been appointed); and also
- 16.1.2 (as a separate appointment) each Receiver,

severally as the attorney and attorneys of the Chargor with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Chargor, which the Chargor could be required to do or execute under any provision of this Supplemental Debenture, or which the Lender in its sole opinion may consider necessary or desirable for perfecting the Lender's title to any of the Charged Property of the Chargor or enabling the Lender or the Receiver to exercise any of its or his rights or powers under this Supplemental Debenture.

16.2 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 16.1 (*Appointment*) shall do or purport to do in the exercise or purported exercise of all or any of the powers, acts or other matters referred to in Clause 16.1 (*Appointment*).

17. APPLICATION OF MONEYS

17.1 Application of moneys

All sums received by virtue of this Supplemental Debenture by the Lender or the Receiver shall, subject to the payment of any claim having priority to this Supplemental Debenture, be paid or applied in the following order of priority:-

17.1.1 first, in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Lender, or the Receiver (including, without limitation, legal expenses) and of the remuneration of the Receiver;

17.1.2 secondly, in or towards payment of the Secured Liabilities in such order as the Lender may at its discretion require; and

17.1.3 thirdly, as to the surplus (if any), to the person or persons entitled to such surplus,

and section 109(8) of the LPA shall not apply.

18. CONSOLIDATION

18.1 Combination of accounts

In addition to any general lien, right to combine accounts, right of set-off or other right which it may at any time have, the Lender shall have the right at any time or times, without notice to the relevant Chargor, to combine or consolidate all or any accounts which it then has in relation to the Chargor (in whatever name) and any Secured Liabilities owed by the Chargor to the Lender, and/or to set-off or transfer any amounts standing to the credit of one or more accounts of the Chargor in or towards satisfaction of any Secured Liabilities owed to the Lender on any other account or otherwise.

18.2 Application

The Lender's rights under Clause 18.1 apply:-

18.2.1 whether or not any demand has been made under this Supplemental Debenture, or any liability concerned has fallen due for payment;

18.2.2 whether or not any credit balance is immediately available or subject to any restriction;

18.2.3 irrespective of the currencies in which any balance or liability is denominated, and the Lender may for the purpose of exercising its right elect to convert any sum or liability in one currency into any other at its spot rate applying at or about 11.00am on the date of conversion; and

18.2.4 in respect of any Secured Liabilities owed by the Chargor, whether owed solely or jointly, certainly or contingently, presently or in the future, as principal or surety, and howsoever arising.

19. PROTECTION OF THIRD PARTIES

19.1 Statutory powers

In favour of any purchaser, the statutory powers of sale and of appointing a Receiver which are conferred upon the Lender, as varied and extended by this Supplemental Debenture, and all other powers of the Lender, shall be deemed to arise (and the

Secured Liabilities shall be deemed due and payable for that purpose) immediately after the execution of this Supplemental Debenture.

19.2 Purchasers

No purchaser from or other person dealing with the Lender, any person to whom it has delegated any of its powers, or the Receiver shall be concerned to enquire whether any of the powers which they have exercised has arisen or become exercisable, or whether the Secured Liabilities remain outstanding or whether any event has happened to authorise the Receiver to act or as to the propriety or validity of the exercise of any such power, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters.

19.3 Receipts

The receipt of the Lender or the Receiver shall be an absolute and conclusive discharge to a purchaser or any other person dealing with the Lender.

20. PROTECTION OF THE LENDER AND ANY RECEIVER

20.1 No liability

The Lender and any Receiver shall not be liable in respect of any loss or damage which arises out of the exercise, or attempted or purported exercise of, or the failure to exercise any of their respective powers under this Supplemental Debenture.

20.2 Not mortgagee in possession

Without prejudice to any other provision of this Supplemental Debenture, entry into possession of any Charged Property shall not render the Lender or the Receiver liable:-

20.2.1 to account as mortgagee in possession;

20.2.2 for any loss on realisation; or

20.2.3 for any default or omission for which a mortgagee in possession might be liable,

and if and whenever the Lender or the Receiver enters into possession of any Charged Property it shall be entitled at any time it or he thinks fit to go out of such possession.

20.3 Indemnity

The Chargor shall indemnify and keep indemnified the Lender, every Receiver, and any person who acts as the servant, agent, delegate or attorney of any of them, against all claims, costs, expenses and liabilities which they may suffer or incur arising in any way out of the taking or holding of this Supplemental Debenture, the exercise or purported exercise of any right, power, authority or discretion given by it, or any other act or omission in relation to this Supplemental Debenture or the Charged Property.

20.4 Currency protection

If any amount due to be paid to the Lender is, for any reason, paid in a currency (the "currency of payment") other than the currency in which it was expressed to be payable (the "contractual currency"), the Lender may wherever it thinks fit apply the amount of the currency of payment received by it in the purchase, in accordance with its normal practice, of the contractual currency, and if this results in any shortfall below the amount due in the contractual currency, after deducting all taxes, costs and

commissions payable in connection with that purchase, the Chargor shall indemnify the Lender against the amount of the shortfall.

20.5 Continuing protection

The provisions of this Clause 20 shall continue in full force and effect notwithstanding any release or discharge of this Supplemental Debenture, or the discharge of any Receiver from office.

21. PROVISIONS RELATING TO THE LENDER

21.1 Powers and discretions

The rights, powers and discretions given to the Lender in this Supplemental Debenture:-

21.1.1 may be exercised as often as, and in such manner as, the Lender thinks fit;

21.1.2 are cumulative, and are not exclusive of any of its rights under the general law; and

21.1.3 may only be waived in writing and specifically, and any delay in exercising, or non-exercise of, any right, is not a waiver of it.

21.2 Certificates

A certificate by an authorised officer of the Lender as to any sums payable to the Lender under this Supplemental Debenture shall (save in the case of manifest error) be conclusive and binding upon the Chargors for all purposes.

21.3 Assignment

The Lender may assign this Supplemental Debenture to any successor in title to any of the Secured Liabilities and the Lender may disclose any information in its possession relating to the Chargor, its affairs or the Secured Liabilities to any actual or prospective assignee.

21.4 Delegation

The Lender may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers and discretions which are for the time being exercisable by it under this Supplemental Debenture.

22. PRESERVATION OF SECURITY

22.1 Continuing Security

This Supplemental Debenture shall be a continuing security to the Lender and shall remain in force until expressly discharged in writing by the Lender notwithstanding any intermediate settlement of account or other matter or thing whatsoever and shall be without prejudice and in addition to any other right, remedy or Security of any kind which the Lender may have now or at any time in the future for or in respect of any of the Secured Liabilities.

22.2 No Merger

This Supplemental Debenture is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Lender may at any time hold for any other Secured Liabilities.

22.3 Waiver of Defences

Neither the Security created by this Supplemental Debenture nor the obligations of the Chargor under this Supplemental Debenture will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice that Security or any of those obligations (whether or not known to it or the Lender) including:-

- 22.3.1 any time, waiver or consent granted to, or composition with, the Chargor or other person;
- 22.3.2 the release of the Chargor or any other person under the terms of any composition or arrangement with any person;
- 22.3.3 the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over, assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 22.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- 22.3.5 any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or Security;
- 22.3.6 any unenforceability, illegality or invalidity of any obligation of, or any Security created by, any person under any Finance Document or any other document; or
- 22.3.7 an insolvency, liquidation, administration or similar procedure.

22.4 Order of Recourse

This Supplemental Debenture may be enforced against the Chargor without the Lender first having recourse to any other right, remedy, guarantee or Security held by or available to any of them.

22.5 Suspense Accounts

The Lender may, without prejudice to any other rights it may have, at any time and from time to time place (and keep for such time as it may think prudent) any moneys received, recovered or realised under or by virtue of this Supplemental Debenture on a separate or suspense account to the credit either of the Chargor or, at the sole discretion of the Lender if a Termination Event has occurred and is continuing, of the Lender as the Lender shall think fit without any intermediate obligation on the Lender's part to apply the same or any part of it in or towards the discharge of the Secured Liabilities.

22.6 New Accounts

If the Lender receives notice of any subsequent charge or other security interest affecting any of the Charged Property, the Lender shall be entitled to close the Chargor's then current account or accounts and to open a new account or accounts for the Chargor. If the Lender does not open a new account or accounts immediately on receipt of such notice it shall nevertheless be treated as if it had done so at the time when it received such notice, and as from that time all payments made for the

credit of the Chargor shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount due from the Chargor to the Lender at the time when it received such notice.

22.7 Tacking

For the purposes of section 94(1) of the LPA and section 49(3) of the Land Registration Act 2002 the Lender confirms that it shall make further advances to the Chargor on the terms and subject to the conditions of the Finance Documents.

22.8 Reinstatement

If any payment by the Chargor or discharge given by the Lender (whether in respect of the obligations of the Chargor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:-

22.8.1 the liability of the Chargor and the Security created by this Supplemental Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

22.8.2 the Lender shall be entitled to recover the value or amount of that Security or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

23. RELEASE

23.1 Upon the irrevocable and unconditional payment and discharge in full of the Secured Liabilities, the Lender shall, or shall procure that its appointees will, at the request and cost of the Chargor:-

23.1.1 release the Charged Property from this Supplemental Debenture; and

23.1.2 re-assign the Charged Property that has been assigned to the Lender under this Supplemental Debenture.

23.2 Section 93 of the LPA dealing with the consolidation of mortgages shall not apply to this Supplemental Debenture.

24. MISCELLANEOUS PROVISIONS

24.1 Severability

If any provision of this Supplemental Debenture is illegal, invalid or unenforceable in any jurisdiction, that shall not affect:-

24.1.1 the validity or enforceability of any other provision, in any jurisdiction; or

24.1.2 the validity or enforceability of that particular provision, in any other jurisdiction.

24.2 Costs, charges and expenses

All costs, charges and expenses incurred or paid by the Lender or by the Receiver in the exercise of any power or right given by this Supplemental Debenture or in relation to any consent requested by the Chargor, or in perfecting or otherwise in connection with this Supplemental Debenture, the other Finance Documents or the Charged Property, all sums recoverable under Clause 20 (*Protection of the Lender and any Receiver*) and all costs of the Lender (on an indemnity basis) of all proceedings for the enforcement of this Supplemental Debenture or for obtaining payment of moneys by

this Supplemental Debenture secured, shall be recoverable from the Chargor as debts, may be debited by the Lender at any time to any account of the Chargor and shall bear interest until payment at the rate or rates applicable to the account to which they are debited, or, if there is no such rate, at two per cent. over the Lender's base rate.

24.3 Contracts (Rights of Third Parties) Act 1999

The Lender, any Receiver and their respective officers, employees and agents may enforce any term of this Supplemental Debenture which purports to confer a benefit on that person, but no other person who is not a party to this Supplemental Debenture has any right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Supplemental Debenture.

24.4 Counterparts

This Supplemental Debenture 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 Supplemental Debenture.

25. NOTICES

25.1 Communications in Writing

Each communication to be made under or in connection with this Supplemental Debenture shall be made in writing and, unless otherwise stated, shall be made by e-mail or letter.

25.2 Addresses

The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Supplemental Debenture is:-

25.2.1 in the case of each Chargor, that identified with its name below;

25.2.2 in the case of the Lender, that identified with its name below,

or any substitute address, e-mail address, or department or officer as the Chargor may notify to the Lender (or the Lender may notify to the Chargor, if a change is made by the Lender) by not less than five Business Days' notice.

25.3 Delivery

25.3.1 Any communication or document made or delivered by one person to another under or in connection with this Supplemental Debenture will only be effective:-

(a) if by email, at the time of receipt;

(b) 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 25.2 (*Addresses*) of this Supplemental Debenture if addressed to that department or officer.

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

25.4 English language

- 25.4.1 Any notice given under or in connection with this Supplemental Debenture must be in English.

- 25.4.2 All other documents provided under or in connection with this Supplemental Debenture must be:-

- (a) in English; or
- (b) if not in English, and if so required by the Lender, 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.

26. EFFECT ON DEBENTURE

The Debenture shall continue in full force and effect as supplemented by this Supplemental Debenture.

27. GOVERNING LAW

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

EXECUTED AND DELIVERED AS A DEED by the Chargor and executed by the Lender on the date set out at the beginning of this Supplemental Debenture.

SCHEDULE 1
DETAILS OF LAND
REGISTERED LAND

Title number	Description	Chargor

UNREGISTERED LAND

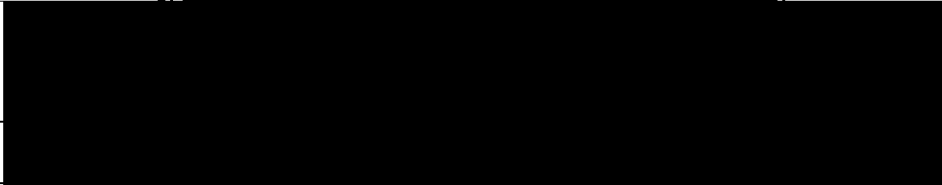
Description	Chargor

SCHEDULE 2

DETAILS OF ASSIGNED ACCOUNTS

Name of bank or financial institution	Account name	Account number	Sort code
None at the date of this deed			

SCHEDULE 3
DETAILS OF CHARGED ACCOUNTS

Account name	Account number	Sort code
		

The Chargor

EXECUTED (but not delivered until)
the date hereof) **AS A DEED** by)
SOURCE INSURANCE LIMITED acting by)
a director, in the presence of:-

Director Signature:

Name:

Witness Signature:

Name:

Occupation:

Address:

Email address for notices:

Attention details for notices:

The Lender

SIGNED by)
a duly authorised signatory for and on)
behalf of **BARCLAYS BANK PLC** in the)
presence of:-)

Duly authorised attorney

Witness Signature:

Name: *Edward Willey*

Occupation:

Address: *1 Churchill Place,
Canary Wharf,
E14 5HP*

Email address for notices:

Attention details for notices:

