

MR01

Particulars of a charge

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A fee is payable with this form  
Please see 'How to'

☒ **What this form is for**  
You may use this form to register  
a charge created or evidenced by  
an instrument

☐ **What this form is for**  
You may not use this form to  
register a charge with an  
instrument. Use form



LD8 28/09/2016 #266  
COMPANIES HOUSE

This form must be delivered to the Registrar for registration within  
**21 days** beginning with the day after the date of creation of the charge. If  
delivered outside of the 21 days it will be rejected unless it is accompanied by a  
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form. This will be  
scanned and placed on the public record. **Do not send the original.**

**1 Company details**

Company number 04094896

Company name in full Monsta Holdings Limited

12 For official use

→ **Filing in this form**  
Please complete in typescript or in  
bold black capitals  
All fields are mandatory unless  
specified or indicated by \*

**2 Charge creation date**

Charge creation date 22/09/2016

**3 Names of persons, security agents or trustees entitled to the charge**

Please show the names of each of the persons, security agents or trustees  
entitled to the charge

Name Alteri Europe, L P

Name

Name

Name

If there are more than four names, please supply any four of these names then  
tick the statement below

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge

MR01

Particulars of a charge

4

**Brief description**

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

The debenture contains charges expressed to be by way of legal mortgage and fixed charges over all of the Chargor's interest in any land from time to time; and fixed charges over all of the Chargor's right, title and interest from time to time in any intellectual property For more details please refer to the instrument

Please submit only a short description If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

**Other charge or fixed security**

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

**Floating charge**

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

**Negative Pledge**

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

**Trustee statement ①**

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

**Signature**

Please sign the form here

Signature

Signature

X Mayer Brown International LLP X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Chen Yang Sia

Company name Mayer Brown International LLP

Address 201 Bishopsgate

Post town London

County/Region

Postcode E C 2 M 3 A F

Country UK

DX DX 556 London and City

Telephone 020 3130 3003



**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following**

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



**Important information**

**Please note that all information on this form will appear on the public record**



**How to pay**

**A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper**

Make cheques or postal orders payable to 'Companies House'



**Where to send**

**You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below**

**For companies registered in England and Wales**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

**For companies registered in Scotland:**

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

**For companies registered in Northern Ireland**

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



**Further information**

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 4094896

Charge code: 0409 4896 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd September 2016 and created by MONSTA HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th September 2016.

DX

Given at Companies House, Cardiff on 4th October 2016



**Companies House**



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

Dated 22 September .

2016

- (1) **MONSTA GROUP LIMITED** and others as  
Chargors
- (2) **ALTERI EUROPE, L.P.** as Security Agent

---

DEBENTURE

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**This Debenture is subject to the terms of the Deed of  
Priorities (as defined herein)**

I certify that, save for material  
redacted pursuant to s 879 G  
Companies Act 2006, this copy  
instrument is a true copy of  
the original instrument.

CERTIFIED A TRUE COPY  
OF THE ORIGINAL

DATED 28/9/16

SIGNED *Mayer Brown International LLP*  
Mayer Brown International LLP

**MAYER • BROWN**

LONDON

## CONTENTS

| Clause                                                      | Page |
|-------------------------------------------------------------|------|
| <b>SECTION 1</b>                                            |      |
| <b>INTERPRETATION</b>                                       |      |
| 1. Definitions and Interpretation . . . . .                 | 2    |
| <b>SECTION 2</b>                                            |      |
| <b>COVENANT TO PAY; GRANTING AND PERFECTION OF SECURITY</b> |      |
| 2. Payment of the Secured Obligations . . . . .             | 8    |
| 3. Security . . . . .                                       | 8    |
| 4. Crystallisation of Floating Charge . . . . .             | 10   |
| 5. Perfection of Security and Further Assurance . . . . .   | 10   |
| <b>SECTION 3</b>                                            |      |
| <b>ASSET REPRESENTATIONS, COVENANTS AND WARRANTIES</b>      |      |
| 6. Representations . . . . .                                | 13   |
| 7. Negative Pledge and Disposals. . . . .                   | 14   |
| 8. Other Covenants of General Application . . . . .         | 14   |
| 9. Mortgaged Properties . . . . .                           | 15   |
| 10. Accounts and Related Matters . . . . .                  | 17   |
| 11. The Investments . . . . .                               | 17   |
| 12. Intellectual Property . . . . .                         | 20   |
| 13. Assigned Documents . . . . .                            | 20   |
| 14. Inventory . . . . .                                     | 20   |
| <b>SECTION 4</b>                                            |      |
| <b>ENFORCEMENT OF SECURITY</b>                              |      |
| 15. Enforcement – General Provisions . . . . .              | 22   |
| 16. Right of Appropriation. . . . .                         | 24   |
| 17. Appointment of Receiver. . . . .                        | 24   |
| 18. Appointment of Administrator . . . . .                  | 27   |
| 19. Application of Proceeds . . . . .                       | 27   |
| <b>SECTION 5</b>                                            |      |
| <b>GENERAL SECURITY PROVISIONS</b>                          |      |
| 20. General Security Provisions . . . . .                   | 29   |
| 21. Power of Attorney. . . . .                              | 31   |
| 22. Retention of Security . . . . .                         | 31   |
| 23. Prior Security Interests . . . . .                      | 32   |
| 24. Security Agent Provisions . . . . .                     | 33   |
| <b>SECTION 6</b>                                            |      |
| <b>ADMINISTRATION</b>                                       |      |
| 25. Transfers . . . . .                                     | 41   |
| 26. Calculations and Certificates . . . . .                 | 41   |

## CONTENTS

| Clause                           | Page |
|----------------------------------|------|
| 27. Partial Invalidity .....     | 41   |
| 28 Remedies and Waivers . .....  | 41   |
| 29. Amendments and Waivers ..... | 42   |
| 30. Counterparts . . . . .       | 42   |
| 31 Conduct of Business . . . . . | 42   |

### SECTION 7 GOVERNING LAW AND ENFORCEMENT

|                            |    |
|----------------------------|----|
| 32 Governing Law . . . . . | 43 |
| 33 Enforcement . . . . .   | 43 |

### SCHEDULES

|                                               |
|-----------------------------------------------|
| 1 The Chargors                                |
| 2. Properties                                 |
| 3 Specified Investments                       |
| 4. Notice of [Assignment][Charge] of Accounts |
| 5 Notice of Assignment of Assigned Document   |
| 6 Notice of Assignment of Insurance           |
| 7. Notice of Charge of Blocked Account        |
| 8 Notice of Charge of Unblocked Account       |
| 9. KPMG Business Plan                         |

THIS DEBENTURE is dated

22 September

2016 and made between:

- (1) **THE PERSONS** listed in Schedule 1 (*The Chargors*) (each a "**Chargor**" and together the "**Chargors**"); and
- (2) **ALTERI EUROPE, L.P.** as security trustee for the Finance Parties (the "**Security Agent**").

**BACKGROUND:**

- (A) By a facilities agreement dated on or around the date of this Debenture and made between amongst others (1) Monsta Group Limited as borrower and (2) Alteri Europe, L.P. as agent, security agent, arranger and original lender (the "**Facilities Agreement**"), the Lenders have agreed to provide certain facilities to the Borrower on the terms of the Facilities Agreement.
- (B) The provision of this Debenture is a condition precedent to the obligations of the Lenders under the Facilities Agreement.
- (C) The Security Agent holds the benefit of this Debenture, including the security created and other rights granted in it to the Security Agent, on trust for the Finance Parties on the terms set out in the Facilities Agreement and Clause 24 (*Security Agent Provisions*).
- (D) This document is the deed of each Chargor, even if it has not been duly executed by the Security Agent or has been executed by the Security Agent but not as a deed
- (E) This Debenture is subject to the Deed of Priorities

**THIS DEED WITNESSES that:**

**SECTION 1  
INTERPRETATION**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Terms defined in the Facilities Agreement**

Terms defined in the Facilities Agreement but not in this Debenture shall have the same meanings in this Debenture as in the Facilities Agreement.

**1.2 Definitions**

In addition, in this Debenture:

**"Account Control Agreement"** means any agreement or other documentation entered into between the Security Agent, any Chargor and the relevant account holding bank (at such bank's or any Chargor's request), necessary or desirable to perfect the Security Interests of the Security Agent and effect control over bank accounts of any Chargor in accordance with the provisions of this Debenture.



**"Account Debtor"** means any person who is a counterparty in relation to an Account

**"Acquisition Agreement"** means the sale and purchase agreement dated 15 February 2016 relating to the sale and purchase of the Target Assets and made between (1) Brantano (UK) Limited (in administration); (2) Anthony Steven Barrell, Michael John Andrew Jervis and Robert Jonathan Hund, (3) Lifebelles Limited, and (4) Outersole Investment Holdings Limited as guarantor.

**"Acquisition Documents"** means the Acquisition Agreement, and any other document designed as an **"Acquisition Document"** by the Agent and the Parent

**"Administrator"** means any administrator appointed under this Debenture to manage the affairs, business and assets of any Chargor

**"Assigned Documents"** means the Acquisition Documents, the Intercompany Loan Agreements and any document designated as an **"Assigned Document"** by the Security Agent for the purposes of this Debenture.

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

**"Company"** means each company whose shares are being charged as listed in Schedule 3 (*Specified Investments*).

**"Deed of Priorities"** means the deed of priorities dated on or about the date of this Debenture and entered into between (1) Brantano (UK) Limited (in administration), (2) Brantano Retail Limited (formerly known as Lifebelles Limited), and (3) Alteri Europe, L P as arranger, agent and security agent.

**"Discharge Date"** has the meaning given to it in Clause 20 1 (*Continuing security*)

**"Enforcement Event"** means (i) a demand for payment is made by the Agent in respect of all or part of the On Demand Facility Loan or all or part of a Revolving Facility Loan, or (ii) an Obligor does not make a payment due under a Finance Document at the specified time for payment, or (iii) a Default has occurred

**"Equipment"** means in relation to any Chargor, all of its present and future machinery, equipment, furniture, furnishings, fixtures and other tangible personal property of any kind (except Inventory), as well as all of such types of property leased by it (other than Mortgaged Property) and all of its rights and interest with respect thereto under such leases together with all present and future additions and accessions thereto and replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto, wherever any of the foregoing is located.

**"Facilities Agreement"** has the meaning given to it in Recital (A).

**"Finance Documents"** has the meaning given to it in the Facilities Agreement and includes the Facilities Agreement and this Debenture

**"IA"** means the Insolvency Act 1986.

**"Insolvency"** of a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief of debtors and any equivalent or analogous proceeding by whatever name known and in whatever jurisdiction

**"Instrument"** means any document (which term includes any form of writing) under which any obligation is evidenced or undertaken or any Security Interest (or right in any Security Interest) is granted or perfected or purported to be granted or perfected

**"Insurance"** means any policy or contract of insurance and including, for the avoidance of doubt, any renewal of or replacement for any policy or contract of insurance and in relation to a Chargor **"its Insurances"** means all Insurances in which it has any rights (including as loss payee or additional insured)

**"Insurance Proceeds"** means any monies which may from time to time be payable to or received by any Chargor (whether as an insured party, beneficiary or as loss payee) under any Insurance and the proceeds of all claims made by any Chargor under any Insurance

**"Intellectual Property"** means all intellectual property, including patents, utility models, trade and service marks, trade names, domain names, right in designs, copyrights, moral rights, topography rights, rights in databases, trade secrets and know-how, in all cases whether or not registered or registrable and including registrations and applications for registration of any of these and rights to apply for the same and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world and in relation to a Chargor, **"its Intellectual Property"** means all Intellectual Property in which it has any rights

**"Investment"** means any share, stock, debenture, bond, unit or other security or investment (in each case together with any associated dividends, interests and other assets) and in relation to a Chargor, **"its Investments"** means all Investments (including where applicable, those listed in Schedule 3 (*Specified Investments*)) in which it has any rights and all its rights against any nominee or other trustee, fiduciary, custodian or clearing system with respect to any Investments

**"Lease"** means any lease, tenancy, licence, sub-lease, sub-licence or other occupational right

**"Lenders"** has the meaning given to it in the Facilities Agreement

**"Losses"** means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind

**"LPA"** means the Law of Property Act 1925

**"Mortgaged Properties"** has the meaning given to it in Clause 3 1(a) (*Land*), **"Mortgaged Property"** means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of it or each of them

**"Notice and Acknowledgement"** means individually and collectively, each Notice of Assignment and Notice of Charge, together with their respective acknowledgements

**"Notice of Assignment"** means a notice of assignment substantially in the form set out in Schedule 4 (*Notice of [Assignment][Charge] of Accounts*), Schedule 5 (*Notice of Assignment of Assigned Document*) or Schedule 6 (*Notice of Assignment of Insurance*), as appropriate, or in such other form as may be specified by the Security Agent.

**"Notice of Charge of Blocked Account"** means a notice of charge substantially in the form set out in Schedule 7 (*Notice of Charge of Blocked Account*) or in such other form as may be specified by the Security Agent

**"Notice of Charge of Unblocked Account"** means a notice of charge substantially in the form set out in Schedule 8 (*Notice of Charge of Unblocked Account*) or in such other form as may be specified by the Security Agent

**"Notice of Charge"** means a Notice of Charge of Blocked Account or a Notice of Charge of Unblocked Account (or, if accepted by the Security Agent in place of a Notice of Charge of Blocked Account or a Notice of Charge of Unblocked Account, an Account Control Agreement)

**"Party"** means a party to this Debenture

**"Planning Acts"** means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991, together with all other statutes from time to time governing or controlling the use or development of land

**"Properties"** means the properties brief details of which are set out in Schedule 2 (*Properties*), **"Property"** means any of them and any reference to one or mote of the Properties includes all or any part of it or each of them

**"Receivables"** means, in relation to any Chargor, all book debts, both present and future, due or owing or which may become due or owing to any Chargor arising from the provision or sale of merchandise, goods or services (including the proceeds thereof) and the benefit of all related rights, documents and remedies (including under negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing and liens) and all payments and proceeds representing or made in respect of the same.

**"Receiver"** means any receiver, receiver and manager or administrative receiver appointed under this Debenture by the Security Agent over all or any of the Secured Assets whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time

**"Secured Assets"** means the Mortgaged Properties, the Assigned Documents, each Chargor's Investments and the other assets from time to time the subject of this Security, **"Secured Asset"** means any of them and any reference to one or more of the Secured Assets includes all or any part of it or each of them

**"Secured Obligations"** means all monies from time to time due or owing, and all obligations and other actual or contingent liabilities from time to time incurred, by the Borrower or any other Obligor to any Finance Party or any Receiver or delegate of a Receiver under the Finance Documents

- (a) in whatever currency,
- (b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and
- (c) including monies and liabilities purchased by or transferred to the relevant Finance Party,

but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Debenture to be unlawful or prohibited by any applicable law or regulation

**"Security Documents"** means this Debenture and any other document guaranteeing or creating security for or supporting the obligations of the Borrower or any Chargor to the Security Agent or any other Finance Party in connection with the Facilities Agreement

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

**"VAT"** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112), and
- (b) any other tax of a similar nature, whether imposed in a Member State of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a), or imposed elsewhere

**"Warrants"** means all warrants or other documents of title relating to Inventory held in depositaries, warehouses or other storage locations wheresoever located

### 1.3 Construction

- (a) Clause 1.2 (*Construction*) of the Facilities Agreement shall apply as if set out in full again here, with references to "this Agreement" being construed as references to this Debenture and with such other changes as are appropriate to fit this context
- (b) In addition, in this Debenture, any reference to:

- (i) the "**Chargors**" includes a reference to any one or more of them as well as a reference to all of them,
- (ii) **this Debenture** includes the Recitals and Schedules which form part of this Debenture for all purposes;
- (iii) a "**disposal**" includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly),
- (iv) the masculine, feminine or neuter **gender** respectively includes the other genders and the **singular** includes the plural (and vice versa);
- (v) a "**guarantee**" means
  - (A) any guarantee, letter of credit, bond, indemnity, third party security or other legally binding assurance against loss, or
  - (B) any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person, to make an investment in or loan to any person or to purchase assets from any person where, in each case, that obligation is assumed in order to maintain or assist the ability of that person to meet its indebtedness,
- (vi) "**including**" means "including without limitation" (with related words being construed accordingly), "**in particular**" means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things,
- (vii) a "**Recital**" is to a statement made under the heading "Background" above, any reference to a "**Clause**" or to a "**Schedule**" is to a clause of or a schedule to this Debenture (as the case may be),
- (viii) a "**right**" includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future (and any reference to rights in a particular asset or type or category of assets includes any rights in the proceeds of any disposal of that asset or any assets within that type or category),
- (ix) "**tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and
- (x) "**this Security**" means the Security Interests constituted by or pursuant to this Debenture
- (c) The index and Clause and Schedule headings are for ease of reference only
- (d) If there is any inconsistency between the terms of this Debenture and those of the Facilities Agreement, the terms of the Facilities Agreement shall prevail

#### **1.4 Third party rights**

- (a) A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Debenture. There is an exception to this in Clause 24.8(b) (*Exclusion of liability*).
- (b) Notwithstanding Clause 24.8(b) (*Exclusion of liability*), no consent of any person who is not a Party is required to rescind or vary this Debenture at any time

#### **1.5 Joint and several**

Each representation, warranty, covenant and other obligation given or entered into by the Chargors in or pursuant to this Debenture is given or entered into by them jointly and severally. Each Chargor shall be bound by the Debenture even if any person who was intended to execute it or be bound by it as a Chargor has not duly executed, or become bound by, it.

#### **1.6 Facilities Agreement**

The Parties acknowledge that each Chargor is fully aware of the terms and conditions of the Facilities Agreement

**SECTION 2**  
**COVENANT TO PAY; GRANTING AND PERFECTION OF SECURITY**

**2 PAYMENT OF THE SECURED OBLIGATIONS**

**2.1 Covenant to pay**

The Chargors covenant with the Security Agent that they shall pay and discharge, or procure the payment or discharge of, each of the Secured Obligations at the time and in the manner provided in the relevant Instrument for their payment or discharge by the relevant Obligor

**2.2 Interest**

If the Chargors fail to pay or procure the payment of any amount payable by them under Clause 2.1 on its due date, interest shall accrue on a daily basis on the overdue amount from the due date up to the date of actual payment (both before and after judgment), at the rate and on the terms from time to time applicable under the relevant Instrument (or, in the absence of an applicable rate and applicable terms, to be calculated and paid at the rate referred to in Section 10.4 (*Default Interest*) of the Facilities Agreement) and shall be payable on demand.

**2.3 Further advances**

This Debenture is made to secure any further advances or other facilities made available by any of the Finance Parties under the Finance Documents, but it does not create any obligation on any of the Finance Parties to make any further advances or other facilities available.

**3. SECURITY**

**3.1 Fixed charges**

As security for the payment and discharge of the Secured Obligations, each Chargor with full title guarantee charges to the Security Agent by way of first fixed charge (which so far as it relates to land in England and Wales vested in any Chargor as at the date of this Debenture will be a charge by way of first legal mortgage and so far as it relates to other assets shall take effect as an equitable mortgage):

- (a) **Land:** all of its rights as at the date of this Debenture in the Properties and all of its other rights in any land (together the "**Mortgaged Properties**") in each case together with all of its rights in all buildings, structures, erections, fixtures and fittings (including trade fixtures and fittings) from time to time on any of the Mortgaged Properties and any proceeds of disposal of any of the Mortgaged Properties,
- (b) **Equipment:** all of its rights in any plant, machinery, vehicles, Equipment and other chattels (but excluding its stock in trade or work in progress),
- (c) **Goodwill:** any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;

- (d) **Receivables:** all of its rights in respect of the Receivables (but only if and to the extent the rights in question have not been effectively assigned pursuant to Clause 3.2 (*Assignments*));
- (e) **Bank Accounts:** all of its rights in any credit balances on any Account (including the Deposit Account, Prepayment Account and General Account) and the indebtedness represented by it,
- (f) **Shares and Investments:** all of its rights in its Investments,
- (g) **Intellectual property rights:** all of its rights in its Intellectual Property;
- (h) **Licences:** all licences, consents and other Authorisations held in connection with its business or the use of any Secured Assets and all of its rights in connection with them, and
- (i) **Other documents:** all of its rights in any agreements, reports, books, records and other documents from time to time relating to all or any part of the Secured Assets, other than those assigned by Clause 3.2

### 3.2 **Assignments**

As security for the payment and discharge of the Secured Obligations, each Chargor with full title guarantee assigns absolutely to the Security Agent.

- (a) **Receivables:** all of its rights in the Receivables,
- (b) **Insurance:** all of its rights in its Insurances, including those relating to the Mortgaged Properties, and in any Insurance Proceeds; and
- (c) **Assigned Documents:** all of its rights under the Assigned Documents.

For the avoidance of doubt, each Chargor will remain at all times liable in respect of all of its obligations under each of the Assigned Documents to the same extent as if this Security had not been created and neither the Security Agent, any other Finance Party nor any Receiver will be under any obligation or liability to any Chargor or to any other person under or in respect of any Assigned Document

### 3.3 **Floating charge**

As security for the payment and discharge of the Secured Obligations, each Chargor with full title guarantee charges to the Security Agent by way of first floating charge the whole of its undertaking and other assets (other than assets validly and effectively charged or assigned (whether at law or in equity) from time to time pursuant to Clauses 3.1 (*Fixed charges*) or 3.2 (*Assignments*)) Schedule B1, Paragraph 14.1A shall apply to the floating charge contained in this Debenture



## **4 CRYSTALLISATION OF FLOATING CHARGE**

### **4.1 Crystallisation by notice**

The Security Agent may at any time by notice in writing to a Chargor convert the floating charge created by that Chargor in Clause 3.3 (*Floating charge*) into a fixed charge with immediate effect as regards any Secured Asset specified in the notice if

- (a) an Enforcement Event has occurred and is continuing;
- (b) the Security Agent considers that any Secured Asset may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy, or
- (c) the Security Agent considers that it is desirable to protect the priority of this Security

### **4.2 Automatic crystallisation**

The floating charge created by a Chargor in Clause 3.3 (*Floating charge*) shall automatically (without notice to that Chargor) be converted into a fixed charge with immediate effect as regards all assets subject to the floating charge if:

- (a) that Chargor creates a Security Interest other than a Permitted Security over any Secured Asset or attempts to do so or any Secured Asset is disposed of contrary to Clause 7.2 (*No disposals*) or is otherwise in jeopardy,
- (b) any person levies or attempts to levy any distress, execution, sequestration or other process against any Secured Asset; or
- (c) the Security Agent receives notice of a proposal or intention to wind up, or appoint an administrator of, that Chargor or if that Chargor is wound up or has an administrator appointed

Nothing in this Clause 4 shall affect the crystallisation of the floating charge created by any Chargor under applicable law and regulation

## **5. PERFECTION OF SECURITY AND FURTHER ASSURANCE**

### **5.1 Notice of Assignment**

Each Chargor shall

- (a) promptly upon a request from the Security Agent deliver (with a copy to the Security Agent) a Notice of Assignment, duly completed, to
  - (i) any other party to an Assigned Document specified by the Security Agent; and
  - (ii) any insurer liable on any Insurance of any Chargor specified by the Security Agent,

- (b) use its best endeavours to procure that each addressee of a Notice of Assignment acknowledges that Notice of Assignment in the form attached to that Notice of Assignment (or in such other form as the Security Agent may approve), and
- (c) promptly upon a request from the Security Agent, take such other steps as are necessary or desirable to perfect the assignment of its Assigned Documents in any applicable jurisdiction (including, without limitation, the jurisdiction of the law governing the Assigned Document).

## 5.2 Notice of Charge

- (a) Each Chargor shall
  - (i) immediately on the date of this Debenture or, after the date of this Debenture, immediately upon the creation of a new Account deliver (with a copy to the Security Agent) a Notice of Charge of Blocked Account or a Notice of Charge of Unblocked Account as applicable, duly completed, to any bank specified by the Security Agent, being a bank with which any of the Accounts or its other bank accounts are opened or maintained, and
  - (ii) procure that each addressee of a Notice of Charge acknowledges that Notice of Charge in the form attached to that Notice of Charge (or in such other form as the Security Agent may approve)
- (b) As an alternative to Clause 5.2(a), the Security Agent, any relevant Chargor and the applicable account bank, may (and shall at the request of the applicable account bank) enter into Account Control Agreements with the banks at which the relevant bank accounts are opened or maintained, such Account Control Agreements to be in form and substance satisfactory to the Security Agent (and, for the avoidance of doubt, if such Account Control Agreement is entered into with respect to a bank account, the relevant Chargor shall not be obliged to comply with Clause 5.2(a) in respect of that bank account)

## 5.3 Notice to Account Debtors

Promptly upon a request from the Security Agent each Chargor shall

- (a) deliver (with a copy to the Security Agent) a duly completed notice of charge or notice of assignment, as applicable, (substantially in the form of Schedule 4 (*Notice of [Assignment][Charge] of Accounts*) or otherwise in form and substance satisfactory to the Security Agent), to any Account Debtor, and
- (b) take such other steps as are necessary or desirable to perfect the charge or assignment (as applicable) of any of its Accounts in each applicable jurisdiction (including, without limitation, the jurisdiction of the law governing the contract generating any Account and/or the jurisdiction of any Account Debtor)

#### **5.4 Further assurance**

Each Chargor shall at the request of the Security Agent and at its own expense promptly execute (in such form as the Security Agent may reasonably require) any Instruments or other documents and otherwise do any acts and things which the Security Agent may require to preserve, perfect or protect the security created (or intended to be created) by this Debenture or the priority of it or to facilitate the realisation or enforcement of it or to exercise any of the rights of the Security Agent, any other Finance Party or any Receiver in relation to the same

#### **5.5 Non-Assignable or Chargeable Rights**

Each Chargor undertakes that to the extent that any right, title, interest or benefit in or in respect of any asset described in Clause 3.1 (*Fixed charges*) or Clause 3.2 (*Assignments*) cannot be or is not effectively charged pursuant to Clause 3.1 (*Fixed charges*) or assigned pursuant to Clause 3.2 (*Assignments*) for whatever reason, it shall

- (a) promptly notify the Security Agent of the same and the reasons therefor,
- (b) hold the benefit of the same on trust for the Security Agent as security for the payment, discharge and performance, when due, of the Secured Obligations, and
- (c) take such steps as the Security Agent may require to remove such impediment to the creation of a charge or to an assignment

**SECTION 3**  
**ASSET REPRESENTATIONS, COVENANTS AND WARRANTIES**

**6. REPRESENTATIONS**

Each Chargor represents and warrants to the Security Agent, on the date of this Debenture and on the occasion of each Utilisation under the Facilities Agreement that

- (a) save for Permitted Security, it is the sole legal and beneficial owner of the assets over which it purports to grant security free and clear of all Security Interests;
- (b) it has good and valid rights in, or the power to transfer, the Secured Assets with respect to which it has purported to grant a Security Interest under this Debenture and has full power and authority to grant to the Security Agent this Security,
- (c) under the law of its jurisdiction of incorporation, it is not necessary that this Debenture be filed, recorded or enrolled with any court or other authority except for the filing of particulars at Companies House in England and Wales under Section 860 of the Companies Act 2006;
- (d) the names of the obligors, amounts owing, due dates and other information with respect to its Receivables are and will be correctly stated in all records of the Chargor relating thereto and in all information relating to the Receivables which is provided pursuant to the Facilities Agreement with respect thereto furnished to the Security Agent by any Chargor from time to time. As of the time when each Receivable arises, the relevant Chargor shall be deemed to have represented and warranted that such Receivable, and all records relating thereto, are genuine,
- (e) all of its Receivables represent bona fide transactions entered into in the ordinary course of the relevant Chargor's business,
- (f) there are no set-offs, claims or disputes existing or asserted with respect to the Receivables, and the relevant Chargor has not, other than in the ordinary course of the relevant Chargor's business, made any agreement with any Account Debtor for any extension of time for the payment thereof, any compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom; and
- (g) to the relevant Chargor's knowledge, there are no facts, events or occurrences which in any way impair the validity or enforceability of its Receivables or which could reasonably be expected to reduce the amount payable thereunder as shown on the relevant Chargor's books and records and any Borrowing Base Certificate with respect thereto;
- (h) with respect to all of its Inventory
  - (i) it is located in England and Wales,

- (ii) the relevant Chargor has good and merchantable title to all of such Inventory, and such Inventory is not subject to any Security Interest except for Permitted Security,
- (iii) it is of good and merchantable quality free from any defects not reflected in the value thereof as shown on the most recent Borrowing Base Certificate,
- (iv) it is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any third party upon such sale or other disposition, and
- (v) the completion of manufacture, sale or other disposition of such Inventory by the Security Agent following the occurrence of an Enforcement Event shall not require the consent of any person and shall not constitute a breach or default under any contract or agreement to which the relevant Chargor is a party or to which such property is subject.

## **7 NEGATIVE PLEDGE AND DISPOSALS**

### **7.1 Negative pledge**

Each Chargor undertakes that it will not, at any time prior to the Discharge Date, create or permit to subsist any Security Interest over any Secured Asset except as expressly permitted by the Facilities Agreement

### **7.2 No disposals**

Each Chargor undertakes that it will not, at any time prior to the Discharge Date, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset, except as expressly permitted by the Facilities Agreement.

## **8 OTHER COVENANTS OF GENERAL APPLICATION**

### **8.1 Management of Secured Assets**

Each Chargor shall manage its Secured Assets in a proper and efficient manner and in particular shall:

- (a) keep its Secured Assets in good and substantial repair and working order,
- (b) not without the prior written consent of the Security Agent make, permit or allow any alterations or additions of a material nature to any of its Secured Assets or carry out any works of demolition on them, and
- (c) not do, permit or allow to be done anything which might in any way depreciate, jeopardise or otherwise prejudice the security held by the Security Agent or the value of any of that Chargor's Secured Assets and shall

immediately inform the Security Agent of anything which occurs which might have that effect.

**8 2 Covenants for title**

The obligations of each Chargor under this Debenture shall be in addition to the covenants for title deemed to be included in this Debenture by virtue of Part 1 Law of Property (Miscellaneous Provisions) Act 1994.

**9. MORTGAGED PROPERTIES**

**9 1 Registration at Land Registry**

The Chargors shall

- (a) do all things requested by the Security Agent to facilitate the registration of this Debenture against any Land Registry title comprised in the Mortgaged Properties. For that purpose, the Chargors shall
  - (i) apply to the Chief Land Registrar for a restriction to be entered on each title to the Mortgaged Properties in the following terms "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Debenture dated [●], in favour of [●] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer", and
  - (ii) if the Security Agent so requests, certify that the security over the Mortgaged Properties created by this Debenture does not contravene any of the provisions of its constitutional documents,
- (b) not permit any other person to be registered at Land Registry as proprietor of any of the Mortgaged Properties (or of any interest in any of the Mortgaged Properties), and
- (c) not create or permit to arise any interest which falls within any of the paragraphs of Schedule 3 Land Registration Act 2002 or any interest preserved by the transitional provisions of Schedule 12 Land Registration Act 2002 to the extent and for so long as any interest is so preserved in or over any of the Mortgaged Properties

**9 2 Delivery of Mortgaged Property title documents**

- (a) Each Chargor shall, on the date of this Debenture and from time to time, deliver (or procure that there are delivered) to the Security Agent (or a nominee specified by the Security Agent acting on its behalf) all title documents (including all local land charges, Land Registry search certificates and planning and other statutory consents) relating to the Mortgaged Properties. The Security Agent shall be entitled to hold or retain (or have its nominee hold or retain) them

- (b) On completion of the registration of this Debenture against any Land Registry title comprised in the Mortgaged Properties, the Chargors shall supply the Security Agent with a copy of the title information document for that title.

### **9 3 Future acquisitions**

Each Chargor shall, at all times until the Discharge Date, notify the Security Agent immediately of any proposal, contract, conveyance, transfer or other disposition for or effecting the acquisition by it or any nominee on its behalf of any land

### **9.4 Leases comprised in the Secured Assets**

No Chargor shall without the prior written consent of the Security Agent

- (a) surrender or determine or agree to the determination, surrender or termination of any Lease forming part of the Secured Assets, or
- (b) agree to any amendment of, or to any waiver of rights under, any Lease forming part of the Secured Assets.

### **9 5 Powers of leasing of the Chargors**

No grant, agreement to grant or acceptance of a surrender of a Lease by a Chargor prior to the Discharge Date shall have effect or force (by virtue of ss99 and 100 Law of Property Act 1925 or otherwise) without the consent of the Security Agent

### **9 6 Local authority proposals**

- (a) The Chargors shall:
  - (i) give to the Security Agent a copy of any notice or order (or any proposal for a notice or order) given, issued or made by any local or other authority relating to any of the Secured Assets;
  - (ii) take all necessary steps to comply with that notice, order or proposal, and
  - (iii) make or join in making any representations which the Security Agent requests in respect of the notice, order or proposal
- (b) Any compensation received as a result of a notice, order or proposal referred to in Clause 9 6(a), pursuant to s25 Law of Property Act 1969 and/or the Landlord and Tenant Act 1954 or otherwise, shall be held on trust for, and promptly paid to, the Security Agent. The Security Agent shall apply the compensation as if it constituted proceeds of an enforcement of this Debenture.

### **9 7 Subsequent incumbrancer**

For the purposes of ss99 and 100 LPA, "mortgagor" shall include any incumbrancer (as defined in the LPA) deriving title from a Chargor and s99(18) and s100(12) LPA shall not apply

## **10 RECEIVABLES AND RELATED MATTERS**

### **10 1 No dealings with Receivables**

Other than as permitted under the Facilities Agreement, no Chargor shall create a Security Interest, dispose, release, set off, exchange, compound, grant time or indulgence, subordinate its rights in respect of any of its Receivables to the rights of any other person in relation to debts owed to such person or otherwise deal over, of or with its Receivables (nor, in each such case, purport to do so) otherwise than by getting in and realising them in the ordinary and proper course of its business (and for this purpose the realisation of the Receivables by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary and proper course of its business) and, in any event, not sell, assign, factor, discount or otherwise charge its Receivables in favour of any person, nor purport to do so

### **10 2 Payment of proceeds**

Each Chargor shall promptly pay, or procure the prompt payment of, all monies received by it or on its behalf in respect of any Receivables into the Deposit Account. Until that payment, it will hold, or procure that the recipient holds, those monies on trust for the Security Agent.

### **10 3 Sales of Inventory for cash**

If sales of Inventory are made or services are rendered for cash, each relevant Chargor shall immediately pay into a Deposit Account denominated in the currency of such amounts the payment which it receives.

## **11. THE INVESTMENTS**

### **11 1 Delivery of Investment title documents; registration**

- (a) Each Chargor shall, on the date of this Debenture and from time to time, deliver (or procure that there are delivered) to the Security Agent (or a nominee specified by the Security Agent acting on its behalf) all share certificates or other documents of title to or representing its Investments, together with (in each case in form and substance satisfactory to the Security Agent)
  - (i) if any of the Investments is not in its sole name, a declaration of trust in respect of those Investments in its favour duly executed by each person other than the relevant Chargor in whose name those Investments are registered or held,
  - (ii) any instrument of transfer or assignment of such Investments specified by the Security Agent duly executed by each person in whose name any of those Investments are registered or held (with the name of the transferee or assignee, the consideration and the date left blank), and
  - (iii) any other Instrument, other document or thing which the Security Agent may specify to perfect or improve its security over that Chargor's Investments, including waivers of pre-emption and other



rights which may affect the exercise of any rights under, or the enforcement of, this Debenture

- (b) The Security Agent shall be entitled to hold or retain (or have its nominee hold or retain) all items delivered pursuant to Clause 11 1(a)
- (c) The Security Agent may at any time have any of the Investments registered in its name or in the name of a nominee specified by it acting on its behalf.

#### **11 2 Rights before a post-Enforcement Event notification**

Before the occurrence of an Enforcement Event and after an Enforcement Event unless Clause 11 3 applies

- (a) the Security Agent shall.
  - (i) hold all dividends, interest and other monies paid on and received by it in respect of each Chargor's Investments for the account of the relevant Chargor and will pay those dividends, interest and other monies to the relevant Chargor on request; and
  - (ii) exercise all voting and other rights attached to each Chargor's Investments (insofar as transferred to the Security Agent or its nominee) as the relevant Chargor may from time to time in writing reasonably direct, provided that the Security Agent shall be under no obligation to comply with any such direction where compliance would in the Security Agent's reasonable opinion be prejudicial to this Security or the security created by any other Security Document, and
- (b) no Chargor shall
  - (i) exercise any rights attached to the Investments in any manner which in the Security Agent's opinion is prejudicial to this Security or the security created by any other Security Document, and
  - (ii) without the prior written consent of the Security Agent, permit or agree to any variation of the rights attaching to the Investments, participate in any rights issue, elect to receive or vote in favour of receiving any dividend other than in the form of cash or participate in any resolution concerning a winding-up, liquidation or administration.

#### **11 3 Rights after a post-Enforcement Event notification**

If at any time following the occurrence of an Enforcement Event, the Security Agent gives notice to the Chargors that this Clause 11 3 applies, then from the date of that notice

- (a) this Clause 11 3 shall apply,
- (b) the Security Agent or its nominee may at the Security Agent's discretion, (and in the name of the relevant Chargor or otherwise) exercise all voting and other rights attached to the Investments and all rights to receive dividends, interest

and other monies paid on or to be received in respect of the Investments without any further consent or authority on the part of the relevant Chargor, and

- (c) no Chargor shall exercise any of those rights

#### **11.4 Calls and notices**

- (a) Each Chargor shall, at all times until the Discharge Date, duly and promptly pay (or ensure that these are paid) all calls, instalments or other monies which may from time to time become due in respect of any of the Investments without deduction or set-off.
- (b) Each Chargor shall provide the Security Agent with any report, accounts, circular, notice or other item sent or provided to it (or to any person on its behalf) in connection with its holding of the Investments or any of them immediately on receipt of them

#### **11.5 The Companies**

Each Chargor shall ensure that none of the Companies shall, unless the prior written consent of the Security Agent has been obtained

- (a) in any way modify the rights attached to any of the shares in its issued share capital;
- (b) increase, consolidate, sub-divide or reduce its share capital,
- (c) alter its memorandum or articles of association,
- (d) purchase its own shares or reduce its share capital, or
- (e) take any step to place itself in liquidation or pass any resolution to wind itself up.

#### **11.6 Waivers of pre-emption rights**

Each Chargor shall ensure that all shareholders of each Company from time to time enter into waivers of, or make any necessary amendments to (in each case in a form and on terms satisfactory to the Security Agent), all pre-emption rights and restrictions in the Articles of Association of each Company from time to time or otherwise which may in any respect vary, restrict or affect the exercise of any rights which may arise in connection with the enforcement of this security or the transfer of the shares in the relevant Company to the Security Agent or such other person as the Security Agent may so direct

#### **11.7 Representations in relation to Shares**

Each Chargor warrants and represents that with regard to the shares set out against its name in Schedule 3 (*Specified Investments*).

- (a) it is the sole beneficial and legal owner or them free from any Security Interests,
- (b) they are fully paid,
- (c) there are no monies or liabilities outstanding or payable in respect of them or any of them,
- (d) it is lawfully entitled to create this Security over them in favour of the Security Agent;
- (e) together they constitute the whole of the issued share capital of the relevant Company, and
- (f) they are fully transferable to the Security Agent or such other person as the Security Agent shall direct without restriction

## **12 INTELLECTUAL PROPERTY**

At all times until the Discharge Date

- (a) each Chargor shall do all acts and things which may be necessary to preserve and maintain the subsistence and validity of its Intellectual Property, and
- (b) no/neither Chargor shall use or permit any of its Intellectual Property to be used in any way which may materially and adversely affect its value.

## **13 ASSIGNED DOCUMENTS**

Each Chargor shall.

- (a) not waive any rights under nor amend, novate, repudiate, rescind or otherwise terminate or permit to be terminated any Assigned Document without the prior written consent of the Security Agent, and
- (b) diligently pursue any remedies available to it for any breach of, or in respect of any claim in relation to, any Assigned Document

## **14 INVENTORY**

### **14.1 Documents of Title**

Each Chargor shall, if requested by the Security Agent, deliver (or procure that there are delivered) to the Security Agent (or a nominee specified by the Security Agent acting on its behalf) all Warrants and other documents of title relating to or representing its Inventory, together with any Instrument, other document or thing which the Security Agent may reasonably specify to perfect or improve the Security Interest over the relevant Chargor's Inventory.

## **14.2 Inventory count**

Each Chargor will conduct a physical count of its Inventory (other than Inventory in the physical possession of a third party as to which the relevant Chargor has delivered to Security Agent such evidence of the nature, extent and condition thereof as the Security Agent shall reasonably request and find reasonably satisfactory) at least once in each financial year, and after and during the continuation of an Enforcement Event at such other times as the Security Agent requests. Each Chargor will promptly deliver to the Security Agent the results of each physical verification which the relevant Chargor has made, or has caused any other person to make on its behalf, of its Inventory.

## **SECTION 4 ENFORCEMENT OF SECURITY**

### **15 ENFORCEMENT – GENERAL PROVISIONS**

#### **15.1 Enforcement**

On or at any time after the occurrence of an Enforcement Event, this Security shall become immediately enforceable and the Security Agent may enforce all or any of its rights under this Debenture as it thinks fit. In particular, it may without further notice exercise in relation to the Secured Assets

- (a) the power of sale and all other powers conferred on mortgagees by the LPA (or otherwise by law) or on an administrative receiver by the IA, in either case as extended or otherwise amended by this Debenture,
- (b) to the extent that Clause 16 (*Right of Appropriation*) applies, the power to appropriate the Secured Assets in or towards the payment and discharge of the Secured Obligations in accordance with Clause 16.2 (*Exercise of right of appropriation*), and
- (c) (without first appointing a Receiver) any or all of the rights which are conferred by this Debenture (whether expressly or by implication) on a Receiver, including those relating to Leases set out in Clause 17.2(d) (*Dealing with Secured Assets*)

#### **15.2 LPA provisions**

- (a) The Secured Obligations shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Debenture
- (b) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale) and s109 LPA (restricting the power to appoint a receiver) shall not apply to this Security

#### **15.3 Protection of third parties**

- (a) No purchaser, mortgagee or other person dealing with a Receiver or the Security Agent shall be bound to enquire whether its right to exercise any of its rights has arisen or become exercisable, or be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Receiver or the Security Agent
- (b) All of the protection to purchasers contained in ss104 and 107 LPA and s42(3) IA shall apply to any person purchasing from or dealing with a Receiver or the Security Agent as if the Secured Obligations had become due and the statutory powers of sale and of appointing a Receiver in relation to the Secured Assets had arisen on the date of this Debenture

#### **15 4 Delegation**

- (a) The Security Agent may delegate to any person or persons all or any of the rights which are exercisable by it under this Debenture. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Security Agent may think fit.
- (b) A delegation under Clause 15 4(a) or Clause 15 4(d) shall not preclude the subsequent exercise of those rights by the Security Agent itself nor preclude the Security Agent from making a subsequent delegation of them to another person or from revoking that delegation.
- (c) The Security Agent shall not be liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.
- (d) The Security Agent hereby delegates to Fraser Pearce and Gavin George (or such other persons selected by the Security Agent and notified to the Borrower from time to time) the power and authority to give instructions under the Finance Documents on its behalf with respect to the Accounts solely in connection with (i) the opening and closing of the Accounts, (ii) incoming and outgoing payments to and from the Borrower up to a maximum weekly amount of £4,500,000 and (iii) electronic and/or telephone banking services.

#### **15 5 No liability**

None of the Security Agent, any Receiver or any Administrator shall be liable as a mortgagee in possession or otherwise to account in relation to all or any part of the Secured Assets for any loss on realisation or for any other action, default or omission for which it, he or she might be liable.

#### **15 6 Grant of Intellectual Property license**

For the purpose of enabling the Security Agent to exercise the rights and remedies under this Clause 15, each Chargor hereby

- (a) grants to the Security Agent, for the benefit of the Security Agent and the Finance Parties, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the relevant Chargor) to use, license or sublicense any intellectual property rights of its present or future, wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof, and
- (b) irrevocably agrees that the Security Agent may sell any of the relevant Chargor's Inventory directly to any person including, without limitation, persons who have previously purchased the relevant Chargor's Inventory from that Chargor and in connection with any such sale or other enforcement of the Security Agent's rights under this Debenture, may sell Inventory which bears

any trademark owned by or licensed to the relevant Chargor and any Inventory that is covered by any copyright owned by or licensed to the relevant Chargor and the Security Agent may finish any work in process and affix any trademark owned by or licensed to the relevant Chargor and sell such Inventory as provided in this Debenture.

## **16. RIGHT OF APPROPRIATION**

### **16.1 Application of right of appropriation**

This Clause 16 applies to the extent the Secured Assets constitute "financial collateral" and this Debenture constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No 2) Regulations 2003)

### **16.2 Exercise of right of appropriation**

If and to the extent that this Clause 16 applies, the Security Agent may appropriate the Secured Assets. If the Security Agent exercises its right of appropriation then it shall for these purposes value

- (a) any relevant Account or other bank account and the amount standing to the credit of that account, together with any accrued interest not credited to the account, at the time of the appropriation, and
- (b) any other relevant Secured Asset by reference to an independent valuation or other procedure determined by the Security Agent, acting reasonably, at the time of the appropriation

## **17 APPOINTMENT OF RECEIVER**

### **17.1 Appointment of Receiver**

Without prejudice to any statutory or other powers of appointment of the Security Agent under the LPA as extended by this Debenture or otherwise, at any time after this Security has become enforceable or if the relevant Chargor so requests in writing at any time the Security Agent may without further notice to any Chargor do any of the following

- (a) appoint by deed or otherwise (acting through a duly authorised officer) any one or more persons qualified to act as a Receiver to be a Receiver of all or any part of the Secured Assets,
- (b) either at the time of appointment or any time after that appointment fix his or their remuneration (without being limited by the maximum rate specified in s109(6) LPA), and
- (c) (except as otherwise required by statute) remove any Receiver and appoint another or others in his or her place

## 17.2 Powers of Receiver

Every Receiver shall have in relation to the Secured Assets (every reference in this Clause 17.2 to "**Secured Assets**" being a reference only to all or any part of the Secured Assets in respect of which that Receiver was appointed) the powers granted by the LPA to any receiver appointed under it or to any mortgagor or mortgagee in possession and (whether or not the Receiver is an administrative receiver) the powers granted by the IA to any administrative receiver, all as varied and extended by this Debenture. In addition, but without limiting the preceding sentence, every Receiver shall have power to do the following

- (a) **Collection:** enter on, take possession of, collect and get in the Secured Assets and collect and get in all rents and other income whether accrued before or after the date of his or her appointment and for those purposes make any demands and take any actions or other proceedings which may seem to him or her expedient;
- (b) **Compliance with Debenture:** comply with and perform all or any of the acts, matters, omissions or things undertaken to be done or omitted by the relevant Chargor under this Debenture;
- (c) **Management of business:** carry on, manage, develop, reconstruct, amalgamate or diversify the business of the relevant Chargor or any part of it in such manner as the Receiver shall in his or her discretion think fit;
- (d) **Dealing with Secured Assets:** sell or otherwise dispose of the Secured Assets, grant Leases, easements, rights or options over or in respect of them and surrender, accept the surrender or vary any Lease, agreement or arrangement relating to them. This power may be exercised without the need to comply with ss99 and 100 LPA. Any disposal or other dealing under this Clause 17.2(d) may be effected in the manner and on any terms which the Receiver thinks fit, for consideration consisting of cash, debentures or other obligations, shares or other valuable consideration and this consideration may be payable in a lump sum or by instalments spread over such period as the Receiver may think fit;
- (e) **Severance of assets:** sever from the premises to which they are annexed and sell separately (in accordance with Clause 17.2(d)) any plant, machinery or fixtures,
- (f) **Upkeep of Secured Assets:** repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Secured Assets as the Receiver shall think fit and effect, maintain, renew or increase indemnity insurance and other insurances and obtain bonds,
- (g) **Dealing with third parties:** appoint or dismiss officers, employees, contractors or other agents and employ professional advisers and others on such terms (as to remuneration and otherwise) as the Receiver may think fit,



- (h) **Agreements:** perform, repudiate, terminate, amend or enter into any arrangement or compromise any contracts or agreements which the Receiver may consider expedient,
- (i) **Proceedings:** settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes which may arise in connection with the business of the relevant Chargor or the Secured Assets and bring, prosecute, defend, enforce, compromise, submit to and discontinue any actions, suits, arbitrations or other proceedings;
- (j) **Uncalled capital:** make calls on the shareholders of the relevant Chargor in respect of any of its uncalled capital,
- (k) **Rights in connection with Secured Assets:** exercise or permit the relevant Chargor or any nominee of the relevant Chargor to exercise any rights incidental to the ownership of the Secured Assets in such manner as the Receiver may think fit,
- (l) **Subsidiaries:** form a subsidiary or subsidiaries of the relevant Chargor and transfer, lease or license to it or them or any other person the Secured Assets on such terms as the Receiver may think fit,
- (m) **Assets and rights:** purchase, lease, hire or otherwise acquire any assets or rights of any description which the Receiver shall consider necessary or desirable for the carrying on, improvement or realisation of the Secured Assets or the business of the relevant Chargor or otherwise for the benefit of the Secured Assets,
- (n) **Landlord and tenant powers:** exercise any rights conferred on a landlord or a tenant by any applicable law or regulation in relation to the Secured Assets,
- (o) **Raising money:** in the exercise of any of the rights conferred on the Receiver by this Debenture or for any other purpose to raise and borrow money either unsecured or secured and either in priority to, pari passu with or subsequent to this Security and generally on such terms as he or she may think fit,
- (p) **Receipts and discharges:** give valid receipts for all monies and execute all discharges, assurances and other documents which may be proper or desirable for realising the Secured Assets and redeem, discharge or compromise any Security Interest whether or not having priority to this Security or any part of it,
- (q) **All other acts:** execute and do all such other acts, things and documents as the Receiver may consider necessary or desirable for the realisation or preservation of the Secured Assets or incidental or conducive to any of the rights conferred on or vested in him or her under or by virtue of this Debenture or otherwise and exercise and do in relation to the Secured Assets, and at the cost of the relevant Chargor, all the rights and things which he or she would be capable of exercising or doing if he or she were the absolute beneficial owner of the same, and

- (r) **Name of Chargor:** use the name of the relevant Chargor or his or her own name to exercise all or any of the rights conferred by this Debenture.

**17 3 Agent of the relevant Chargor**

Any Receiver appointed under this Debenture whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA and the relevant Chargor shall be solely responsible for his or her acts, omissions, defaults, losses and misconduct and for his or her remuneration and the Security Agent shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver.

**17 4 Joint appointment**

If at any time two or more persons have been appointed as Receivers of the same Secured Assets, each one of those Receivers shall be entitled to exercise individually all of the rights conferred on Receivers under this Debenture to the exclusion of the other or others in relation to any of the Secured Assets in respect of which he or she has been appointed unless the Security Agent shall state otherwise in the document appointing him or her

**18 APPOINTMENT OF ADMINISTRATOR**

**18 1 Appointment of Administrator**

- (a) The Security Agent may without notice appoint any one or more persons to be an administrator of any Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
- (b) Clause 18 1(a) shall not apply to any Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed
- (c) Any appointment under Clause 18 1(a) shall be in writing signed by a duly authorised officer of the Security Agent

**18 2 Replacement of an Administrator**

The Security Agent may (subject to any necessary approval from the court) end the appointment of any Administrator by notice in writing signed by a duly authorised officer and appoint under Clause 18 1 a replacement for any Administrator whose appointment ends for any reason

**19. APPLICATION OF PROCEEDS**

**19 1 Order of priority**

Any monies received by the Security Agent or any Receiver under this Debenture or under the rights conferred by this Debenture shall, after the occurrence of an Enforcement Event and payment of any claims having priority to this Security and subject to the terms of the Deed of Priorities, be applied in the following order to the extent permitted by applicable law, but without prejudice to the right of the Security Agent to recover any shortfall from the Chargors:

- (a) where applicable, in payment of all Losses of and incidental to the appointment of the Receiver and the exercise of all or any of his or her powers,
- (b) where applicable, in payment of the Receiver's remuneration at such rate as may be agreed with the Security Agent;
- (c) in or towards discharge of the Secured Obligations in such order as the Security Agent in its absolute discretion thinks fit; and
- (d) if no Chargor is under any further actual or contingent liability under the Facilities Agreement, in payment of the surplus (if any) to the person or persons entitled to it.

The application of monies received by an Administrator will be governed by the IA.

#### **19.2 Insurance proceeds**

- (a) All monies received by any Chargor by virtue of any Insurance on the Secured Assets, whether or not effected under this Debenture
  - (i) shall be deemed part of the Secured Assets, and
  - (ii) (subject to any rights of third parties arising under any applicable law and regulation relating to the application of insurance monies or under any Lease under which any Mortgaged Property is demised or let to or by that Chargor) shall, save with the prior written consent of the Security Agent, be paid in accordance with the Facilities Agreement. This shall apply whether the event pursuant to which those monies became payable occurred before, on or after the date of this Debenture.
- (b) Any monies received by any Chargor by virtue of any Insurance on the Secured Assets shall be held on trust for the Security Agent until those monies are paid to the Security Agent in accordance with the Finance Documents

## **SECTION 5**

### **GENERAL SECURITY PROVISIONS**

#### **20 GENERAL SECURITY PROVISIONS**

##### **20 1 Continuing security**

This Debenture is a continuing security and regardless of any intermediate payment or discharge in whole or in part to any Finance Party, shall be binding until the date (the "**Discharge Date**") on which:

- (a) all of the Secured Obligations have been unconditionally and irrevocably paid or discharged in full to the satisfaction of the Security Agent, and
- (b) the Security Agent is satisfied that all of the Finance Parties have ceased to have any commitment, obligation or other liability (whether actual or contingent) to make any credit or provide any other accommodation to any Obligor under any Finance Document or otherwise or to any other person in respect of whose liabilities any Obligor has undertaken a liability to the Security Agent or any other Finance Party under any Finance Document

##### **20 2 Additional security**

This Debenture is in addition to and is not in any way prejudiced by any other guarantee or Security Interest now or subsequently held by or on behalf of the Security Agent or any other Finance Party

##### **20 3 Waiver of defences**

The obligations of each Chargor under this Debenture will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 20 3, would reduce, release or prejudice any of its obligations under this Debenture, including (whether or not known to it or the Security Agent)

- (a) any time, waiver, consent or other indulgence granted to, or composition with, any Obligor or any other person,
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over the assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any Instrument or any failure to take, or failure to realise the full value of, any Security Interest;
- (d) any incapacity or lack of power, authority or legal personality of or Insolvency or change in the members or status of any Chargor or any other person, or

- (e) any disclaimer, unenforceability, illegality, invalidity or ineffectiveness of any of the Secured Obligations or any other obligation of any person under any Finance Document or any other Instrument or Security Interest

#### 20.4 **Immediate recourse**

Each Chargor waives any right it may have of first requiring any Finance Party to proceed against or enforce any Security Interest or other rights or claim payment from any other person before claiming from it under this Debenture. This waiver applies irrespective of any applicable law and regulation or any provision of any Finance Document to the contrary.

#### 20.5 **Discretion in enforcement**

Until the Discharge Date, the Security Agent or any Receiver may.

- (a) refrain from applying or enforcing any other monies, Security Interests or other rights held or received by it in respect of the Secured Obligations or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from any Chargor or on account of the Secured Obligations

#### 20.6 **Subsequent Security Interests**

At any time following

- (a) the Security Agent or any other Finance Party's receipt of notice (either actual or constructive) of any subsequent Security Interest affecting the Secured Assets,
- (b) the Insolvency of any Chargor, or
- (c) any disposal of all or any of the Secured Assets in breach of Clause 7.2 (*No disposals*),

any Finance Party may open a new account or accounts in the name of the relevant Chargor (whether or not it permits any existing account to continue). If a Finance Party does not open such a new account, it shall nevertheless be treated as if it had done so at the time when the notice was received or was deemed to have been received or, as the case may be, the Insolvency commenced or the assignment or transfer occurred and from that time all payments made by the relevant Chargor to the Finance Party or received by the Finance Party for the account of the relevant Chargor shall be credited or treated as having been credited to the new account and shall not operate to reduce the amount secured by this Debenture at the time when the Finance Party received or was deemed to have received that notice or, as the case may be, the Insolvency commenced or the assignment or transfer occurred.

## **21 POWER OF ATTORNEY**

### **21.1 Appointment**

Each Chargor irrevocably and by way of security appoints the Security Agent and any Receiver and every delegate referred to in Clause 15.4 (*Delegation*) and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to execute, deliver and perfect all Instruments and other documents and do any other acts and things which may be required or which the attorney may consider desirable

- (a) to carry out any obligation imposed on that Chargor by this Debenture and which has not been carried out by that Chargor,
- (b) to carry into effect any disposal or other dealing by the Security Agent or any Receiver,
- (c) to convey or transfer any right in land or any other asset;
- (d) to get in the Secured Assets, and
- (e) generally to enable the Security Agent and any Receiver to exercise the respective rights conferred on them by this Debenture or by applicable law and regulation,

and each Chargor undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of its powers and all monies spent by an attorney shall be deemed to be expenses incurred by the Security Agent under this Debenture

### **21.2 Irrevocable power**

Each Chargor acknowledges that each power of attorney granted by Clause 21.1 is granted irrevocably and for value as part of this Security to secure a proprietary interest of, and the performance of obligations owed to, the donee within the meaning of s4 Powers of Attorney Act 1971

## **22. RETENTION OF SECURITY**

### **22.1 Release of Security**

Following the Discharge Date and at the request and cost of the relevant Chargor, the Security Agent shall, as soon as reasonably practicable after receipt of that request, release and discharge this Security and re-assign the assets assigned to the Security Agent under this Debenture to the relevant Chargor (or as it shall direct), at all times without recourse, representation or warranty and subject to the provisions of the Facilities Agreement and Clauses 22.2 and the rights of any person having prior rights over those assets. Any release or discharge of this Security or re-assignment shall not release or discharge the relevant Chargor from any liability to the Security Agent or any other Finance Party for the Secured Obligations or any other monies which exists independently of this Debenture.

## **22 2 Reinstatement**

- (a) Any release, settlement, discharge, re-assignment or arrangement (in this Clause 22, a "**release**") made by the Security Agent on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to Insolvency
- (b) If any avoidance, reduction or clawback occurs or order is made as referred to in Clause 22 2(a), then the release given by the Security Agent shall have no effect and shall not prejudice the right of the Security Agent to enforce this Security in respect of the Secured Obligations. As between the Chargors and the Security Agent, this Security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Security Agent as security for the Secured Obligations

## **23 PRIOR SECURITY INTERESTS**

### **23 1 Redemption**

The Security Agent may at any time

- (a) redeem, or procure the transfer to itself of, any prior Security Interest over any Secured Assets; or
- (b) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall be conclusive and binding on the relevant Chorgor,

in each case, other than any Permitted Security prior to an Enforcement Event

### **23 2 Costs of redemption**

All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption or transfer under Clause 23 1 shall be paid by the Chargors to the Security Agent on demand, in each case together with interest calculated in the manner referred to in clause 10 4 (*Default Interest*) of the Facilities Agreement.

## **24 SECURITY AGENT PROVISIONS**

### **24.1 Appointment of the Security Agent**

- (a) Each of the Finance Parties have irrevocably appointed the Security Agent to act as its trustee in connection with the Security Documents
- (b) Each of the Finance Parties have authorised the Security Agent to exercise the rights specifically given to the Security Agent under or in connection with the Finance Documents together with any other incidental rights

#### **24.2 Role of the Security Agent**

- (a) The Security Agent shall hold the benefit of the Security Documents on trust for the Finance Parties
- (b) If the Security Agent receives notice from a party referring to any Security Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties
- (c) The Security Agent does not have any duties except those expressly set out in the Finance Documents. In particular, the Security Agent shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000

#### **24.3 No fiduciary duties; no duty to account**

- (a) Nothing in this Agreement constitutes the Security Agent as an agent, trustee or fiduciary of any Obligor
- (b) The Security Agent shall not be bound to account to any other Finance Party for any sum or the profit element of any sum received by it for its own account

#### **24.4 Business with the Chargor**

The Security Agent may accept deposits from, lend money to, invest in and generally engage in any kind of banking or other business with the Chargor and any Affiliate of the Chargor

#### **24.5 Discretions of the Security Agent**

- (a) The Security Agent may rely on
  - (i) any representation, notice, document or other communication believed by it to be genuine, correct and appropriately authorised, and
  - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his or her knowledge or within his or her power to verify
- (b) The Security Agent may assume that:
  - (i) no Default has occurred, and
  - (ii) any right vested in any Finance Party has not been exercised
- (c) The Security Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts
- (d) The Security Agent may act in relation to the Finance Documents through its personnel and agents



- (e) Notwithstanding that the Security Agent and one or more of the other Finance Parties may from time to time be the same entity, that entity has entered into the Finance Documents in those separate capacities. However, where the Finance Documents provide for the Security Agent and the other Finance Parties to provide instructions to or otherwise communicate with one or more of the others of them, then for so long as they are the same entity it will not be necessary for there to be any formal instructions or other communication, notwithstanding that the Finance Documents provide in certain cases for the same to be in writing.
- (f) Except as otherwise expressly provided in any Security Document, the Security Agent shall be and is hereby authorised to assume without enquiry, in the absence of actual notice to the contrary, that each of the Chargors and the other parties to any of the Finance Documents (other than the Security Agent) is duly performing and observing all the covenants and provisions contained in or arising pursuant to any Security Document or any other Finance Document respectively relating to it and on its part to be performed and observed.

#### **24.6 Majority Lenders' instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Security Agent shall.
  - (i) act in accordance with any instructions given to it by the Agent (acting on the instructions of the Majority Lenders) (or, if so instructed by the Agent (acting on the instructions of the Majority Lenders) or in the absence of an instruction from them, refrain from acting or exercising any power, authority, discretion or other right vested in it as Security Agent), and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Agent or Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Agent or Majority Lenders will be binding on all the Lenders.
- (c) The Security Agent may refrain
  - (i) from acting (in accordance with the instructions of the Agent or Majority Lenders (or, if appropriate, the Lenders) or otherwise) until it has received such security and/or indemnity as it may require for any Losses (including any associated irrevocable VAT) which it may incur in complying with the instructions, and
  - (ii) from doing anything which may in its opinion be a breach of any law or duty of confidentiality or be otherwise actionable at the suit of any person.
- (d) In the absence of instructions from the Agent or Majority Lenders (or, if appropriate, the Lenders), the Security Agent may act (or refrain from taking

action) as it considers to be in the best interest of the Agent or Majority Lenders

- (e) The Security Agents not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document

#### **24 7 Responsibility for documentation**

The Security Agent is not responsible for

- (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Finance Party, any Chargor or any other person given in or in connection with any Finance Document; or
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or other document entered into, made or executed in anticipation of or in connection with any Finance Document

#### **24 8 Exclusion of liability**

- (a) Without limiting Clause 24 8(b), the Security Agent will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct
- (b) No Party may take any proceedings against any officer, employee or agent of the Security Agent in respect of any claim it might have against the Security Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document Any officer, employee or agent of the Security Agent may rely on this Clause 24 8(b)
- (c) The Security Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Security Agentive the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose
- (d) The Security Agent shall not be under any obligation to insure any of the Secured Assets or any certificate, note, bond or other evidence in respect of any of them or to require any other person to maintain that insurance and shall not be responsible for any Losses which may be suffered as a result of the lack or inadequacy of that insurance
- (e) The Security Agent shall not be responsible for any Losses occasioned to the Secured Assets, however caused, by any Chargor or any other person by any act or omission on the part of any person (including any bank, broker, depository, warehouseman or other intermediary or any clearing system or the operator of it), or otherwise, unless those Losses are occasioned by the Security Agent's own gross negligence or wilful misconduct In particular the

Security Agent shall be not responsible for any Losses which may be suffered as a result of any assets comprised in the Secured Assets, or any deeds or documents of title to them, being uninsured or inadequately insured or being held by it or by or to the order of any custodian or by clearing organisations or their operators or by any person on behalf of the Security Agent

- (f) The Security Agent shall have no responsibility to the Chargor as regards any deficiency which might arise because any Chargor is subject to any tax in respect of the Secured Assets or any income or any proceeds from or of them
- (g) The Security Agent shall not be liable for any failure, omission or defect in giving notice of, registering or filing, or procuring registration or filing of, or otherwise protecting or perfecting, the security constituted over the Secured Assets

#### **24 9 Lenders' indemnity to the Security Agent**

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent, within three Business Days of demand, against any Losses sustained or incurred by the Security Agent (otherwise than by reason of the Security Agent's gross negligence or wilful misconduct) in acting as the Security Agent under the Finance Documents (unless the Security Agent has been reimbursed by a Chargor pursuant to a Finance Document)
- (b) The Security Agent may, in priority to any payment to the Lenders, indemnify itself out of the Secured Assets in respect of, and pay and retain, all sums necessary to give effect to this indemnity and to all other indemnities given to it in the other Finance Documents in its capacity as Security Agent. The Security Agent shall have a lien on the security constituted over the Secured Assets and the proceeds of enforcement of any Security Document for all such sums

#### **24 10 Resignation**

- (a) The Security Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other parties
- (b) Alternatively the Security Agent may resign by giving notice to the other parties, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Security Agent
- (c) If the Majority Lenders have not appointed a successor Security Agent in accordance with Clause 24 10(b) within 30 days after notice of resignation was given, the Security Agent may appoint a successor Security Agent (acting through an office in the United Kingdom)
- (d) The retiring Security Agent shall, at its own cost, make available to the successor Security Agent any documents and records and provide any

assistance which the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents

- (e) A notice of resignation from the Security Agent shall only take effect upon the appointment of a successor
- (f) Upon the appointment of a successor, the retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 24. Its successor and each of the other parties shall have the same rights and obligations amongst themselves as they would have had if the successor had been an original party

#### **24.11 Additional Security Agent**

The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate Security Agent or as a co-trustee jointly with it (any such person, an **"Additional Security Agent"**)

- (a) if it is necessary in performing its duties and if the Security Agent considers that appointment to be in the interest of the Finance Parties; or
- (b) for the purposes of complying with or confirming to any legal requirements, restrictions or conditions which the Security Agent deems to be relevant; or
- (c) for the purposes of obtaining or enforcing any judgment or decree in any jurisdiction,

and the Security Agent will give notice to the other Parties of any such appointment.

#### **24.12 Confidentiality**

- (a) In acting as Security Agent for the Finance Parties, the Security Agent shall be regarded as acting through its syndication or agency division which shall be treated as a separate entity from any other of its divisions or departments
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agents not obliged to disclose to any other person.
  - (i) any confidential information, or
  - (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

#### **24.13 Relationship with the Lenders**

The Security Agent may treat each Lender as a Lender, entitled to payments under any Security Document and acting through its Facility Office unless it has received

not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of any Security Document.

#### **24 14 Credit appraisal by the Lenders**

Without affecting the responsibility of each Chargor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document, including:

- (a) the financial condition, status and nature of each Chargor,
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document,
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or other document entered into, made or executed in anticipation of, under or in connection with any Finance Document, and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Security Agent, any other party or any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or other document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

#### **24 15 Management time**

Any amount payable to the Security Agent by way of fees or indemnity under any Security Document or the Facilities Agreement shall include the cost of utilising the Security Agent's management time or other resources (which will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Chargors)

#### **24.16 Security Documents**

- (a) The Security Agent shall accept without investigation, requisition or objection whatever title any person may have to the assets which are subject to the Security Documents and shall not
  - (i) be bound or concerned to examine or enquire into the title of any person, or
  - (ii) be liable for any defect or failure in the title of any person, whether that defect or failure was known to the Security Agent or might have

been discovered upon examination or enquiry and whether it is capable of remedy or not.

- (b) Upon the appointment of any successor Security Agent under Clause 24 10, the resigning Security Agent shall execute and deliver any documents and do any other acts and things which may be necessary to vest in the successor Security Agent all the rights vested in the resigning Security Agent under the Security Documents
- (c) Each of the other Finance Parties:
  - (i) authorises the Security Agent to hold each mortgage or charge created pursuant to any Finance Document in its sole name as trustee for the Finance Parties, and
  - (ii) requests the Land Registry to register the Security Agent as the sole proprietor of any mortgage or charge so created

#### **24 17 Distribution of proceeds of enforcement**

- (a) To the extent that the Security Documents provide for the net proceeds of any enforcement to be applied against the Secured Obligations, the Security Agent may pay them to the Agent and the Agent shall apply them in payment of any amounts due but unpaid under the Finance Documents, if applicable in the order set out in the Facilities Agreement. This shall override any appropriation made by any Chargor
- (b) The Security Agent may, at its discretion, accumulate proceeds of enforcement in an interest bearing account in its own name

#### **24 18 No obligation to remain in possession**

If the Security Agent, any Receiver or any delegate takes possession of all or any of the Secured Assets, it may from time to time in its absolute discretion relinquish such possession.

#### **24 19 Security Agent's obligation to account**

The Security Agent shall not in any circumstances (either by reason of taking possession of the Secured Assets or for any other reason and whether as mortgagee in possession or on any other basis):

- (a) be liable to account to any Chargor or any other person for anything except the Security Agent's own actual receipts which have not been distributed or paid to that Chargor or the persons entitled or at the time of payment believed by the Security Agent to be entitled to them, or
- (b) be liable to any Chargor or any other person for any principal, interest or Losses from or connected with any realisation by the Security Agent of the Secured Assets or from any act, default, omission or misconduct of the Security Agent, its officers, employees or agents in relation to the Secured Assets or from any exercise or non-exercise by the Security Agent of any right

exercisable by it under any Security Document unless they shall be caused by the Security Agent's own gross negligence or wilful misconduct

**24.20 Receiver's and delegate's obligation to account**

All the provisions of Clause 24.19 shall apply in respect of the liability of any Receiver or Administrator or delegate in all respects as though every reference in Clause 24.19 to the Security Agent were instead a reference to the Receiver or, as the case may be, Administrator or delegate.

## **SECTION 6 ADMINISTRATION**

### **25 TRANSFERS**

#### **25 1 Security Agent**

The Security Agent may assign any or all of its rights and transfer any or all of its obligations under this Debenture to a successor appointed pursuant to Clause 24 10(b) (*Resignation*)

#### **25 2 Chargors**

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Debenture

#### **25 3 Disclosure of information**

The Security Agent may disclose any information about the Chargors which it shall consider appropriate to any Affiliate, any of its professional advisers, any person to whom it is proposing to assign or transfer, or has assigned or transferred, any of its rights and obligations under this Debenture or to any person to whom information may be required to be disclosed by any applicable law and regulation

### **26 CALCULATIONS AND CERTIFICATES**

#### **26 1 Accounts**

In any litigation or other proceedings arising out of or in connection with this Debenture, the entries made in the accounts maintained by the Security Agent or any other Finance Party are prima facie evidence of the matters to which they relate

#### **26 2 Certificates or determinations**

Any certificate or determination of the Security Agent as to any matter provided for in this Debenture is, in the absence of manifest error, conclusive evidence of the matters to which it relates

### **27. PARTIAL INVALIDITY**

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

### **28 REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent, any remedy or other right under this Debenture shall operate as a waiver, nor shall any single or partial exercise of any remedy or other right prevent any further or other exercise or the exercise of any other right. The remedies and other rights provided in



this Debenture are cumulative and not exclusive of any remedies and other rights provided by law

**29. AMENDMENTS AND WAIVERS**

Any term of this Debenture may be amended or waived only with the written consent of the Security Agent and the Chargors and any such amendment or waiver will be binding on all Parties

**30. COUNTERPARTS**

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Debenture.

**31. CONDUCT OF BUSINESS**

No provision of this Debenture will

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim, or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of taxes

**SECTION 7**  
**GOVERNING LAW AND ENFORCEMENT**

**32 GOVERNING LAW**

This Debenture and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law

**33 ENFORCEMENT**

**33 1 Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) (a "**Dispute**")
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary
- (c) This Clause 33 1 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions

**33 2 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Chargor (other than an Chargor incorporated in England and Wales):
  - (i) irrevocably appoints the Original Borrower as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document, and
  - (ii) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company (on behalf of all the Obligors) must immediately (and in any event within 5 days of such event taking place) appoint another agent on terms acceptable to the Security Agent. Failing this, the Security Agent may appoint another agent for this purpose
- (c) The Original Borrower expressly agrees and consents to the provisions of this Clause 33 and Clause 32 (*Governing Law*).

**EXECUTION:**

The parties have shown their acceptance of the terms of this Debenture by executing it, in the case of each Chargor as a deed, at the end of the Schedules

**SCHEDULE 1  
THE CHARGORS**

| <b>Name of Chargor<br/>(Jurisdiction of<br/>Incorporation)</b>                   | <b>Company number</b> | <b>Registered Address</b>                                                                                                 |
|----------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------|
| Outersole Holdings 1<br>Limited<br><br>(UK)                                      | 09815306              | 14 Berkeley Street, London,<br>United Kingdom, W1J 8DX                                                                    |
| Outersole Holdings 2<br>Limited<br><br>(UK)                                      | 09815451              | 14 Berkeley Street, London,<br>United Kingdom, W1J 8DX                                                                    |
| Brantano Retail Limited<br>(formerly known as<br>Lifebelles Limited)<br><br>(UK) | 09988846              | Interlink Way West, Interlink<br>Business Park Bardon,<br>Coalville, Leicestershire,<br>LE67 1LD                          |
| Monsta Group Limited<br><br>(UK)                                                 | 05363970              | Macintosh Fashion UK,<br>Interlink Way West, Interlink<br>Business Park Bardon,<br>Coalville, Leicestershire,<br>LE67 1LD |
| Monsta Holdings Limited<br><br>(UK)                                              | 04094896              | Macintosh Fashion UK,<br>Interlink Way West, Interlink<br>Business Park Bardon,<br>Coalville, Leicestershire,<br>LE67 1LD |
| Gordon Scott Limited<br><br>(UK)                                                 | 00788228              | Macintosh Fashion UK,<br>Interlink Way West, Interlink<br>Business Park Bardon,<br>Coalville, Leicestershire,<br>LE67 1LD |
| A Jones & Sons Limited<br><br>(UK)                                               | 00288766              | Macintosh Fashion UK,<br>Interlink Way West, Interlink<br>Business Park Bardon,<br>Coalville, Leicestershire,<br>LE67 1LD |
| Beghins Shoes Limited                                                            | 039                   | 51-53 King Street, St Helier,<br>Jersey, JE2 4WE                                                                          |

## **SCHEDULE 2 PROPERTIES**

### **Part 1 Registered land**

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which the Chargor is registered as the proprietor at Land Registry)

**County and District/**

| <b>London Borough</b> | <b>Description of Property</b> | <b>Title Number</b> |
|-----------------------|--------------------------------|---------------------|
|-----------------------|--------------------------------|---------------------|

None as at the date of this Debenture

### **Part 2 Unregistered land**

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which the Chargor is the owner)

**The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:**

| <b>Description</b> | <b>Date</b> | <b>Document</b> | <b>Parties</b> |
|--------------------|-------------|-----------------|----------------|
|--------------------|-------------|-----------------|----------------|

None as at the date of this Debenture

**SCHEDULE 3  
SPECIFIED INVESTMENTS**

| <b>Chargor</b>               | <b>Company</b>                                 | <b>Number, Type and Value of Shares</b>                                                                                                                                |
|------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outersole Holdings 1 Limited | Brantano (UK) Limited                          | 32,000,000 Ordinary Shares of £1 each                                                                                                                                  |
| Outersole Holdings 2 Limited | Monsta Group Limited                           | 4,650,000 A Ordinary shares of £1 each<br><br>30,000 B Ordinary Shares of £1 each<br><br>3 C Ordinary Shares of £1 each<br><br>11,400,000 Preference Shares of £1 each |
| Monsta Group Limited         | Monsta Holding Limited                         | 312,500 Ordinary Shares of £1 each                                                                                                                                     |
| Monsta Holdings Limited      | Gordon Scott Limited                           | 2,251,519 Ordinary Shares of £1 each                                                                                                                                   |
| Monsta Holdings Limited      | A Jones & Sons Limited                         | 2,500,000 Ordinary Shares of £0.05 each                                                                                                                                |
| Gordon Scott Limited         | Gordon Scott of London Limited                 | 900 Ordinary Shares of £1 each                                                                                                                                         |
| Gordon Scott Limited         | Gordon Scott of London (International) Limited | 900 Ordinary Shares of £1 each                                                                                                                                         |
| A Jones & Sons Limited       | Beghins Shoes Limited                          | 40,752 Ordinary Shares of £1 each                                                                                                                                      |

**SCHEDULE 4**  
**NOTICE OF [ASSIGNMENT] [CHARGE] OF ACCOUNTS**

*[On relevant Chargor's notepaper]*

To: *[Name and address of other party]*

*[Date]*

Dear Sirs

*[Name and date of Account]*

We refer to an agreement dated [●] between us and you (as amended or novated from time to time, the "**Agreement**").

We give you notice that by a Debenture (the "**Debenture**") dated [●] 2016 and entered into by us in favour of Alteri Europe, LP (as Security Agent, as defined in the Debenture), we have [assigned] [charged] all our rights in the book debts and other rights to receive payments arising out of the Agreement

Please note the following

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Agreement,
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Agreement to [●] or such other account as the Security Agent may from time to time notify to you in writing;
- (c) we agree that
  - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent, and
  - (ii) you are authorised to disclose any information in relation to the Agreement to the Security Agent at the Security Agent's request.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....  
*[Name of relevant Chargor]*

*By: [Name of signatory]*

**SCHEDULE 5**  
**NOTICE OF ASSIGNMENT OF ASSIGNED DOCUMENT**

*[On Chargor's notepaper]*

To *[Name and address of other party]*

*[Date]*

Dear Sirs

*[Name and date of Assigned Document]*

We refer to an agreement dated [●] 201[●] between us and you (as amended or novated from time to time, the "**Agreement**")

We give you notice that by a Debenture (the "**Debenture**") dated [●] 2016 and entered into by us in favour of Alteri Europe, L P (as Security Agent, as defined in the Debenture), we have assigned all our rights under the Agreement including the right to receive any payments due under the Agreement

Please note the following.

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Agreement,
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Agreement to such bank account as the Security Agent may from time to time specify in writing;
- (c) all of the powers, discretions, remedies and other rights which would, but for the Debenture, be vested in us under and in respect of the Agreement are exercisable by the Security Agent,
- (d) we have agreed not to waive any rights under nor amend, novate, rescind or otherwise terminate the Agreement without the prior written consent of the Security Agent,
- (e) we agree that
  - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent, and
  - (ii) you are authorised to disclose any information in relation to the Agreement to the Security Agent at the Security Agent's request

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, [●], at [●] marked for the attention of [●]

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....  
***[Name of relevant Chargor]***  
**By: *[Name of signatory]***



## ACKNOWLEDGEMENT

To [●]

We acknowledge receipt of a notice dated [●] 201[●] addressed to us by *[Name of relevant Chargor]* (the "Chargor") regarding an agreement dated [●] between us and the Chargor (as amended or novated from time to time, the "Agreement")

We confirm that.

- (a) we consent to the assignment of the Agreement and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Agreement,
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will
  - (i) immediately on becoming aware of it, give you written notice of that breach, and
  - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice,
- (d) we confirm that no waiver of any of the Chargor's rights under and no amendment, novation, rescission or other termination by the Chargor of, the Agreement shall be effective without the prior written consent of the Security Agent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt

.....  
*[Name of other party]*  
By: *[Name of signatory]*

Dated.

**SCHEDULE 6**  
**NOTICE OF ASSIGNMENT OF INSURANCE**

*[On relevant Chargor's notepaper]*

To: *[Name and address of insurer]*

*[Date]*

Dear Sirs

**Policy number [●]**

We give you notice that by a Debenture (the "**Debenture**") dated [●] 2016 and entered into by us in favour of Alteri Europe, L.P. (as Security Agent, as defined in the Debenture), we have assigned all our rights in the insurance policy, brief details of which are set out below (the "**Policy**") and all monies which may be payable to or received by us under it.

Please note the following.

- (a) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay all monies payable by you to us under the Policy, including the proceeds of all claims, to such bank account as the Security Agent may from time to time specify in writing;
- (b) all of the powers, discretions, remedies and other rights which would, but for the Debenture, be vested in us under and in respect of the Policy are exercisable by the Security Agent, and
- (c) we agree that
  - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent, and
  - (ii) you are authorised to disclose any information in relation to the Policy to the Security Agent at the Security Agent's request

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, [●] at [●] marked for the attention of [●]

This letter is governed by, and shall be construed in accordance with, English law

Yours faithfully

.....  
*[Name of relevant Chargor]*  
By: *[Name of signatory]*

**Details of Policy**

Name of insured: [●]

Nature of policy [●]

Policy number [●]

Expiry date: [●]

[On copy letter only ]

## ACKNOWLEDGEMENT

To *Security Agent*

We acknowledge receipt of a notice dated [●] 201[●] addressed to us by *[Name of relevant Chargor]* (the "Chargor") regarding the Policy (as defined in that notice)

We confirm that:

- (a) we consent to the assignment of the Policy and will comply with the terms of that notice,
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Policy,
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Policy or if any event occurs which would permit us to terminate, cancel or surrender the Policy we will:
  - (i) immediately on becoming aware of it, give you written notice of that breach, and
  - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice,
- (d) we confirm that no waiver of any of the Chargor's rights under and no amendment, novation, rescission or other termination by the Chargor of, the Policy shall be effective without the prior written consent of the Security Agent, and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....  
*[Name of insurer]*

By: *[Name of signatory]*

Dated

**SCHEDULE 7**  
**NOTICE OF CHARGE OF BLOCKED ACCOUNT**

*[On relevant Chargor's notepaper]*

To: *[Name and address of account bank]*

*[Date]*

Dear Sirs

**Account number[s]: [●]**

We refer to Account number[s] [●] (the "**Blocked Account[s]**").

We give you notice that by a Debenture (the "**Debenture**") dated [●] 2016 and entered into by us in favour of Alteri Europe, L.P. (as Security Agent, as defined in the Debenture) we have charged all our rights in the Account[s] and in any credit balances on the Account[s] (the "**Balances**") and the indebtedness represented by the Account[s].

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary)

- (a) that all rights, interests and benefits whatsoever accruing to or arising from the Account[s] or Balances shall be exercisable by and shall belong to the Security Agent  
For the avoidance of doubt
  - (i) we are not permitted to withdraw any amount from the Account[s] without the prior written consent of the Security Agent;
  - (ii) no transfers of monies from the Account[s] can be effected at any time without prior receipt of written instructions from the Security Agent in compliance with the terms of this notice,
- (b) to disclose to the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Account[s] and /or the Balances which the Security Agent may, at any time and from time to time, request;
- (c) at any time and from time to time on receipt by you of any written instruction, including facsimile transmission or email, from the Security Agent, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same),
- (d) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Account[s], the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it),

- (e) to terminate any existing payment instructions affecting the Account[s], and
- (f) that statements shall be supplied to both us and the Security Agent

We agree that

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the Account[s] to the Security Agent at the Security Agent's request

Please note

- (1) you may from time to time be instructed, by the Security Agent (at their discretion), to transfer any amounts standing to the credit of the Account[s] to the following account (or such other account as the Security Agent may from time to time notify to you in writing)

Name of account: [●]

Number of account: [●]

Bank/Bank address [●]

Sort code [●], and

- (2) you may be instructed by the Security Agent to set up an automatic direct debit transfer of any amounts standing to the credit of the Account[s] on a daily basis to such account as the Security Agent may notify you in writing, including such an account in the name of the Security Agent

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, [●] at [●] marked for the attention of [●]

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.. ... ..

***[Name of Chargor]***

***By: [Name of signatory]***

## ACKNOWLEDGEMENT

To [●]

We acknowledge receipt of a notice (the "Notice") dated [●] 201[●] addressed to us by *[Name of Chargor]* (the "Chargor") regarding Account number[s] [●] (the "Account[s]")

We confirm that

- (a) we consent to the charge of the Account[s] and will comply with the terms of the Notice;
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other security interest of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts) over or with respect to all or any part of the Account[s] and/or the Balances (as defined in the Notice),
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Account[s] or the Balances,
- (d) we undertake that, on our becoming aware at any time that any person other than the Security Agent has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Account[s] or the Balances, we will immediately give written notice of that to the Security Agent,
- (e) no fees or periodic charges are payable in respect of the Account[s] and/or Balances, and
- (f) we shall operate the Account[s] in accordance with the terms set out in the Notice

.....  
for and on behalf of  
*[Name of account bank]*  
By: *[Name of signatory]*  
Dated

**SCHEDULE 8**  
**NOTICE OF CHARGE OF UNBLOCKED ACCOUNT**

*[On Chargor's notepaper]*

To: *[Name and address of account bank]*

*[Date]*

Dear Sirs

**Account number[s]: [●]**

We refer to Account number[s] [●] (the "**Account[s]**")

We give you notice that by a Debenture (the "**Debenture**") dated [●] 2016 and entered into by us in favour of Alteri Europe, L P (as Security Agent, as defined in the Debenture) we have charged all our rights in any credit balances on the Account[s] (the "**Balances**") and the indebtedness represented by the Account[s]

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary)

- (a) to disclose to the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Account[s] which the Security Agent may, at any time and from time to time, request;
- (b) at any time and from time to time on receipt by you of any written instruction from the Security Agent, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same),
- (c) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Account[s], the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it),
- (d) statements shall be supplied to both us and the Security Agent, and
- (e) following receipt of any instruction, notice or statement from the Security Agent pursuant to paragraphs (b) or (c) above, all rights, interests and benefits whatsoever accruing to or arising from the Account[s] or Balances shall be exercisable by and shall belong to the Security Agent and shall not be exercisable by us

We agree that



- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Security Agent's prior written consent, and
- (ii) you are authorised to disclose any information in relation to the Account[s] to the Security Agent at the Security Agent's request

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent, [●], at [●] marked for the attention of [●]

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....

***[Name of Chargor]***

**By: *[Name of signatory]***

## ACKNOWLEDGEMENT

To     Security Agent

We acknowledge receipt of a notice (the "Notice") dated [●] 201[●] addressed to us by *[Name of Chargor]* (the "Chargor") regarding Account number[s] [●] (the "Account[s]")

We confirm that:

- (a) we consent to the charge of the Account[s] and will comply with the terms of the Notice,
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other security interest of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts) over or with respect to all or any part of the Account[s] and/or the Balances (as defined in the Notice),
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Account[s] or the Balances,
- (d) we undertake that, on our becoming aware at any time that any person other than the Security Agent has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Account[s] or the Balances, we will immediately give written notice of that to the Security Agent,
- (e) no fees or periodic charges are payable in respect of the Account[s] and/or Balances; and
- (f) we shall operate the Account[s] in accordance with the terms set out in the Notice.

.. .....  
for and on behalf of

*[Name of account bank]*

By: *[Name of signatory]*

Dated

**EXECUTION of the Debenture:**

**THE CHARGORS**

**SIGNED** as a deed by *Milton Ivan Guffogs* )  
Director, duly authorised for and on behalf )  
of **OUTERSOLE HOLDINGS 1** ) Director  
**LIMITED** in the presence of )

Witness's signature:

Witness's name, *James Hughes*  
(in capitals) ,

Witness's address:

**SIGNED** as a deed by *Milton Ivan Guffogs* )  
Director, duly authorised for and on behalf )  
of **OUTERSOLE HOLDINGS 2** ) Director  
**LIMITED** in the presence of )

Witness's signature: . . .

Witness's name *JAMES HUGHES*  
(in capitals):

Witness's address

SIGNED as a deed by MIKE KILLICK )  
Director, duly authorised for and on behalf ) .....  
of MONSTA GROUP LIMITED in the ) Director  
presence of )

Witness's signature:

Witness's name  
(in capitals).

Witness's address:

SIGNED as a deed by MIKE KILLICK )  
Director, duly authorised for and on behalf ) .....  
of BRANTANO RETAIL LIMITED in ) Director  
the presence of )

Witness's signature:

Witness's name  
(in capitals).

Witness's address:

SIGNED as a deed by MIKE KILLICK )  
Director, duly authorised for and on behalf ) .....  
of MONSTA HOLDINGS LIMITED in ) Director  
the presence of. )

Witness's signature:

Witness's name  
(in capitals).

Witness's address:

SIGNED as a deed by MIKE KILLICK )  
Director, duly authorised for and on behalf )  
of GORDON SCOTT LIMITED in the )  
presence of: )

Director

Witness's signature:

Witness's name  
(in capitals):

GILL STRENDON

Witness's address:

SIGNED as a deed by MIKE KILLICK )  
Director, duly authorised for and on behalf )  
of A. JONES & SONS LIMITED in the )  
presence of: )

Director

Witness's signature:

Witness's name  
(in capitals):

GILL STRENDON

Witness's address:

SIGNED as a deed by MIKE KILLICK )  
Director, and DAVE STODG. )  
Director duly authorised for and on behalf )  
of BEGHINS SHOES LIMITED in the )  
presence of: )

Director

Director

Witness's signature:

Witness's name  
(in capitals):

GILL STRENDON

Witness's address:

**THE SECURITY AGENT**

SIGNED as a deed by Joseph D. Glatf, .....  
Class A Manager, duly authorised for and ) Class  
on behalf of ALTERI EUROPE, L.P. in )  
the presence of: )

Witness's signature:

Witness's name (in capitals): MICHAEL CANENCIA

Witness's address: