



Registration of a Charge

Company name: **PERFECT HOME HOLDINGS LTD**

Company number: **06016659**



X5HC05E1

Received for Electronic Filing: **10/10/2016**

Details of Charge

Date of creation: **03/10/2016**

Charge code: **0601 6659 0003**

Persons entitled: **AARON'S, INC. (AS SUBORDINATED CREDITOR)**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

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

Certified by:

PINSENT MASONS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6016659

Charge code: 0601 6659 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd October 2016 and created by PERFECT HOME HOLDINGS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th October 2016 .

Given at Companies House, Cardiff on 11th October 2016

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Confidential

EXECUTION COPY

Dated 3 October 2016

**Perfect Home Holdings Ltd
(and others as Chargors)**

and

**Aaron's, Inc
(as Subordinated Creditor)**

DEBENTURE

Subject to the terms of an intercreditor deed dated ^{3 October}~~September~~ 2016

Contents

Clause	Page
1 Interpretation	3
2 Fixed Security	7
3 Floating Charge	9
4 Representations and Warranties	10
5 Undertakings	12
6 When Security becomes Enforceable	18
7 Enforcement of Security	18
8 Receiver	19
9 Powers of Receiver	20
10 Application of Proceeds	23
11 Expenses and Indemnity	23
12 Delegation	23
13 Further Assurances	24
14 Power of Attorney	24
15 Continuing Security	25
16 Miscellaneous	27
17 Release	28
18 Rights and Remedies	28
19 Notices	28
20 Governing Law and Jurisdiction	29
Schedule 1 The Chargors	31
Schedule 2 Mortgaged Property	32
Schedule 3 Group Shares	33
Schedule 4 Charged Accounts	34
Schedule 5 Deed of Accession	35
Schedule 6 Specified Intellectual Property	39
Schedule 7 Specified Equipment	40

This Debenture is dated

3 October

2016 and made

Between:

- (1) **Perfect Home Holdings Ltd** registered in England with number 06016659 (the **Company**);
- (2) **The Companies** identified in Schedule 1 (*The Chargors*) (together with the Company and each person which becomes a party to this Deed by executing a Deed of Accession, each a **Chargor** and together the **Chargors**); and
- (3) **Aaron's, Inc.**, a corporation incorporated under the laws of the State of Georgia, USA whose registered office is at 309 East Paces Ferry Road N.E., Atlanta, Georgia 30305-2367, USA (the **Subordinated Creditor**).

Recitals

- (A) The Chargors enter into this Deed to secure the repayment and satisfaction of the Secured Liabilities.
- (B) The Chargors and the Subordinated Creditor intend that this document take effect as a deed notwithstanding that it may be executed under hand.

It is agreed:

1 Interpretation

1.1 Definitions

In this Deed:

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

Book Debts means:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions) both present and future, actual or contingent, due, owing to or which may become due, owing to or purchased or otherwise acquired by any Chargor; and
- (b) the benefit of all rights whatsoever relating to the debts referred to in (a) above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets).

Charged Accounts means the bank accounts of the Chargors specified in Schedule 4 (Charged Accounts) and/or in the Schedule to any Deed of Accession and/or such other bank accounts of the Chargors (other than the Excluded Accounts) as the Subordinated Creditor may designate or approve.

Dangerous Substance means any substance of whatever kind and form and in whatever combination capable of causing harm to any lifeform or the environment.

Deed of Accession means a deed of accession substantially in the form set out in Schedule 5 (*Deed of Accession*).

Environmental Law means all laws, regulations, directives, statutes and any guidance, circular or regulations issued thereunder, subordinate legislation, common law, equity, all other

international, national and local laws and all judgments, orders, instructions or awards of any court or competent authority concerning the protection of or compensation for damage to human health, the environment, or the condition, of any work place or the generation, dealing with, or disposal of any Dangerous Substance.

Environmental Licence means any consent, approval, authorisation, exemption, licence, order, permission, condition, recording, registration, variation, modification or transfer required by any Environmental Law.

Environmental Proceedings means any written claim or demand or any criminal, civil, judicial, regulatory or administrative proceedings, suit or action or other enforcement process brought or taken under any Environmental Laws (including without limitation any written claim or demand etc in respect of any Remedial Works) or any matter which would be the subject of any such written claim or demand etc but where liability has been admitted or otherwise settled or agreed.

Equipment means (save to the extent that any such items form part of such Chargor's stock in trade) all present and future plant, equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture and fixtures and all attachments, accessories owned by any Chargor and property (other than Fixtures) now or in future relating to it or used in connection with it and replacements and substitutions for it wherever located.

Event of Default is defined in the Loan Note Instrument.

Existing Security means the debenture dated 16 July 2012 between the Company, the Chargors and Wells Fargo Capital Finance (UK) Limited (formerly known as Burdale Financial Limited).

Finance Documents is defined in the Loan Note Instrument.

Fixtures means all fixtures and fittings (including, without limitation, those of trade) and fixed plant and machinery on the Mortgaged Property.

Group Shares means all shares specified in Schedule 3 (*Group Shares*) or in the Schedule to any Deed of Accession or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule 3 (*Group Shares*) or in the Schedule to any Deed of Accession, together in each case with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time.

Insurances means all contracts and policies of insurance taken out by or for a Chargor or in which any Chargor has an interest (to the extent of that interest).

Intellectual Property means all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, Know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country; and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing including but not limited to the Specified Intellectual Property.

Intercreditor Deed means the deed dated on or about the date of this Deed and made between the Company, the Chargors, the Subordinated Creditor, Barclays Bank plc and Wells Fargo Capital Finance (UK) Limited.

Know-how means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by any Chargor and relating to its business, which is not in the public domain.

Loan Notes means the deep discount loan notes 2016 issued by Perfect Home Finance Ltd.

Loan Note Instrument means the deed poll constituting the Loan Notes originally dated 14 October 2011 (as amended by the amendment deeds dated 15 May 2014, 3 June 2015, 28 September 2015 and on or about the date of this Deed).

Mortgaged Property means any freehold or leasehold property (including the Premises) the subject of the security created by this Deed.

Obligors is defined in the Intercreditor Deed.

Permitted Security Interest means:

- (a) any Security Interest granted in favour of Wells Fargo Capital Finance (UK) Limited;
- (b) any Security Interest which arises by operation of law in the ordinary course of trading;
- (c) any netting or set-off arrangement entered into by any Obligor in the ordinary course of its banking arrangements for the purposes of netting debit and credit balances of Obligors but only so long as such arrangement does not permit credit balances on any blocked account to be netted or set off against debit balances of Obligor;
- (d) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to an Obligor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by an Obligor;
- (e) any Security Interests arising under rent deposit deeds in respect of properties leased by any Obligor; and
- (f) the Security Interests which are the subject of the Intercreditor Deed.

Premises means any building or other edifice on the Mortgaged Property or other Security Asset.

receiver includes any receiver, receiver and manager or administrative receiver.

Receiver means any individual or individuals (who may be an employee or employees of the Subordinated Creditor) for the time being and from time to time appointed by the Subordinated Creditor to be a receiver or receivers (and, where more than one individual is appointed jointly, they shall have the power to act severally, unless the Subordinated Creditor shall specify to the contrary in their appointment) under this Deed and, where the context shall admit, any individual or individuals for the time being and from time to time so appointed in substitution, provided always that all such individuals shall be qualified under the Insolvency Act 1986 to act as a receiver of the property of any company with respect to which he is appointed or as an administrative receiver of any such company.

Related Rights means, in relation to the Group Shares, all dividends and other distributions paid or payable after today's date on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest on them), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.

Remedial Works means:

- (a) any investigation, inspection, sampling or monitoring works; or
- (b) any works, steps or measures to treat, abate, remove, remedy, contain, control, manage or ameliorate the presence or actual or potential effect of any Dangerous Substance or any harm to the environment or human health or pollution of the environment.

Secured Liabilities means all present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever, of each Obligor to the Subordinated Creditor except for any obligation which, if it were so included, would result in a contravention of the prohibitions in Chapter 2 (*Financial assistance for purchase of own shares*) of Part 18 of the Companies Act 2006 (or its equivalent in any other jurisdiction).

Security Assets means all assets of each Chargor the subject of any security created by this Deed (and includes the Mortgaged Property).

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

Security Period means the period beginning on the date of this Deed and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally satisfied in full. If any amount paid by any Chargor and/or in connection with the satisfaction of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of such Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

Security Shares means the Group Shares and the Related Rights and, in the case of a particular Chargor, means such of the Group Shares as are held by it at the relevant time, together with all Related Rights in respect of such Group Shares.

Specified Equipment means the Equipment (if any) specified in Schedule 7 (*Specified Equipment*) or in the Schedule to any Deed of Accession.

Specified Intellectual Property means the registered Intellectual Property (if any) specified in Schedule 6 (*Specified Intellectual Property*) or in the Schedule to any Deed of Accession.

Wells Fargo Repayment Date means the date that all amounts owing to the Wells Fargo Capital Finance (UK) Limited have been repaid in full, and the Existing Security has been released.

1.2 Construction

(a) Any reference in this Deed to:

- (i) **assets** includes present and future properties, revenues and rights of every description;
- (ii) an **authorisation** means an authorisation, consent, approval, licence, resolution, filing or registration;
- (iii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated with the approval of the Subordinated Creditor;
- (iv) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (v) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (vi) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (vii) any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
 - (viii) words importing the singular shall include the plural and vice versa;
 - (ix) a charge or mortgage of any freehold or leasehold property includes all Premises and Fixtures on that property, the proceeds of sale of any part of that property, and the benefit of any covenants for title (or any monies paid or payable in respect of them) given or entered into by any predecessor in title in respect of that property;
 - (x) any party or person includes any person deriving title from it or any permitted successor, transferee or assignee.
- (b) Clause and Schedule headings are for ease of reference only.
 - (c) An Event of Default is **continuing** if it has not been waived.
 - (d) Capitalised terms defined in the Intercreditor Deed have the same meaning when used in this Deed unless the context requires otherwise.
 - (e) If at any time the Company is the only Chargor the references in this Agreement to **Chargors** shall, whilst such circumstance is continuing, be construed accordingly.
 - (f) The terms of the other Finance Documents and of any side letters between the parties to this Deed in relation to the Finance Documents are incorporated in this Deed to the extent required for any purported disposition of the Mortgaged Property in this Deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (g) So long as the Existing Security is in place, no disposition effected by this Deed is made with full title guarantee. The other terms of this Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.
 - (h) Each of the charges in clause 2 (*Fixed Security*) over each category of the assets, each asset and each sub-category of each asset specified in such clause shall be read and construed separately, as though each such category, asset and sub-category were charged independently and separately of each other and shall apply to both present and future assets.
 - (i) In the event of any conflict between the provisions of this Deed and the provisions of the Loan Note Instrument, the provisions of this Deed shall prevail.
 - (j) The terms of this Deed are subject to the terms of the Intercreditor Deed and in the event of any conflict between the provisions of this Deed and the provisions of the Intercreditor Deed the provisions of the Intercreditor Deed shall prevail.

2 Fixed Security

- 2.1 Each Chargor, as security for the payment and performance of the Secured Liabilities and in the manner specified in clause 1.2(g) of this Deed:
- (a) charges in favour of the Subordinated Creditor by way of a legal mortgage all the property (if any) now belonging to it and specified in Schedule 2 (*Mortgaged Property*) and all other interests in any freehold or leasehold property now or in the future belonging to it; and

- (b) charges in favour of the Subordinated Creditor by way of a fixed charge:
 - (i) (to the extent that they are not within clause 2.1(a)) all interests in any freehold or leasehold property now or in the future belonging to it;
 - (ii) all Equipment (other than any Specified Equipment effectively mortgaged to the Subordinated Creditor by way of a legal mortgage pursuant to clause 2.1(e)) now or in the future belonging to it and its interest in any such Equipment in its possession now or in the future;
 - (iii) all of its benefits, claims and returns of premiums in respect of the Insurances;
 - (iv) its goodwill and its uncalled capital both present and future;
 - (v) its Book Debts, both uncollected and collected, the proceeds of the same and all monies otherwise due and owing to such Chargor but excluding the Charged Accounts and any amounts standing to the credit of any Charged Account;
 - (vi) the benefit of all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in clause 2.1(b)(v);
 - (vii) its rights under any hedging arrangements;
 - (viii) any of its beneficial interest, claim or entitlement in any pension fund;
 - (ix) the benefit of all permissions of whatsoever nature and whether statutory or otherwise, held in connection with its business or the use of any Security Asset and the right to recover and receive all compensation which may be payable to it;
 - (x) its Intellectual Property including any revenues or other income arising thereunder and any claims for damages arising with respect thereto (whether by reason of infringement or otherwise howsoever);
- (c) mortgages by way of equitable mortgage or (if to the extent that this Deed does not take effect as an equitable mortgage) charges by way of fixed charge to the Subordinated Creditor all Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a mortgage; and
- (d) mortgages or (if to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge to the Subordinated Creditor all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a mortgage or charge.

PROVIDED THAT:

- (i) whilst no Event of Default is continuing, all dividends and other distributions paid or payable as referred to in clause 2.1(d) above may be paid directly to the relevant Chargor (in which case the Subordinated Creditor or its nominee shall execute any necessary dividend mandate) and, if paid directly to the Subordinated Creditor shall be paid promptly by it to the relevant Chargor; and
 - (ii) subject to clause 5.4(c) whilst no Event of Default is continuing, all voting rights attaching to the relevant Group Shares may be exercised by the relevant Chargor or, as the relevant Chargor may direct in writing.
- (e) mortgages or (if to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge to the Subordinated Creditor the same to be a security by way of a mortgage all of its right, title and interest in and to:
 - (i) the Specified Equipment;

- (ii) all spare parts and replacements for and all modifications and additions to the Specified Equipment.

2.2 There shall be excluded from the charges created by Clause 2.1(a) and 2.1(b) and from the operation of Clause 13 (*Further Assurances*) any leasehold property held by a Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest in that property.

3 Floating Charge

3.1 Creation

Each Chargor as security for the payment and performance of the Secured Liabilities and in the manner specified in clause 1.2(g) of this Deed charges in favour of the Subordinated Creditor by way of a floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by clause 2 (*Fixed Security*).

3.2 Conversion by notice

The Subordinated Creditor may by notice to any Chargor convert the floating charge created by this Deed into a fixed charge in relation to all or any of such Chargor's assets specified in the notice if:

- (a) the Subordinated Creditor has reasonable grounds for considering those assets to be in jeopardy, by legal process or otherwise; or
- (b) an Event of Default has occurred and is continuing; or
- (c) any step is taken to present a petition to appoint an administrator in relation to such Chargor (or that such a petition has been presented or such an administrator has been appointed) or to wind up such Chargor (or that such a petition has been presented).

3.3 Crystallisation: Moratorium where directors propose voluntary arrangement

The floating charge created by clause 3 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

under Schedule A1 to the Insolvency Act 1986.

3.4 No waiver

The giving by the Subordinated Creditor of a notice pursuant to clause 3.2 (*Conversion by notice*) in relation to any class of any Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Subordinated Creditor's rights to give other similar notices in respect of any other class of assets.

3.5 Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.1 (*Creation*).

4 Representations and Warranties

4.1 Making of representations

Each Chargor makes the representations and warranties set out in this clause 4 to the Subordinated Creditor. The representations and warranties so set out are made on the date of this Deed and are deemed to be repeated by the Chargors on the first day of each month throughout the Security Period.

4.2 Capacity

Each Chargor has the capacity, power and authority to enter into this Deed and the obligations assumed by it are its legal, valid, binding and enforceable obligations subject to the Legal Reservations and laws affecting creditors' rights generally.

4.3 Title

The Chargors are the sole legal and beneficial owner of the Security Assets free of any Security Interest or third party interest of any kind (other than the Permitted Security Interests or as permitted by the Finance Documents).

4.4 Environmental Matters

- (a) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed, each Chargor has at all times complied with all materially applicable Environmental Law including the obtaining of and compliance with all requisite Environmental Licences (as varied or modified from time to time) which are necessary for the conduct of its business.
- (b) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed, and to the best of its knowledge and belief, no Dangerous Substance has been present, used, disposed of or otherwise dealt with at, on, in, from or under any property or premises while within any Chargor's ownership, occupation or control in circumstances which are reasonably likely to result in any Environmental Proceedings.
- (c) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed and to the best of its knowledge and belief, no Dangerous Substance is present at, in, on or under or migrating onto or from any Mortgaged Property (or any other property owned or occupied by any Chargor) in circumstances which are reasonably likely to give rise to Environmental Proceedings.
- (d) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed, no Chargor is involved in any Environmental Proceedings and no Chargor is aware of any circumstances which are likely to give rise to such Environmental Proceedings.
- (e) As far as each Chargor is aware, no circumstances exist which will result in any Chargor having any requisite Environmental Licence which is required for the conduct of its business revoked or modified or varied in a material manner.

4.5 Mortgaged Property

- (a) The Chargor named as owner in respect of any Mortgaged Property is the legal and beneficial owner of such Mortgaged Property.
- (b) Other than as notified in writing to the Subordinated Creditor, the Mortgaged Property is free from any agreement for lease, lease, licence, tenancy, overriding lease or other occupational arrangement or overriding interest.

- (c) The Premises and the Fixtures are in good and substantial repair, normal wear and tear accepted.
- (d) There subsists no breach of any law or regulation which will affect materially the value of the Mortgaged Property.
- (e) There are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever which could affect materially and adversely the Mortgaged Property so far as the Chargors are aware.
- (f) The Mortgaged Property is free from any financial encumbrance of whatsoever nature other than Permitted Security Interests.
- (g) No Chargor has received any notice of any adverse claim, nor has any acknowledgement been given in respect of the ownership of the Mortgaged Property, or any interest in it.
- (h) No facility necessary for the enjoyment and use of the Mortgaged Property may be terminated or curtailed.

4.6 Security

Subject to the Legal Reservations, this Deed creates the various forms of security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of any Chargor, or otherwise.

4.7 Security Shares

- (a) Each Chargor is and will remain the sole beneficial owner of its Security Shares and, save where such Security Shares have been registered in the name of the Subordinated Creditor or its nominee pursuant to this Deed and/or its nominee, is and will remain the absolute legal owner of such Security Shares.
- (b) No Chargor will take any action whereby the rights attaching to the Security Shares are altered or diluted.
- (c) The Group Shares are fully paid and non-assessable and neither the Group Shares nor the Related Rights are subject to any options to purchase or similar rights of any person.

4.8 Specified Intellectual Property

- (a) The details of the Specified Intellectual Property appearing or referred to in Schedule 6 (*Specified Intellectual Property*):
 - (i) are true, accurate, and complete in all material respects; and
 - (ii) no Chargor is the owner of any interest in any other registered Intellectual Property which is not identified in that Schedule.
- (b) The Chargors are the sole legal and beneficial owners of any Specified Intellectual Property referred to in clause 4.8(a) and there are no (i) Security Interests other than Permitted Security Interests, nor (ii) any options, rights of pre-emption, licences, agreements or other third party interests of any nature, affecting any such Specified Intellectual Property, other than those which are specifically identified in Schedule 6 (*Specified Intellectual Property*).
- (c) Nothing has been done or has been omitted to be done by or with the consent of the Chargors whereby any person (including any relevant registrar or other applicable authority) might reasonably be expected successfully (i) to seek cancellation or rectification or any other modification of any registration of or application for registration, in any jurisdiction, of any Specified Intellectual Property which is registered or subject to

an application for registration in such jurisdiction, or (ii) to challenge the legality or validity of any such registration or application.

- (d) No Chargor is aware of any circumstances which would be likely to entitle a third party to a licence, permission, consent or assignment of, or in respect of, any Specified Intellectual Property or other Intellectual Property right.
- (e) No Chargor is aware of any actions, claims or allegations against any third party alleging infringement of any Specified Intellectual Property, nor of any facts, matters or circumstances which could reasonably be expected to give rise to any such action, claim or allegation.
- (f) No Chargor is aware of any pending or anticipated actions, claims, counter-claims, applications or allegations impugning the validity or enforceability of any Specified Intellectual Property or its ownership of it, nor of any facts, matters or circumstances which could reasonably be expected to give rise to any such action, claim, counter-claim, application or allegation.
- (g) No Chargor has done or omitted to do any act in relation to any Specified Intellectual Property which has resulted or which could reasonably be expected to result in any breach or infringement of any third party's intellectual property rights.
- (h) All renewal fees due in respect of the registrations for the Specified Intellectual Property in any jurisdiction have been paid.

4.9 All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights under and comply with its obligations in any Finance Document to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in each relevant jurisdiction,

have been obtained or effected and are in full force and effect.

- (c) All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect.

5 Undertakings

5.1 Duration

The undertakings in this clause 5 shall remain in force throughout the Security Period and are given by each Chargor to the Subordinated Creditor.

5.2 General

- (a) **Covenant to perform:** Each Chargor shall continuously comply with the terms (both express and implied) of this Deed and any contracts relating to the Secured Liabilities.
- (b) **Restrictions on dealings:** No Chargor shall:
 - (i) create or permit to subsist any Security Interest of whatsoever nature on any Security Asset other than a Permitted Security Interest or as created by this Deed; or
 - (ii) sell, transfer, grant, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the

floating charge created by clause 3.1 (*Creation*) and except as provided for under the Intercreditor Deed.

5.3 Property

- (a) **Deposit of Title Deeds:** For the duration of the Security Period each Chargor shall deposit with the Subordinated Creditor all deeds and documents of title relating to the Mortgaged Property owned by it and any property comprised within clause 5.3(c) (*Future Acquisitions and Legal Mortgage*).
- (b) **Environmental matters:** Each Chargor shall:
 - (i) comply in all material respects with all applicable Environmental Law including the obtaining of and compliance with all requisite Environmental Licences (as varied from time to time);
 - (ii) immediately inform the Subordinated Creditor:
 - (A) of any actual Environmental Proceedings or, as soon as it becomes aware, of any potential Environmental Proceedings involving it; and
 - (B) upon receipt, of any communication of whatsoever nature, whether specific or general and whether from a third party or competent regulatory authority, served on it concerning any alleged breach of any Environmental Law or non-compliance with any Environmental Licence, which, if substantiated, could have a material adverse effect upon its financial position or upon its ability to perform its obligations under this Deed;
 - (iii) immediately inform the Subordinated Creditor if it becomes aware that any of the Mortgaged Property or any other property owned or occupied by any Chargor is likely to be entered on any register relating to land use or to Remedial Works affecting land and waters (including, without limitation, registers to be held by any competent regulatory authority under section 78R of the Environmental Protection Act 1990 or section 190 of the Water Resources Act 1991);
 - (iv) immediately inform the Subordinated Creditor of the presence of any Dangerous Substance in, on, at or under or migrating onto or from any Mortgaged Property or other property owned or occupied by any Chargor or of any other circumstance, event or incident which is likely to give rise to any Environmental Proceedings; and
 - (v) immediately inform the Subordinated Creditor of any actual or proposed variation, modification or revocation of any requisite Environmental Licence held by such Chargor and of any refusal to grant or transfer to the Chargor any Environmental Licence required by it for the purpose of its business.
- (c) **Future Acquisitions and Legal Mortgage:** Each Chargor shall:
 - (i) notify the Subordinated Creditor as soon as reasonably practicable after the acquisition by it of any freehold or leasehold (for a term of 20 years or more and not requiring any landlord's consent to charge) or other interest in property (and for the purposes of this clause 5.3(c) the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition);
 - (ii) at its cost, execute and deliver to the Subordinated Creditor, on demand, a legal mortgage (on terms no more onerous than the terms of this Deed) in favour of the Subordinated Creditor of any freehold or leasehold (for a term of 20 years or more and not requiring any landlord's consent to charge) or other interest in property which becomes vested in it after the date of this Deed; and

- (iii) in any event, if applicable, give H.M. Land Registry written notice of this Deed and procure that notice of it be duly noted in the Registers to each such title.
- (d) **Lease and covenant compliance:** Each Chargor shall:
 - (i) perform all the terms on its part contained in any lease or agreement for lease comprising the Mortgaged Property or to which the Mortgaged Property is subject;
 - (ii) not do anything as a result of which any lease or agreement for lease comprising Mortgaged Property or to which the Mortgaged Property is subject may become forfeit or otherwise determinable; and
 - (iii) properly perform (and indemnify the Subordinated Creditor for any breach of) any covenants and stipulation of whatsoever nature affecting the Mortgaged Property.
- (e) **Notices:** Within 10 days after the receipt by a Chargor of any application, requirement, order or notice served or given by any public, local or other authority relating to any Mortgaged Property, such Chargor shall:
 - (i) deliver a copy to the Subordinated Creditor; and
 - (ii) inform the Subordinated Creditor of the steps taken or proposed to be taken by way of compliance.
- (f) **Power to Remedy:** In case of default by any Chargor in performing any obligation or other covenant affecting the Mortgaged Property, each Chargor shall permit the Subordinated Creditor or its agents and contractors:
 - (i) to enter on the Mortgaged Property;
 - (ii) to comply with or object to any notice served on any Chargor relating to the Mortgaged Property; and
 - (iii) to take any action the Subordinated Creditor may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice,

provided that nothing in this clause 5.3(f) (or otherwise in this Deed) shall entitle the Subordinated Creditor or its agents and contractors to any action (including any Remedial Works) relating to any notice served under or breach of any Environmental Law (including without limitation Part II A of the Environmental Protection Act 1990).
- (g) **Repair:** Each Chargor shall, and shall procure that each other Chargor shall, keep the Premises and the Fixtures in good and substantial repair and condition and decorative order.

5.4 Security Shares

- (a) Following the Wells Fargo Repayment Date, each Chargor shall forthwith deposit with the Subordinated Creditor or as the Subordinated Creditor may direct all bearer instruments, share certificates and other documents of title or evidence of ownership in relation to such Group Shares as are owned by it or in which it has or acquires an interest and their Related Rights and shall execute and deliver to the Subordinated Creditor all such share transfers and other documents as may be requested by the Subordinated Creditor after an Event of Default in order to enable the Subordinated Creditor or its nominees to be registered as the owner or otherwise to obtain a legal title to the same and, without limiting the generality of the foregoing, shall deliver to the Subordinated Creditor on today's date executed (and, if required to be stamped, pre-stamped) share transfers for all Group Shares in favour of the Subordinated Creditor and/or its nominee(s) as transferees or, if the Subordinated Creditor so directs, with the transferee left blank and

shall following an Event of Default procure that all such share transfers are at the request of the Subordinated Creditor forthwith registered by the relevant company and that share certificates in the name of the Subordinated Creditor and/or such nominee(s) in respect of all Group Shares are forthwith delivered to the Subordinated Creditor.

- (b) Each Chargor shall provide the Subordinated Creditor with certified copies of all resolutions and authorisations approving the execution of such transfer forms and following an Event of Default registration of such transfers as the Subordinated Creditor may reasonably require.
- (c) The Subordinated Creditor and its nominee may at any time whilst an Event of Default is continuing or in any other instance where the Subordinated Creditor is of the reasonable opinion that it is necessary for the avoidance of an Event of Default or necessary for the protection of its material interests exercise or refrain from exercising (in the name of each Chargor, the registered holder or otherwise and without any further consent or authority from each Chargor and irrespective of any direction given by any Chargor) in respect of the Security Shares any voting rights and any powers or rights under the terms of the Security Shares or otherwise which may be exercised by the person or persons in whose name or names the Security Shares are registered or who is the holder thereof, including, without limitation, all the powers given to trustees by Section 10(3) and (4) of the Trustee Act 1925 as amended by Section 9 of the Trustee Investments Act 1961 in respect of securities or property subject to a trust PROVIDED THAT in the absence of notice from the Subordinated Creditor each Chargor may and shall continue to exercise any and all voting rights with respect to the Group Shares subject always to the terms of this Deed. No Chargor shall without the previous consent in writing of the Subordinated Creditor exercise the voting rights attached to any of the Group Shares in favour of resolutions having the effect of changing the terms of the Group Shares (or any class of them) or any Related Rights or prejudicing the security under this Deed or impairing the value of the Security Shares. Each Chargor hereby irrevocably appoints the Subordinated Creditor or its nominees its proxy to exercise (as provided in or permitted by this Deed) all voting rights so long as the Group Shares belonging to it remain registered in its name.
- (d) Following the Wells Fargo Repayment Date, each Chargor during the continuance of this security will make all payments which may become due in respect of any of the Security Shares and, in the event of default in making any such payment, the Subordinated Creditor may if it thinks fit make such payment on behalf of each Chargor. Any sums so paid by the Subordinated Creditor shall be repayable by the relevant Chargor to the Subordinated Creditor on demand and pending such repayment shall constitute part of the Secured Liabilities.
- (e) It is expressly agreed that, notwithstanding anything to the contrary contained in this Deed, each Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Security Shares and the Subordinated Creditor shall not be under any obligation or liability by reason of or arising out of the security over the Security Shares conferred by this Deed. The Subordinated Creditor shall not be required in any manner to perform or fulfil any obligation of any Chargor in respect of the Security Shares, or to make any payment, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled under this Deed at any time or times.
- (f) Upon the occurrence of an Event of Default and at any time thereafter while the same is continuing the Subordinated Creditor shall be entitled to put into force and exercise immediately as and when it may see fit any and every power possessed by the Subordinated Creditor by virtue of the security over the Security Shares conferred by this Deed or available to a secured creditor (so that Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this security) and in particular (without limitation):
 - (i) to sell all or any of the Security Shares in any manner permitted by law upon such terms as the Subordinated Creditor shall in its absolute discretion determine;

- (ii) to collect, recover or compromise and give a good discharge for any monies payable to any Chargor in respect of the Security Shares or in connection therewith; and
 - (iii) to act generally in relation to the Security Shares in such manner as the Subordinated Creditor acting reasonably shall determine.
- (g) For the avoidance of doubt, each Chargor agrees that the enforceability of the security over the Security Shares conferred by this Deed is not dependent on the performance or non-performance by the Subordinated Creditor of its obligations under any agreement with any Chargor.
 - (h) Immediately on conversion of any of the Group Shares from certificated to uncertificated form, and on the creation or conversion of any other securities which are for the time being comprised in the Security Shares in or into uncertificated form, each Chargor shall give such instructions or directions as the Subordinated Creditor may require in order to protect or preserve its security.
 - (i) Following the Wells Fargo Repayment Date, each Chargor shall, immediately upon receipt of any certificate or other document evidencing any entitlement to further Security Shares, deposit it with the Subordinated Creditor together with such share transfer forms in blank and other documents as the Subordinated Creditor may reasonably require.

5.5 Operation of Charged Accounts

Until notified by the Subordinated Creditor in writing to the contrary, the Chargors shall be entitled to operate the Charged Accounts PROVIDED THAT:

- (a) the Charged Accounts each retain a credit or zero balance at all times;
- (b) the Chargors shall not and shall procure that no other person shall deposit or transfer any monies into the Charged Accounts other than those transferred from any Other Account; and
- (c) the Chargors shall not at any time transfer the whole or any part of the amounts standing to the credit of any Other Account to any other bank account other than to another Charged Account or in the ordinary course of business to the extent permitted under the Finance Documents.

5.6 Intellectual Property

- (a) Without prejudice to clause 13 (*Further Assurances*), each Chargor shall at its own expense promptly execute any document and do all assurances acts and things as the Subordinated Creditor may reasonably require to procure that the security created by this Deed is recorded as soon as possible by the Subordinated Creditor in each register in each jurisdiction in which any Specified Intellectual Property is registered.
- (b) Without prejudice to clause 13 (*Further Assurances*) if after the date of this Deed, any Chargor (i) proposes to apply to register any Specified Intellectual Property in any register in which it is not already identified as being registered in or (ii) proposes to apply to register any Intellectual Property right not existing on the date of this Deed, such Chargor shall notify the Subordinated Creditor and, if the Subordinated Creditor so requires and promptly notifies the Chargor, such Chargor shall ensure that application is made for the security created by this Deed to be recorded, and that any such security is recorded, at the same time as the application or registration (as the case may be) of such Intellectual Property.
- (c) Each Chargor shall use its best endeavours to procure any third party consents which may be necessary to complete or to perfect the security intended to be created over the Intellectual Property pursuant to this Deed.

- (d) Each Chargor will make such registrations and pay such fees, renewal fees, registration taxes and similar amounts as are necessary to keep the Specified Intellectual Property in force.
- (e) Each Chargor will take such steps as are necessary (including the institution of legal proceedings) to police its Specified Intellectual Property in any territories which are material to its business to ensure proper use of them and to prevent third parties infringing them and, take such other steps as are reasonably practicable to maintain and preserve its interests in its Specified Intellectual Property including applying to register any interests therein in any relevant register.
- (f) Each Chargor will promptly notify the Subordinated Creditor in writing upon becoming aware of any circumstances which would make any of the representations in clause 4.8 (*Specified Intellectual Property*) inaccurate or misleading in any material respect if those representations were then to be repeated.
- (g) No Chargor will do anything nor use the Specified Intellectual Property in any way which could reasonably be expected to have an adverse effect or which could devalue any such Specified Intellectual Property.
- (h) No Chargor will, without the prior written consent of the Subordinated Creditor:
 - (i) sell, transfer, license or otherwise dispose of any Intellectual Property;
 - (ii) permit any Specified Intellectual Property which is registered or subject to an application for registration to be abandoned or cancelled, to lapse or to be liable to any claim for abandonment for non-use or otherwise.

5.7 Equipment

- (a) Each Chargor shall keep its Equipment in good repair, working order and condition and fit for its purpose and shall not permit the same to be handled other than by persons properly qualified and trained or to be overloaded or to be used for any purpose for which the Equipment is not designed or reasonably suitable.
- (b) No Chargor will, without the prior written consent of the Subordinated Creditor, make any modification or permit any modification to be made to the Equipment if the effect of such modification may be to reduce the value of the Equipment materially.
- (c) No Chargor will permit or procure any Equipment to be taken out of England and Wales without the prior written consent of the Subordinated Creditor and then subject only to such further terms as the Subordinated Creditor may require.
- (d) Each Chargor will promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Premises and the Equipment and on demand produce evidence of such payment to the Subordinated Creditor.
- (e) Each Chargor will obtain all authorisations from time to time required for the use and operation of the Equipment and not to do or permit to be done any act or omission whereby the Equipment or the use of it would contravene regulations for the time being in force.
- (f) Each Chargor will forthwith notify the Subordinated Creditor of any loss, theft, damage or destruction to the Equipment.
- (g) Each Chargor will give the Subordinated Creditor such information concerning the location, condition, use and operation of the Equipment as the Subordinated Creditor may reasonably require and to permit any persons designated by the Subordinated Creditor at all reasonable times to inspect and examine the Equipment and the records maintained in connection with it.

- (h) Each Chargor will ensure that the Premises are suitable for the use or storage of the Equipment, and will keep the Equipment at the Premises, excluding any vehicles used by the relevant Chargor.
- (i) Each Chargor will procure in favour of the Subordinated Creditor from any person with a proprietary interest or encumbrance (including any owner, leaseholder or chargee) in any real or personal property to which the Equipment might become affixed, or with which title to the Equipment might merge, an acknowledgement prior to such fixing or merger that their rights and remedies will only be exercised subject to the Subordinated Creditor's rights in the Equipment and, in particular, but without limitation to the generality of the foregoing, the right of the Subordinated Creditor, its servants or agents to enter upon any such property to remove the Equipment notwithstanding that it might be affixed to, or have merged with, any real or personal property.

6 When Security becomes Enforceable

The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925, as varied or amended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and whilst the same is continuing after which the Subordinated Creditor may in its absolute discretion enforce all or any part of the security in any manner it sees fit.

7 Enforcement of Security

7.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due on the date of this Deed.
- (b) Section 103 of the Law of Property Act (restricting the power of sale) and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) do not apply to the security constituted by this Deed.
- (c) The statutory powers of leasing conferred on the Subordinated Creditor are extended so that, without the need to comply with any provision of section 99 or 100 of the Law of Property Act 1925, the Subordinated Creditor is empowered to lease, make agreements for leases, accept surrenders of leases and grant options as the Subordinated Creditor may think fit.

7.2 Agent of the Chargors

For all purposes each Receiver is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. Every Receiver shall be the agent of the Chargor in respect of which he was appointed unless and until a liquidator shall be appointed of that Chargor, whereafter such Receiver shall act as principal but shall not become the agent of the Subordinated Creditor. That Chargor alone shall be responsible for the receiver's contracts, engagements, commissions, omissions, defaults and losses and for liabilities incurred by him. The Subordinated Creditor shall not incur any liability of whatsoever nature (either to the Chargors or to any other person) by reason of the Subordinated Creditor making his appointment as a Receiver or for any other reason.

7.3 Mortgagee in Possession - No Liability

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

7.4 Privileges

Each Receiver and the Subordinated Creditor is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgagees and receivers when such receivers have been duly appointed under that Act, except that section 103 of that Act does not apply.

7.5 Protection of third parties

No person (including a purchaser) dealing with the Subordinated Creditor or a Receiver or its or his agents need enquire:

- (a) whether the Secured Liabilities have become payable; or
- (b) whether any power purported to be exercised has become exercisable; or
- (c) whether any money remains due; or
- (d) how any money paid to the Subordinated Creditor or to the Receiver is to be applied.

7.6 Redemption of prior Mortgages

At any time after the security constituted by this Deed has become enforceable, the Subordinated Creditor or any Receiver may, in the case of the Subordinated Creditor at the sole cost of the Chargors (payable to the Subordinated Creditor on demand) and in the case of a Receiver as an expense of the Receiver's receivership:

- (a) redeem any interest by way of security for the time being and from time to time ranking in point of security in priority to any of the security constituted by this Deed; and/or
- (b) (in the case of a redemption by the Subordinated Creditor) procure the transfer of that interest by way of security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

8 Receiver

8.1 Appointment of Receiver

In the circumstances described in clause 3.2(a) or at any time after the security constituted by this Deed becomes enforceable, or, at any time if so requested by any Chargor in writing, the Subordinated Creditor may (but shall not be obliged) without further notice (and whether or not the relevant Chargor shall have been accorded sufficient or any time in which to satisfy any relevant indebtedness) from time to time, and notwithstanding that, if such be the case, one or more than one Receiver shall have been appointed in respect of all or any of the Security Assets pursuant to this clause and not removed from such Security Assets, appoint in writing, under the hand of any manager of the Subordinated Creditor, a Receiver of the Security Assets or any of them and, where so requested by a Chargor, whether or not those Security Assets shall belong to that Chargor, but, in the circumstances described in clause 3.2(a), only over the Security Assets specified in the notice referred to in that clause.

8.2 Relationship with the Subordinated Creditor

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (be it express or implied) upon a Receiver of any Security Assets may, after the security created by this Deed has become enforceable, be exercised by the Subordinated Creditor in relation to any Security Asset either:

- (a) without first appointing a Receiver; or
- (b) notwithstanding the appointment of a Receiver.

8.3 Removal

The Subordinated Creditor may by writing under its hand (subject to Section 45 of the Insolvency Act 1986 (any requirement for an order of the court in the case of an administrative receiver)):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it necessary or desirable, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

8.4 Remuneration

The Subordinated Creditor may, from time to time, fix the remuneration of any Receiver and direct payment of the same out of monies accruing to him in the exercise of his powers, authorities and discretions by or pursuant to this Deed, but the Chargor in respect of which any Receiver shall have been appointed shall alone be liable for the payment of that remuneration.

9 Powers of Receiver

9.1 General

- (a) In addition to those conferred by the Law of Property Act 1925 on any receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this Deed. The powers, authorities and discretions conferred by or pursuant to this Deed in relation to the Security Assets on the Subordinated Creditor or any Receiver shall be in addition to, and not in substitution for, the powers conferred on mortgagees or receivers under the Law of Property Act 1925, and, where there is any ambiguity or conflict between the powers, authorities and discretions contained in that Act and those conferred by or pursuant to this Deed, the terms of this Deed shall prevail.
- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.
- (c) A Receiver who is an administrative receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (d) A Receiver may, in the name of the relevant Chargor if he so wishes:
 - (i) do all other acts and things which he may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
 - (ii) do and exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner.

9.2 Borrow and Lend Money

A Receiver may raise and borrow money (either unsecured or on the security of any Security Asset, either in priority to, pari passu with, or subsequent to, the security constituted by this Deed or otherwise) and may lend money either with or without security in the case of either borrowing or lending money on any other terms and for whatever purpose which he thinks fit.

No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

9.3 Carry on Business

A Receiver may carry on, manage or concur in the carrying on or managing of, the business for the time being and from time to time of the relevant Chargor in such manner as he may think fit, including, without limitation, power to perform, repudiate, rescind, compromise, amend or vary any contract, instrument or agreement to which the relevant Chargor shall for the time being and from time to time be a party.

9.4 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating in any way to any Security Asset.

9.5 Employees

Either in connection with any exercise by the Receiver of his powers by or pursuant to this Deed or otherwise for any purpose connected with any of the Security Assets, a Receiver may:

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by the relevant Chargor.

9.6 Leases

A Receiver may grant, or concur in the grant of, any leases or licences of any Security Asset for any term on any terms which he thinks fit (including, without limitation, at a rent or fee with or without a premium) and may accept a surrender of any lease or licence of any Security Asset on any terms which he thinks fit (including, without limitation, the payment of money to a lessee or licensee on a surrender).

9.7 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings to the relevant Chargor or its Security Assets as he thinks fit.

9.8 Possession

A Receiver may take immediate possession of, get in, and/or collect the Security Assets of the relevant Chargor and, for that purpose, to enter upon its property or any other premises at which its Security Assets are for the time being and from time to time located and sever, dismantle or remove the same or any fixtures for the time being and from time to time therefrom without being liable for any loss or damage thereby occasioned.

9.9 Protection of Assets

A Receiver may, in each case as he may think fit:

- (a) make and effect, and concur in the making and effecting of, all repairs, maintenance, decoration, provision of all services (including, without limitation, lighting, heating and cleansing) structural and other alterations, improvements, additions and development in or to the Security Assets and do anything else in connection with the Security Assets which he may think fit or which he may deem proper for the efficient use or management of the Security Assets, as well as for the protection as for the improvement of the Security Assets or for the protection of the security hereby constituted;

- (b) commence and/or complete any building operations on the Mortgaged Property or other Security Asset;
- (c) apply for and maintain any planning permission, building regulation, approval or any other permission, consent or licence in relation to the Security Assets; and
- (d) effect and maintain insurances in respect of the Security Assets.

9.10 Receipts

A Receiver may give valid receipts for all monies and execute all deeds or documents (including, without limitation, with full power to convey any assets sold in the name of the relevant Chargor) as may be necessary or appropriate in the name of, or on behalf of the relevant Chargor for the purpose of exercising any of the powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and to use the name of the relevant Chargor for all or any of such powers, authorities and discretions, for which purpose the relevant Chargor hereby irrevocably appoints every such Receiver to be its attorney.

9.11 Sale of assets

A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction, tender or private treaty in any manner and on any terms and with or without such advertisement and in such lot or lots and together or separately as the Receiver thinks fit. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as the Receiver thinks fit. Fixtures may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

9.12 Subsidiaries

A Receiver may promote the formation of a or purchase a newly formed, or concur in the promotion of the formation of a or purchase a newly formed, subsidiary and/or subsidiaries of any Chargor with a view to the same purchasing, leasing, licensing or otherwise acquiring all or any of the assets of that Chargor and the Receiver may sell, lease, license or otherwise dispose all or any of the assets of that Chargor to such subsidiary or subsidiaries on such terms as he shall think fit.

9.13 Exercise of Rights

A Receiver may exercise or permit the relevant Chargor or any nominee of the relevant Chargor to exercise any powers or rights incidental to the ownership of its Security Assets in such manner as the Receiver may think fit and, in particular (as regards any shares, stock or other securities for the time being and from time to time included in its Security Assets), any rights for the time being and from time to time attached thereto.

9.14 Uncalled capital

A Receiver may call up all or any portion of any uncalled capital of a Chargor.

9.15 Professional advice

A Receiver may appoint a solicitor or accountant or other professionally qualified person to advise or assist it in the exercise of any of the powers, authorities and discretions by or pursuant to these presents or otherwise for any purpose connected with its Security Assets, and may discharge any such person.

9.16 Seal

A Receiver may use a Chargor's seal.

9.17 Intellectual Property

A Receiver may in respect of any Intellectual Property:

- (a) make such registrations and pay such fees, renewal fees, registration taxes and similar amounts as he thinks fit to keep such Intellectual Property in force;
- (b) take such steps as he thinks fit (including, without limitation, the institution of legal proceedings and the incurring of advertising expenditure) to police such Intellectual Property in any territory and to prevent third parties infringing it and otherwise to maintain and preserve its value;
- (c) if he thinks fit, abandon or cancel such Intellectual Property or permit its registration (or application for registration) in any jurisdiction to lapse or to permit it to become liable to a claim for abandonment for non-use or otherwise.

10 Application of Proceeds

Any monies received by the Subordinated Creditor or any Receiver after this Deed has become enforceable shall, subject to the payment of any claim having priority to this Deed, be applied in the following order of priority (but without prejudice to the right of the Subordinated Creditor to recover any shortfall from the Chargors):

- (a) in satisfaction of or provision for all costs and expenses incurred by the Subordinated Creditor or any Receiver and of all remuneration due to any Receiver under this Deed;
- (b) in or towards payment of the Secured Liabilities or such part of them as is then due and payable to the Subordinated Creditor; and
- (c) in payment of the surplus (if any) to any Chargor or other person entitled to it.

11 Expenses and Indemnity

As soon as reasonably practicable following demand, each Chargor shall pay all other costs and expenses (including legal fees and VAT) incurred from time to time in connection with the enforcement of or preservation of rights under this Deed by the Subordinated Creditor, or any Receiver, attorney, manager, agent or other person appointed by the Subordinated Creditor under this Deed or by statute, and keep each of them indemnified against any failure or delay in paying the same.

12 Delegation

The Subordinated Creditor and any Receiver may, for the time being and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any manager of the Subordinated Creditor) to any person any right, power or discretion exercisable by the Subordinated Creditor or such Receiver (as the case may be) under this Deed. Any such delegation may be made upon the terms (including, without limitation, power to sub-delegate) and subject to any regulations which the Subordinated Creditor or such Receiver (as the case may be) may think fit. Neither the Subordinated Creditor nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate who shall be entitled to all the indemnities to which his appointor is entitled under this Deed.

13 Further Assurances

13.1 General

Each Chargor shall, at its own expense, execute and do all such acts, deeds and things (including, without limitation, payment of all stamp duties and registration fees) the Subordinated Creditor or a Receiver may reasonably require for:

- (a) perfecting or better perfecting or protecting or better protecting the security intended to be created by this Deed over any Security Asset; and
- (b) after the security constituted by this Deed has become enforceable, facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Subordinated Creditor or any Receiver in respect of any Security Asset, including, without limitation, the execution of any transfer, conveyance, assignment or assurance of any property whether to the Subordinated Creditor or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Subordinated Creditor may think necessary or desirable.

13.2 Further Subsidiaries

- (a) Each Chargor undertakes to ensure that each company which becomes a Subsidiary (whether direct or indirect) of any Chargor after today's date shall, promptly upon being required to do so by the Subordinated Creditor, execute a Deed of Accession in substantially the form set out in Schedule 5 (*Deed of Accession*) and such company shall on the date which such Deed of Accession is executed by it become a party to this Deed in the capacity of a Chargor and this Deed shall be read and construed for all purposes as if such company had been an original party to this Deed as a Chargor (but for the avoidance of doubt the security created by such company shall be created on the date of the Deed of Accession).
- (b) The Subordinated Creditor may specify any amendments or changes to the form or manner in which any such new Chargor gives such security (including an acceptance of a limit on the liability of such new Chargor) which in the opinion of the Subordinated Creditor is necessary in order that such security may lawfully be given.
- (c) The Company shall procure that all registrations or other steps necessary to perfect any security created by a Deed of Accession are completed as soon as is practicable after its execution and in any event within any applicable time limit.
- (d) Each Chargor (other than the Company) by its execution of this Deed or any Deed of Accession, irrevocably appoints the Company to execute on its behalf any Deed of Accession without further reference to or the consent of such Chargor and such Chargor shall be bound by any such Deed of Accession as if it had itself executed such Deed of Accession.

14 Power of Attorney

Each Chargor, by way of security, irrevocably and severally appoints the Subordinated Creditor, each Receiver and any of their delegates or sub-delegates to be its attorney and on its behalf and in its name or otherwise to execute and do all such acts, deeds and things which such Chargor is obliged to take under this Deed and generally, on its behalf and in its name, to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed on the Subordinated Creditor or any Receiver. Each Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under this clause.

15 Continuing Security

15.1 Additional Security

The security constituted by this Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Subordinated Creditor for any of the Secured Liabilities.

15.2 Continuing Security

The security constituted by this Deed is continuing and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

15.3 Reinstatement

If any payment by a Chargor or any discharge given by the Subordinated Creditor (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Chargor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Subordinated Creditor shall be entitled to recover the value or amount of that security or payment from each Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

15.4 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause 15.4, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or the Subordinated Creditor) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or any other person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

15.5 Chargor intent

Without prejudice to the generality of clause 15.4 (*Waiver of defences*), each Chargor expressly confirms that it intends that the security created by this Deed shall extend from time to time to

any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

15.6 Immediate recourse

Each Chargor waives any right it may have of first requiring the Subordinated Creditor to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

15.7 Appropriations

Until all the Secured Liabilities have been irrevocably paid in full, the Subordinated Creditor may:

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

15.8 Deferral of Chargors' rights

Until all the Secured Liabilities have been irrevocably paid in full and unless the Subordinated Creditor otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Subordinated Creditor's rights under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Subordinated Creditor.

16 Miscellaneous

16.1 Covenant to pay

Each Chargor shall pay or discharge the Secured Liabilities in the manner provided for in any document creating or evidencing the Secured Liabilities and/or otherwise as agreed from time to time.

16.2 H.M. Land Registry

Each Chargor applies to the Chief Land Registrar for a registration in the following terms to be entered on the Register of Title relating to any property registered at H.M. Land Registry in its name and against which this Deed may be noted:

(a) A restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [•] [*date of Debenture*] in favour of Aaron's, Inc. referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of Aaron's, Inc.."

(b) A notice that the Subordinated Creditor is under obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

16.3 New Accounts

If the Subordinated Creditor receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent charge or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, the Subordinated Creditor may open a new account for any Chargor. If the Subordinated Creditor does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Subordinated Creditor will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security and, furthermore, the Subordinated Creditor shall be under no obligation to advance any monies or provide or continue to provide any credit facility to the Borrowers.

16.4 Tacking

The Subordinated Creditor covenants with each Chargor that it shall perform its obligations under any document creating or evidencing the Secured Liabilities (including any obligation to make available further advances).

16.5 Separate Charges

This Deed shall, in relation to each Chargor, be read and construed as if it were a separate Deed relating to such Chargor to the intent that if any Security Interest created by any other Chargor in this Deed shall be invalid or liable to be set aside for any reason, this shall not affect any Security Interest created under this Deed by such Chargor.

16.6 Invalidity

If, at any time, any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

17 Release

17.1 Expiry of Security Period

Upon the expiry of the Security Period (but not otherwise), the Subordinated Creditor shall or shall procure that its appointees will, at the request and cost of the Chargors, take whatever action is necessary to release the Security Assets from the security constituted by this Deed and/or reassign the benefit of the Security Assets to the Chargors.

17.2 Charged Accounts

At any time before the security created by this Deed shall have become enforceable, in the absence of any directions from the Subordinated Creditor to the contrary, any amounts permitted by the terms of the Finance Documents to be paid into an Other Account shall upon payment into such account stand released from the fixed charge over Book Debts created pursuant to clause 2 (*Fixed Security*) and shall stand subject to the floating charge created by clause 3 (*Floating Charge*), provided that such release shall in no respect prejudice the continuance of the fixed charge created pursuant to clause 2 (*Fixed Security*) in respect of all other Book Debts.

18 Rights and Remedies

The rights of the Subordinated Creditor under this Deed are cumulative, may be exercised as often as considered appropriate and are in addition to the general law. Such rights (whether arising hereunder or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing and, in particular, any failure to exercise or delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right, any defective or partial exercise of any such rights shall not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation by the Subordinated Creditor or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

19 Notices

19.1 Delivery and Receipt

(a) Any communications to be made under or in connection with this Deed shall be made in writing, may be made by letter or facsimile and shall be deemed to be given as follows:

(i) if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post with postage prepaid in an envelope addressed to it at that address; and

(ii) if by facsimile, when received in legible form,

save that any notice delivered or received on a non-Business Day or after business hours shall be deemed to be given on the next Business Day at the place of delivery or receipt.

(b) Any communication or document made or delivered to the Company in accordance with this clause 19.1 will be deemed to have been made or delivered to each of the Chargors.

19.2 Addresses

(a) The Company's and each other Chargor's address and facsimile number for notices are:

The Lodge
Coleshill Manor
Coleshill
Birmingham B46 1DP

Facsimile no: +44 167 546 7312

For the attention of: Finance Director

or such as the Company may notify to the Subordinated Creditor by not less than 10 days' notice.

- (b) The Subordinated Creditor's address and facsimile number for notices are:

309 East Paces Ferry Road N.E.
Atlanta
Georgia 30305-2367
USA

Facsimile no:

For the attention of:

or such as the Subordinated Creditor may notify to the Company by not less than 10 days' notice.

20 Governing Law and Jurisdiction

20.1 Governing Law

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

20.2 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (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 20.2 is for the benefit of the Subordinated Creditor only. As a result, the Subordinated Creditor shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Subordinated Creditor may take concurrent proceedings in any number of jurisdictions.

20.3 Service of process

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

- (a) irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
- (b) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned.

For the benefit of the Subordinated Creditor the Company expressly agrees and consents to its irrevocable appointment as process agent pursuant to this clause 20.3.

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

**Schedule 1
The Chargors**

Name of Chargor	Registration number (or equivalent, if any)
Perfect Home Holdings Ltd	06016659
Perfect Home Finance Limited	06020013
Temple Retail Limited	05981917
Temple Finance Limited	05671852
Coleshill Financial Services Limited	07039707

Schedule 2
Mortgaged Property

None at the date of this Deed.

Schedule 3 Group Shares

Chargor	Company Name	Type of Share	Number of Shares
Perfect Home Holdings Ltd	Perfect Home Finance Limited	Ordinary	1
Perfect Home Finance Limited	Temple Retail Limited	Ordinary	1
Temple Retail Limited	Temple Finance Limited	Ordinary	1
Temple Retail Limited	Coleshill Financial Services Limited	Ordinary	1,000

Schedule 4
Charged Accounts

Chargor	Bank	Branch	Sort Code	Account No.
Perfect Home Holdings Ltd	Barclays Bank plc	Colmore Row, Birmingham	[REDACTED]	[REDACTED]
Perfect Home Finance Limited	Barclays Bank plc	Colmore Row, Birmingham	[REDACTED]	[REDACTED]
Temple Retail Limited	Barclays Bank plc	Colmore Row, Birmingham	[REDACTED]	[REDACTED]
Temple Finance Limited	Barclays Bank plc	Colmore Row, Birmingham	[REDACTED]	[REDACTED]

Schedule 5 Deed of Accession

THIS DEED OF ACCESSION is dated [•] and made

BETWEEN

- (1) **• Limited** [registered in England with number [•] whose registered office is at [•]][a corporation organised and existing under the laws of [•] whose principal place of business is at [•]][of [•]] (the **New Chargor**);
- (2) **Perfect Home Holdings Ltd** registered in England with number 06016659 for itself and as agent for and on behalf of each of the other Chargors presently party to the Debenture (as defined below) (**Company**); and
- (3) **Aaron's, Inc.** a corporation incorporated under the laws of the State of Georgia, USA whose registered office is at 309 East Paces Ferry Road N.E., Atlanta, Georgia 30305-2367, USA (the **Subordinated Creditor**).

RECITALS

- (A) The Company and others as Chargors entered into a deed of debenture dated • (as supplemented and amended from time to time, the **Debenture**) in favour of the Subordinated Creditor.
- (B) The New Chargor has at the request of the Company and in consideration of the Subordinated Creditor continuing to make facilities available to the Borrowers and after giving due consideration to the terms and conditions of the Finance Documents and the Debenture and satisfying itself that there are reasonable grounds for believing that the entry into this Deed by it will be of benefit to it, decided in good faith and for the purpose of carrying on its business to enter into this Deed and thereby become a Chargor under the Debenture.
- (C) The Chargors and the Subordinated Creditor intend that this document take effect as a deed notwithstanding that it may be executed under hand.

IT IS AGREED:

- 1 Terms defined in the Debenture have the same meaning when used in this Deed.
- 2 The New Chargor agrees to become a party to and bound by the terms of the Debenture as a Chargor with immediate effect and so that the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to the Debenture in the capacity of Chargor (but so that the security created consequent on such accession shall be created on the date of this Deed).
- 3 The New Chargor undertakes to be bound by all of the covenants and agreements in the Debenture which are expressed to be binding on a Chargor.
- 4 The New Chargor grants to the Subordinated Creditor the assignments, charges, mortgages and other Security Interests described in the Debenture as being granted, created or made by Chargors under the Debenture to the intent that its assignments, charges, mortgages and other Security Interests shall be effective and binding upon it and its property and assets and shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Debenture or in any other Deed of Accession.

- 5 The Debenture and this Deed shall be read and construed as one to the extent and so that references in the Debenture to:
- (a) this Deed and similar phrases shall be deemed to include this Deed;
 - (b) Schedule 2 shall be deemed to include a reference to Part I of the Schedule to this Deed;
 - (c) Schedule 3 shall be deemed to include a reference to Part II of the Schedule to this Deed;
 - (d) Schedule 4 shall be deemed to include a reference to Part III of the Schedule to this Deed;
 - (e) Schedule 6 shall be deemed to include a reference to Part IV of the Schedule to this Deed;
 - (f) Schedule 7 shall be deemed to include a reference to Part V of the Schedule to this Deed.
- 6 The parties agree that the bank accounts of the New Chargor specified in Part III of the Schedule to this Deed shall be designated as Charged Accounts for the purposes of the Debenture.
- 7 The Company, for itself and as agent for and on behalf of the other Chargors under the Debenture, agrees and consents to all of the matters provided for in this Deed.
- 8 Without limiting the generality of the other provisions of this Deed and the Debenture, pursuant to the terms of this Deed and the Debenture, the New Chargor as security for the payment and performance of the Secured Liabilities, and in the manner specified in clause 1.2(g) of the Debenture:
- (a) charges to the Subordinated Creditor by way of legal mortgage all of the property (if any) now belonging to it brief descriptions of which are specified in Schedule 2 (*Mortgaged Property*) to the Debenture and/or Part I of the Schedule to this Deed;
 - (b) mortgages and charges and agrees to mortgage and charge to the Subordinated Creditor all of the stocks, shares and other securities (if any) brief descriptions of which are specified in Part II of the Schedule to this Deed (which shall from today's date form part of the Group Shares for the purposes of the Debenture), the same to be a security by way of a mortgage;
 - (c) charges to the Subordinated Creditor by way of fixed charge its registered Intellectual Property (if any) specified in Part IV of the Schedule to this Deed (which shall from today's date form part of the Specified Intellectual Property of the Chargors for the purposes of the Debenture); and
 - (d) mortgages and charges and agrees to mortgage and charge to the Subordinated Creditor the same to be a security by way of a mortgage all of its right, title and interest in and to the Equipment (if any) brief descriptions of which are specified in Part V of the Schedule to this Deed (which shall from today's date form part of the Specified Equipment for the purposes of the Debenture), the same to be a security by way of a legal mortgage and all spare parts and replacements for and all modifications and additions to such Specified Equipment.
- 9 This Deed is governed by English law.

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

SCHEDULE

Part I – Real Property

[Insert details of any real property owned by the New Chargor]

Part II – Group Shares

[Insert details of all Group Shares of the New Chargor]

Part III – Charged Accounts

[Insert details of all Charged Accounts of the New Chargor]

Part IV – Specified Intellectual Property

[Insert details of any registered Intellectual Property owned by the New Chargor]

Part V – Specified Equipment

[Insert details of any Equipment owned by the New Chargor which is to be Specified Equipment]

SIGNATORIES
[to the Deed of Accession]

The New Chargor

Executed as a deed by)
● **Limited**)
acting by a Director in the presence of:)

Signature of witness:

Name of witness:

Address:
.....
.....

The Company

for itself and as agent for the other
Chargors party to the Debenture

Executed as a deed by)
Perfect Home Holdings Ltd)
acting by a Director in the presence of:)

Signature of witness:

Name of witness:

Address:
.....
.....

The Subordinated Creditor

Aaron's, Inc

By:

Schedule 6
Specified Intellectual Property

Trade Marks

Chargor	Trade Mark Number	Classes	Mark Text
Temple Retail Limited	2419564	35, 36, 37	PERFECTHOME perfecthome
Temple Retail Limited	2422811	35, 36, 37	PerfectHome PERFECTHOME

**Schedule 7
Specified Equipment**

None at the date of this Deed.

Signatories

The Company

Executed as a deed by
Perfect Home Holdings Ltd
acting by a Director in the presence of:

Signature of witness:

Name of witness:

Address:

[REDACTED]

[REDACTED]

[REDACTED]

RHUP DAVIES

[REDACTED]

[REDACTED]

[REDACTED]

The other Chargors

Executed as a deed by
Perfect Home Finance Limited
acting by a Director in the presence of:

Signature of witness:

Name of witness:

Address:

PHILIP DAVIES.

Executed as a deed by
Temple Retail Limited
acting by a Director in the presence of:

Signature of witness:

Name of witness:

Address:

)
[REDACTED]
)
[REDACTED]
PHILIP DAVIS
[REDACTED]
[REDACTED]
[REDACTED]

) [REDACTED]
) [REDACTED]
) [REDACTED]

1. [REDACTED]

FRANK DAVIES

[REDACTED]

[REDACTED]

[REDACTED]

)
)
)

[REDACTED]

PHILIP DAMES

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Aaron's, Inc
By:

Dated 03 October 2016

**Perfect Home Holdings Ltd
(and others as Chargors)**

and

**Aaron's, Inc
(as Subordinated Creditor)**

DEBENTURE

Subject to the terms of an intercreditor deed dated 03 October September 2016

Contents

Clause	Page
1 Interpretation	3
2 Fixed Security.....	7
3 Floating Charge	9
4 Representations and Warranties.....	10
5 Undertakings	12
6 When Security becomes Enforceable	18
7 Enforcement of Security	18
8 Receiver	19
9 Powers of Receiver	20
10 Application of Proceeds.....	23
11 Expenses and Indemnity	23
12 Delegation	23
13 Further Assurances	24
14 Power of Attorney.....	24
15 Continuing Security	25
16 Miscellaneous.....	27
17 Release	28
18 Rights and Remedies	28
19 Notices.....	28
20 Governing Law and Jurisdiction	29
Schedule 1 The Chargors.....	31
Schedule 2 Mortgaged Property.....	32
Schedule 3 Group Shares	33
Schedule 4 Charged Accounts.....	34
Schedule 5 Deed of Accession.....	35
Schedule 6 Specified Intellectual Property.....	39
Schedule 7 Specified Equipment.....	40

This Debenture is dated

03 October

2016 and made

Between:

- (1) **Perfect Home Holdings Ltd** registered in England with number 06016659 (the **Company**);
- (2) **The Companies** identified in Schedule 1 (*The Chargors*) (together with the Company and each person which becomes a party to this Deed by executing a Deed of Accession, each a **Chargor** and together the **Chargors**); and
- (3) **Aaron's, Inc.**, a corporation incorporated under the laws of the State of Georgia, USA whose registered office is at 309 East Paces Ferry Road N.E., Atlanta, Georgia 30305-2367, USA (the **Subordinated Creditor**).

Recitals

- (A) The Chargors enter into this Deed to secure the repayment and satisfaction of the Secured Liabilities.
- (B) The Chargors and the Subordinated Creditor intend that this document take effect as a deed notwithstanding that it may be executed under hand.

It is agreed:

1 Interpretation

1.1 Definitions

In this Deed:

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

Book Debts means:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions) both present and future, actual or contingent, due, owing to or which may become due, owing to or purchased or otherwise acquired by any Chargor; and
- (b) the benefit of all rights whatsoever relating to the debts referred to in (a) above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets).

Charged Accounts means the bank accounts of the Chargors specified in Schedule 4 (Charged Accounts) and/or in the Schedule to any Deed of Accession and/or such other bank accounts of the Chargors (other than the Excluded Accounts) as the Subordinated Creditor may designate or approve.

Dangerous Substance means any substance of whatever kind and form and in whatever combination capable of causing harm to any lifeform or the environment.

Deed of Accession means a deed of accession substantially in the form set out in Schedule 5 (*Deed of Accession*).

Environmental Law means all laws, regulations, directives, statutes and any guidance, circular or regulations issued thereunder, subordinate legislation, common law, equity, all other

international, national and local laws and all judgments, orders, instructions or awards of any court or competent authority concerning the protection of or compensation for damage to human health, the environment, or the condition, of any work place or the generation, dealing with, or disposal of any Dangerous Substance.

Environmental Licence means any consent, approval, authorisation, exemption, licence, order, permission, condition, recording, registration, variation, modification or transfer required by any Environmental Law.

Environmental Proceedings means any written claim or demand or any criminal, civil, judicial, regulatory or administrative proceedings, suit or action or other enforcement process brought or taken under any Environmental Laws (including without limitation any written claim or demand etc in respect of any Remedial Works) or any matter which would be the subject of any such written claim or demand etc but where liability has been admitted or otherwise settled or agreed.

Equipment means (save to the extent that any such items form part of such Chargor's stock in trade) all present and future plant, equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture and fixtures and all attachments, accessories owned by any Chargor and property (other than Fixtures) now or in future relating to it or used in connection with it and replacements and substitutions for it wherever located.

Event of Default is defined in the Loan Note Instrument.

Existing Security means the debenture dated 16 July 2012 between the Company, the Chargors and Wells Fargo Capital Finance (UK) Limited (formerly known as Burdale Financial Limited).

Finance Documents is defined in the Loan Note Instrument.

Fixtures means all fixtures and fittings (including, without limitation, those of trade) and fixed plant and machinery on the Mortgaged Property.

Group Shares means all shares specified in Schedule 3 (*Group Shares*) or in the Schedule to any Deed of Accession or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule 3 (*Group Shares*) or in the Schedule to any Deed of Accession, together in each case with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by any or (when used in relation to a particular Chargor) that Chargor from time to time.

Insurances means all contracts and policies of insurance taken out by or for a Chargor or in which any Chargor has an interest (to the extent of that interest).

Intellectual Property means all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, Know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country; and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing including but not limited to the Specified Intellectual Property.

Intercreditor Deed means the deed dated on or about the date of this Deed and made between the Company, the Chargors, the Subordinated Creditor, Barclays Bank plc and Wells Fargo Capital Finance (UK) Limited.

Know-how means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by any Chargor and relating to its business, which is not in the public domain.

Loan Notes means the deep discount loan notes 2016 issued by Perfect Home Finance Ltd.

Loan Note Instrument means the deed poll constituting the Loan Notes originally dated 14 October 2011 (as amended by the amendment deeds dated 15 May 2014, 3 June 2015, 28 September 2015 and on or about the date of this Deed).

Mortgaged Property means any freehold or leasehold property (including the Premises) the subject of the security created by this Deed.

Obligors is defined in the Intercreditor Deed.

Permitted Security Interest means:

- (a) any Security Interest granted in favour of Wells Fargo Capital Finance (UK) Limited;
- (b) any Security Interest which arises by operation of law in the ordinary course of trading;
- (c) any netting or set-off arrangement entered into by any Obligor in the ordinary course of its banking arrangements for the purposes of netting debit and credit balances of Obligors but only so long as such arrangement does not permit credit balances on any blocked account to be netted or set off against debit balances of Obligor;
- (d) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to an Obligor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by an Obligor;
- (e) any Security Interests arising under rent deposit deeds in respect of properties leased by any Obligor; and
- (f) the Security Interests which are the subject of the Intercreditor Deed.

Premises means any building or other edifice on the Mortgaged Property or other Security Asset.

receiver includes any receiver, receiver and manager or administrative receiver.

Receiver means any individual or individuals (who may be an employee or employees of the Subordinated Creditor) for the time being and from time to time appointed by the Subordinated Creditor to be a receiver or receivers (and, where more than one individual is appointed jointly, they shall have the power to act severally, unless the Subordinated Creditor shall specify to the contrary in their appointment) under this Deed and, where the context shall admit, any individual or individuals for the time being and from time to time so appointed in substitution, provided always that all such individuals shall be qualified under the Insolvency Act 1986 to act as a receiver of the property of any company with respect to which he is appointed or as an administrative receiver of any such company.

Related Rights means, in relation to the Group Shares, all dividends and other distributions paid or payable after today's date on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest on them), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.

Remedial Works means:

- (a) any investigation, inspection, sampling or monitoring works; or
- (b) any works, steps or measures to treat, abate, remove, remedy, contain, control, manage or ameliorate the presence or actual or potential effect of any Dangerous Substance or any harm to the environment or human health or pollution of the environment.

Secured Liabilities means all present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever, of each Obligor to the Subordinated Creditor except for any obligation which, if it were so included, would result in a contravention of the prohibitions in Chapter 2 (*Financial assistance for purchase of own shares*) of Part 18 of the Companies Act 2006 (or its equivalent in any other jurisdiction).

Security Assets means all assets of each Chargor the subject of any security created by this Deed (and includes the Mortgaged Property).

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

Security Period means the period beginning on the date of this Deed and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally satisfied in full. If any amount paid by any Chargor and/or in connection with the satisfaction of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of such Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purpose of this Deed.

Security Shares means the Group Shares and the Related Rights and, in the case of a particular Chargor, means such of the Group Shares as are held by it at the relevant time, together with all Related Rights in respect of such Group Shares.

Specified Equipment means the Equipment (if any) specified in Schedule 7 (*Specified Equipment*) or in the Schedule to any Deed of Accession.

Specified Intellectual Property means the registered Intellectual Property (if any) specified in Schedule 6 (*Specified Intellectual Property*) or in the Schedule to any Deed of Accession.

Wells Fargo Repayment Date means the date that all amounts owing to the Wells Fargo Capital Finance (UK) Limited have been repaid in full, and the Existing Security has been released.

1.2 Construction

(a) Any reference in this Deed to:

- (i) **assets** includes present and future properties, revenues and rights of every description;
- (ii) an **authorisation** means an authorisation, consent, approval, licence, resolution, filing or registration;
- (iii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated with the approval of the Subordinated Creditor;
- (iv) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (v) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (vi) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (vii) any reference to any statute or statutory instrument includes any enactment replacing or amending it or any instrument, order or regulation made under it and also includes any past statutory provisions (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
 - (viii) words importing the singular shall include the plural and vice versa;
 - (ix) a charge or mortgage of any freehold or leasehold property includes all Premises and Fixtures on that property, the proceeds of sale of any part of that property, and the benefit of any covenants for title (or any monies paid or payable in respect of them) given or entered into by any predecessor in title in respect of that property;
 - (x) any party or person includes any person deriving title from it or any permitted successor, transferee or assignee.
- (b) Clause and Schedule headings are for ease of reference only.
 - (c) An Event of Default is **continuing** if it has not been waived.
 - (d) Capitalised terms defined in the Intercreditor Deed have the same meaning when used in this Deed unless the context requires otherwise.
 - (e) If at any time the Company is the only Chargor the references in this Agreement to **Chargors** shall, whilst such circumstance is continuing, be construed accordingly.
 - (f) The terms of the other Finance Documents and of any side letters between the parties to this Deed in relation to the Finance Documents are incorporated in this Deed to the extent required for any purported disposition of the Mortgaged Property in this Deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (g) So long as the Existing Security is in place, no disposition effected by this Deed is made with full title guarantee. The other terms of this Deed do not limit or extend any of the covenants implied by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 but create separate and independent obligations having effect cumulatively with those implied covenants.
 - (h) Each of the charges in clause 2 (*Fixed Security*) over each category of the assets, each asset and each sub-category of each asset specified in such clause shall be read and construed separately, as though each such category, asset and sub-category were charged independently and separately of each other and shall apply to both present and future assets.
 - (i) In the event of any conflict between the provisions of this Deed and the provisions of the Loan Note Instrument, the provisions of this Deed shall prevail.
 - (j) The terms of this Deed are subject to the terms of the Intercreditor Deed and in the event of any conflict between the provisions of this Deed and the provisions of the Intercreditor Deed the provisions of the Intercreditor Deed shall prevail.

2 Fixed Security

- 2.1 Each Chargor, as security for the payment and performance of the Secured Liabilities and in the manner specified in clause 1.2(g) of this Deed:
 - (a) charges in favour of the Subordinated Creditor by way of a legal mortgage all the property (if any) now belonging to it and specified in Schedule 2 (*Mortgaged Property*) and all other interests in any freehold or leasehold property now or in the future belonging to it; and

- (b) charges in favour of the Subordinated Creditor by way of a fixed charge:
 - (i) (to the extent that they are not within clause 2.1(a)) all interests in any freehold or leasehold property now or in the future belonging to it;
 - (ii) all Equipment (other than any Specified Equipment effectively mortgaged to the Subordinated Creditor by way of a legal mortgage pursuant to clause 2.1(e)) now or in the future belonging to it and its interest in any such Equipment in its possession now or in the future;
 - (iii) all of its benefits, claims and returns of premiums in respect of the Insurances;
 - (iv) its goodwill and its uncalled capital both present and future;
 - (v) its Book Debts, both uncollected and collected, the proceeds of the same and all monies otherwise due and owing to such Chargor but excluding the Charged Accounts and any amounts standing to the credit of any Charged Account;
 - (vi) the benefit of all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in clause 2.1(b)(v);
 - (vii) its rights under any hedging arrangements;
 - (viii) any of its beneficial interest, claim or entitlement in any pension fund;
 - (ix) the benefit of all permissions of whatsoever nature and whether statutory or otherwise, held in connection with its business or the use of any Security Asset and the right to recover and receive all compensation which may be payable to it;
 - (x) its Intellectual Property including any revenues or other income arising thereunder and any claims for damages arising with respect thereto (whether by reason of infringement or otherwise howsoever);
- (c) mortgages by way of equitable mortgage or (if to the extent that this Deed does not take effect as an equitable mortgage) charges by way of fixed charge to the Subordinated Creditor all Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a mortgage; and
- (d) mortgages or (if to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge to the Subordinated Creditor all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a mortgage or charge.

PROVIDED THAT:

- (i) whilst no Event of Default is continuing, all dividends and other distributions paid or payable as referred to in clause 2.1(d) above may be paid directly to the relevant Chargor (in which case the Subordinated Creditor or its nominee shall execute any necessary dividend mandate) and, if paid directly to the Subordinated Creditor shall be paid promptly by it to the relevant Chargor; and
 - (ii) subject to clause 5.4(c) whilst no Event of Default is continuing, all voting rights attaching to the relevant Group Shares may be exercised by the relevant Chargor or, as the relevant Chargor may direct in writing.
- (e) mortgages or (if to the extent that this Deed does not take effect as a mortgage) charges by way of fixed charge to the Subordinated Creditor the same to be a security by way of a mortgage all of its right, title and interest in and to:
 - (i) the Specified Equipment;

- (ii) all spare parts and replacements for and all modifications and additions to the Specified Equipment.

2.2 There shall be excluded from the charges created by Clause 2.1(a) and 2.1(b) and from the operation of Clause 13 (*Further Assurances*) any leasehold property held by a Chargor under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest in that property.

3 Floating Charge

3.1 Creation

Each Chargor as security for the payment and performance of the Secured Liabilities and in the manner specified in clause 1.2(g) of this Deed charges in favour of the Subordinated Creditor by way of a floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by clause 2 (*Fixed Security*).

3.2 Conversion by notice

The Subordinated Creditor may by notice to any Chargor convert the floating charge created by this Deed into a fixed charge in relation to all or any of such Chargor's assets specified in the notice if:

- (a) the Subordinated Creditor has reasonable grounds for considering those assets to be in jeopardy, by legal process or otherwise; or
- (b) an Event of Default has occurred and is continuing; or
- (c) any step is taken to present a petition to appoint an administrator in relation to such Chargor (or that such a petition has been presented or such an administrator has been appointed) or to wind up such Chargor (or that such a petition has been presented).

3.3 Crystallisation: Moratorium where directors propose voluntary arrangement

The floating charge created by clause 3 (*Floating Charge*) may not be converted into a fixed charge solely by reason of:

- (a) the obtaining of a moratorium; or
- (b) anything done with a view to obtaining a moratorium,

under Schedule A1 to the Insolvency Act 1986.

3.4 No waiver

The giving by the Subordinated Creditor of a notice pursuant to clause 3.2 (*Conversion by notice*) in relation to any class of any Chargor's assets, rights and property shall not be construed as a waiver or abandonment of the Subordinated Creditor's rights to give other similar notices in respect of any other class of assets.

3.5 Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.1 (*Creation*).

4 Representations and Warranties

4.1 Making of representations

Each Chargor makes the representations and warranties set out in this clause 4 to the Subordinated Creditor. The representations and warranties so set out are made on the date of this Deed and are deemed to be repeated by the Chargors on the first day of each month throughout the Security Period.

4.2 Capacity

Each Chargor has the capacity, power and authority to enter into this Deed and the obligations assumed by it are its legal, valid, binding and enforceable obligations subject to the Legal Reservations and laws affecting creditors' rights generally.

4.3 Title

The Chargors are the sole legal and beneficial owner of the Security Assets free of any Security Interest or third party interest of any kind (other than the Permitted Security Interests or as permitted by the Finance Documents).

4.4 Environmental Matters

- (a) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed, each Chargor has at all times complied with all materially applicable Environmental Law including the obtaining of and compliance with all requisite Environmental Licences (as varied or modified from time to time) which are necessary for the conduct of its business.
- (b) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed, and to the best of its knowledge and belief, no Dangerous Substance has been present, used, disposed of or otherwise dealt with at, on, in, from or under any property or premises while within any Chargor's ownership, occupation or control in circumstances which are reasonably likely to result in any Environmental Proceedings.
- (c) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed and to the best of its knowledge and belief, no Dangerous Substance is present at, in, on or under or migrating onto or from any Mortgaged Property (or any other property owned or occupied by any Chargor) in circumstances which are reasonably likely to give rise to Environmental Proceedings.
- (d) Save as disclosed in writing by the relevant Chargor to the Subordinated Creditor prior to the date of this Deed, no Chargor is involved in any Environmental Proceedings and no Chargor is aware of any circumstances which are likely to give rise to such Environmental Proceedings.
- (e) As far as each Chargor is aware, no circumstances exist which will result in any Chargor having any requisite Environmental Licence which is required for the conduct of its business revoked or modified or varied in a material manner.

4.5 Mortgaged Property

- (a) The Chargor named as owner in respect of any Mortgaged Property is the legal and beneficial owner of such Mortgaged Property.
- (b) Other than as notified in writing to the Subordinated Creditor, the Mortgaged Property is free from any agreement for lease, lease, licence, tenancy, overriding lease or other occupational arrangement or overriding interest.

- (c) The Premises and the Fixtures are in good and substantial repair, normal wear and tear accepted.
- (d) There subsists no breach of any law or regulation which will affect materially the value of the Mortgaged Property.
- (e) There are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever which could affect materially and adversely the Mortgaged Property so far as the Chargors are aware.
- (f) The Mortgaged Property is free from any financial encumbrance of whatsoever nature other than Permitted Security Interests.
- (g) No Chargor has received any notice of any adverse claim, nor has any acknowledgement been given in respect of the ownership of the Mortgaged Property, or any interest in it.
- (h) No facility necessary for the enjoyment and use of the Mortgaged Property may be terminated or curtailed.

4.6 Security

Subject to the Legal Reservations, this Deed creates the various forms of security it purports to create and is not liable to be avoided or otherwise set aside on the liquidation or administration of any Chargor, or otherwise.

4.7 Security Shares

- (a) Each Chargor is and will remain the sole beneficial owner of its Security Shares and, save where such Security Shares have been registered in the name of the Subordinated Creditor or its nominee pursuant to this Deed and/or its nominee, is and will remain the absolute legal owner of such Security Shares.
- (b) No Chargor will take any action whereby the rights attaching to the Security Shares are altered or diluted.
- (c) The Group Shares are fully paid and non-assessable and neither the Group Shares nor the Related Rights are subject to any options to purchase or similar rights of any person.

4.8 Specified Intellectual Property

- (a) The details of the Specified Intellectual Property appearing or referred to in Schedule 6 (*Specified Intellectual Property*):
 - (i) are true, accurate, and complete in all material respects; and
 - (ii) no Chargor is the owner of any interest in any other registered Intellectual Property which is not identified in that Schedule.
- (b) The Chargors are the sole legal and beneficial owners of any Specified Intellectual Property referred to in clause 4.8(a) and there are no (i) Security Interests other than Permitted Security Interests, nor (ii) any options, rights of pre-emption, licences, agreements or other third party interests of any nature, affecting any such Specified Intellectual Property, other than those which are specifically identified in Schedule 6 (*Specified Intellectual Property*).
- (c) Nothing has been done or has been omitted to be done by or with the consent of the Chargors whereby any person (including any relevant registrar or other applicable authority) might reasonably be expected successfully (i) to seek cancellation or rectification or any other modification of any registration of or application for registration, in any jurisdiction, of any Specified Intellectual Property which is registered or subject to

an application for registration in such jurisdiction, or (ii) to challenge the legality or validity of any such registration or application.

- (d) No Chargor is aware of any circumstances which would be likely to entitle a third party to a licence, permission, consent or assignment of, or in respect of, any Specified Intellectual Property or other Intellectual Property right.
- (e) No Chargor is aware of any actions, claims or allegations against any third party alleging infringement of any Specified Intellectual Property, nor of any facts, matters or circumstances which could reasonably be expected to give rise to any such action, claim or allegation.
- (f) No Chargor is aware of any pending or anticipated actions, claims, counter-claims, applications or allegations impugning the validity or enforceability of any Specified Intellectual Property or its ownership of it, nor of any facts, matters or circumstances which could reasonably be expected to give rise to any such action, claim, counter-claim, application or allegation.
- (g) No Chargor has done or omitted to do any act in relation to any Specified Intellectual Property which has resulted or which could reasonably be expected to result in any breach or infringement of any third party's intellectual property rights.
- (h) All renewal fees due in respect of the registrations for the Specified Intellectual Property in any jurisdiction have been paid.

4.9 All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights under and comply with its obligations in any Finance Document to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in each relevant jurisdiction,

have been obtained or effected and are in full force and effect.

- (c) All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect.

5 Undertakings

5.1 Duration

The undertakings in this clause 5 shall remain in force throughout the Security Period and are given by each Chargor to the Subordinated Creditor.

5.2 General

- (a) **Covenant to perform:** Each Chargor shall continuously comply with the terms (both express and implied) of this Deed and any contracts relating to the Secured Liabilities.
- (b) **Restrictions on dealings:** No Chargor shall:
 - (i) create or permit to subsist any Security Interest of whatsoever nature on any Security Asset other than a Permitted Security Interest or as created by this Deed; or
 - (ii) sell, transfer, grant, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the

floating charge created by clause 3.1 (*Creation*) and except as provided for under the Intercreditor Deed.

5.3 Property

- (a) **Deposit of Title Deeds:** For the duration of the Security Period each Chargor shall deposit with the Subordinated Creditor all deeds and documents of title relating to the Mortgaged Property owned by it and any property comprised within clause 5.3(c) (*Future Acquisitions and Legal Mortgage*).
- (b) **Environmental matters:** Each Chargor shall:
 - (i) comply in all material respects with all applicable Environmental Law including the obtaining of and compliance with all requisite Environmental Licences (as varied from time to time);
 - (ii) immediately inform the Subordinated Creditor:
 - (A) of any actual Environmental Proceedings or, as soon as it becomes aware, of any potential Environmental Proceedings involving it; and
 - (B) upon receipt, of any communication of whatsoever nature, whether specific or general and whether from a third party or competent regulatory authority, served on it concerning any alleged breach of any Environmental Law or non-compliance with any Environmental Licence, which, if substantiated, could have a material adverse effect upon its financial position or upon its ability to perform its obligations under this Deed;
 - (iii) immediately inform the Subordinated Creditor if it becomes aware that any of the Mortgaged Property or any other property owned or occupied by any Chargor is likely to be entered on any register relating to land use or to Remedial Works affecting land and waters (including, without limitation, registers to be held by any competent regulatory authority under section 78R of the Environmental Protection Act 1990 or section 190 of the Water Resources Act 1991);
 - (iv) immediately inform the Subordinated Creditor of the presence of any Dangerous Substance in, on, at or under or migrating onto or from any Mortgaged Property or other property owned or occupied by any Chargor or of any other circumstance, event or incident which is likely to give rise to any Environmental Proceedings; and
 - (v) immediately inform the Subordinated Creditor of any actual or proposed variation, modification or revocation of any requisite Environmental Licence held by such Chargor and of any refusal to grant or transfer to the Chargor any Environmental Licence required by it for the purpose of its business.
- (c) **Future Acquisitions and Legal Mortgage:** Each Chargor shall:
 - (i) notify the Subordinated Creditor as soon as reasonably practicable after the acquisition by it of any freehold or leasehold (for a term of 20 years or more and not requiring any landlord's consent to charge) or other interest in property (and for the purposes of this clause 5.3(c) the date of exchange of contracts for such an acquisition shall be deemed the date of acquisition);
 - (ii) at its cost, execute and deliver to the Subordinated Creditor, on demand, a legal mortgage (on terms no more onerous than the terms of this Deed) in favour of the Subordinated Creditor of any freehold or leasehold (for a term of 20 years or more and not requiring any landlord's consent to charge) or other interest in property which becomes vested in it after the date of this Deed; and

- (iii) in any event, if applicable, give H.M. Land Registry written notice of this Deed and procure that notice of it be duly noted in the Registers to each such title.
- (d) **Lease and covenant compliance:** Each Chargor shall:
 - (i) perform all the terms on its part contained in any lease or agreement for lease comprising the Mortgaged Property or to which the Mortgaged Property is subject;
 - (ii) not do anything as a result of which any lease or agreement for lease comprising Mortgaged Property or to which the Mortgaged Property is subject may become forfeit or otherwise determinable; and
 - (iii) properly perform (and indemnify the Subordinated Creditor for any breach of) any covenants and stipulation of whatsoever nature affecting the Mortgaged Property.
- (e) **Notices:** Within 10 days after the receipt by a Chargor of any application, requirement, order or notice served or given by any public, local or other authority relating to any Mortgaged Property, such Chargor shall:
 - (i) deliver a copy to the Subordinated Creditor; and
 - (ii) inform the Subordinated Creditor of the steps taken or proposed to be taken by way of compliance.
- (f) **Power to Remedy:** In case of default by any Chargor in performing any obligation or other covenant affecting the Mortgaged Property, each Chargor shall permit the Subordinated Creditor or its agents and contractors:
 - (i) to enter on the Mortgaged Property;
 - (ii) to comply with or object to any notice served on any Chargor relating to the Mortgaged Property; and
 - (iii) to take any action the Subordinated Creditor may reasonably consider expedient to prevent or remedy any breach of any such term or to comply with or object to any such notice,

provided that nothing in this clause 5.3(f) (or otherwise in this Deed) shall entitle the Subordinated Creditor or its agents and contractors to any action (including any Remedial Works) relating to any notice served under or breach of any Environmental Law (including without limitation Part II A of the Environmental Protection Act 1990).
- (g) **Repair:** Each Chargor shall, and shall procure that each other Chargor shall, keep the Premises and the Fixtures in good and substantial repair and condition and decorative order.

5.4 Security Shares

- (a) Following the Wells Fargo Repayment Date, each Chargor shall forthwith deposit with the Subordinated Creditor or as the Subordinated Creditor may direct all bearer instruments, share certificates and other documents of title or evidence of ownership in relation to such Group Shares as are owned by it or in which it has or acquires an interest and their Related Rights and shall execute and deliver to the Subordinated Creditor all such share transfers and other documents as may be requested by the Subordinated Creditor after an Event of Default in order to enable the Subordinated Creditor or its nominees to be registered as the owner or otherwise to obtain a legal title to the same and, without limiting the generality of the foregoing, shall deliver to the Subordinated Creditor on today's date executed (and, if required to be stamped, pre-stamped) share transfers for all Group Shares in favour of the Subordinated Creditor and/or its nominee(s) as transferees or, if the Subordinated Creditor so directs, with the transferee left blank and

shall following an Event of Default procure that all such share transfers are at the request of the Subordinated Creditor forthwith registered by the relevant company and that share certificates in the name of the Subordinated Creditor and/or such nominee(s) in respect of all Group Shares are forthwith delivered to the Subordinated Creditor.

- (b) Each Chargor shall provide the Subordinated Creditor with certified copies of all resolutions and authorisations approving the execution of such transfer forms and following an Event of Default registration of such transfers as the Subordinated Creditor may reasonably require.
- (c) The Subordinated Creditor and its nominee may at any time whilst an Event of Default is continuing or in any other instance where the Subordinated Creditor is of the reasonable opinion that it is necessary for the avoidance of an Event of Default or necessary for the protection of its material interests exercise or refrain from exercising (in the name of each Chargor, the registered holder or otherwise and without any further consent or authority from each Chargor and irrespective of any direction given by any Chargor) in respect of the Security Shares any voting rights and any powers or rights under the terms of the Security Shares or otherwise which may be exercised by the person or persons in whose name or names the Security Shares are registered or who is the holder thereof, including, without limitation, all the powers given to trustees by Section 10(3) and (4) of the Trustee Act 1925 as amended by Section 9 of the Trustee Investments Act 1961 in respect of securities or property subject to a trust PROVIDED THAT in the absence of notice from the Subordinated Creditor each Chargor may and shall continue to exercise any and all voting rights with respect to the Group Shares subject always to the terms of this Deed. No Chargor shall without the previous consent in writing of the Subordinated Creditor exercise the voting rights attached to any of the Group Shares in favour of resolutions having the effect of changing the terms of the Group Shares (or any class of them) or any Related Rights or prejudicing the security under this Deed or impairing the value of the Security Shares. Each Chargor hereby irrevocably appoints the Subordinated Creditor or its nominees its proxy to exercise (as provided in or permitted by this Deed) all voting rights so long as the Group Shares belonging to it remain registered in its name.
- (d) Following the Wells Fargo Repayment Date, each Chargor during the continuance of this security will make all payments which may become due in respect of any of the Security Shares and, in the event of default in making any such payment, the Subordinated Creditor may if it thinks fit make such payment on behalf of each Chargor. Any sums so paid by the Subordinated Creditor shall be repayable by the relevant Chargor to the Subordinated Creditor on demand and pending such repayment shall constitute part of the Secured Liabilities.
- (e) It is expressly agreed that, notwithstanding anything to the contrary contained in this Deed, each Chargor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Security Shares and the Subordinated Creditor shall not be under any obligation or liability by reason of or arising out of the security over the Security Shares conferred by this Deed. The Subordinated Creditor shall not be required in any manner to perform or fulfil any obligation of any Chargor in respect of the Security Shares, or to make any payment, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled under this Deed at any time or times.
- (f) Upon the occurrence of an Event of Default and at any time thereafter while the same is continuing the Subordinated Creditor shall be entitled to put into force and exercise immediately as and when it may see fit any and every power possessed by the Subordinated Creditor by virtue of the security over the Security Shares conferred by this Deed or available to a secured creditor (so that Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this security) and in particular (without limitation):
 - (i) to sell all or any of the Security Shares in any manner permitted by law upon such terms as the Subordinated Creditor shall in its absolute discretion determine;

- (ii) to collect, recover or compromise and give a good discharge for any monies payable to any Chargor in respect of the Security Shares or in connection therewith; and
 - (iii) to act generally in relation to the Security Shares in such manner as the Subordinated Creditor acting reasonably shall determine.
- (g) For the avoidance of doubt, each Chargor agrees that the enforceability of the security over the Security Shares conferred by this Deed is not dependent on the performance or non-performance by the Subordinated Creditor of its obligations under any agreement with any Chargor.
 - (h) Immediately on conversion of any of the Group Shares from certificated to uncertificated form, and on the creation or conversion of any other securities which are for the time being comprised in the Security Shares in or into uncertificated form, each Chargor shall give such instructions or directions as the Subordinated Creditor may require in order to protect or preserve its security.
 - (i) Following the Wells Fargo Repayment Date, each Chargor shall, immediately upon receipt of any certificate or other document evidencing any entitlement to further Security Shares, deposit it with the Subordinated Creditor together with such share transfer forms in blank and other documents as the Subordinated Creditor may reasonably require.

5.5 Operation of Charged Accounts

Until notified by the Subordinated Creditor in writing to the contrary, the Chargors shall be entitled to operate the Charged Accounts PROVIDED THAT:

- (a) the Charged Accounts each retain a credit or zero balance at all times;
- (b) the Chargors shall not and shall procure that no other person shall deposit or transfer any monies into the Charged Accounts other than those transferred from any Other Account; and
- (c) the Chargors shall not at any time transfer the whole or any part of the amounts standing to the credit of any Other Account to any other bank account other than to another Charged Account or in the ordinary course of business to the extent permitted under the Finance Documents.

5.6 Intellectual Property

- (a) Without prejudice to clause 13 (*Further Assurances*), each Chargor shall at its own expense promptly execute any document and do all assurances acts and things as the Subordinated Creditor may reasonably require to procure that the security created by this Deed is recorded as soon as possible by the Subordinated Creditor in each register in each jurisdiction in which any Specified Intellectual Property is registered.
- (b) Without prejudice to clause 13 (*Further Assurances*) if after the date of this Deed, any Chargor (i) proposes to apply to register any Specified Intellectual Property in any register in which it is not already identified as being registered in or (ii) proposes to apply to register any Intellectual Property right not existing on the date of this Deed, such Chargor shall notify the Subordinated Creditor and, if the Subordinated Creditor so requires and promptly notifies the Chargor, such Chargor shall ensure that application is made for the security created by this Deed to be recorded, and that any such security is recorded, at the same time as the application or registration (as the case may be) of such Intellectual Property.
- (c) Each Chargor shall use its best endeavours to procure any third party consents which may be necessary to complete or to perfect the security intended to be created over the Intellectual Property pursuant to this Deed.

- (d) Each Chargor will make such registrations and pay such fees, renewal fees, registration taxes and similar amounts as are necessary to keep the Specified Intellectual Property in force.
- (e) Each Chargor will take such steps as are necessary (including the institution of legal proceedings) to police its Specified Intellectual Property in any territories which are material to its business to ensure proper use of them and to prevent third parties infringing them and, take such other steps as are reasonably practicable to maintain and preserve its interests in its Specified Intellectual Property including applying to register any interests therein in any relevant register.
- (f) Each Chargor will promptly notify the Subordinated Creditor in writing upon becoming aware of any circumstances which would make any of the representations in clause 4.8 (*Specified Intellectual Property*) inaccurate or misleading in any material respect if those representations were then to be repeated.
- (g) No Chargor will do anything nor use the Specified Intellectual Property in any way which could reasonably be expected to have an adverse effect or which could devalue any such Specified Intellectual Property.
- (h) No Chargor will, without the prior written consent of the Subordinated Creditor:
 - (i) sell, transfer, license or otherwise dispose of any Intellectual Property;
 - (ii) permit any Specified Intellectual Property which is registered or subject to an application for registration to be abandoned or cancelled, to lapse or to be liable to any claim for abandonment for non-use or otherwise.

5.7 Equipment

- (a) Each Chargor shall keep its Equipment in good repair, working order and condition and fit for its purpose and shall not permit the same to be handled other than by persons properly qualified and trained or to be overloaded or to be used for any purpose for which the Equipment is not designed or reasonably suitable.
- (b) No Chargor will, without the prior written consent of the Subordinated Creditor, make any modification or permit any modification to be made to the Equipment if the effect of such modification may be to reduce the value of the Equipment materially.
- (c) No Chargor will permit or procure any Equipment to be taken out of England and Wales without the prior written consent of the Subordinated Creditor and then subject only to such further terms as the Subordinated Creditor may require.
- (d) Each Chargor will promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Premises and the Equipment and on demand produce evidence of such payment to the Subordinated Creditor.
- (e) Each Chargor will obtain all authorisations from time to time required for the use and operation of the Equipment and not to do or permit to be done any act or omission whereby the Equipment or the use of it would contravene regulations for the time being in force.
- (f) Each Chargor will forthwith notify the Subordinated Creditor of any loss, theft, damage or destruction to the Equipment.
- (g) Each Chargor will give the Subordinated Creditor such information concerning the location, condition, use and operation of the Equipment as the Subordinated Creditor may reasonably require and to permit any persons designated by the Subordinated Creditor at all reasonable times to inspect and examine the Equipment and the records maintained in connection with it.

- (h) Each Chargor will ensure that the Premises are suitable for the use or storage of the Equipment, and will keep the Equipment at the Premises, excluding any vehicles used by the relevant Chargor.
- (i) Each Chargor will procure in favour of the Subordinated Creditor from any person with a proprietary interest or encumbrance (including any owner, leaseholder or chargee) in any real or personal property to which the Equipment might become affixed, or with which title to the Equipment might merge, an acknowledgement prior to such fixing or merger that their rights and remedies will only be exercised subject to the Subordinated Creditor's rights in the Equipment and, in particular, but without limitation to the generality of the foregoing, the right of the Subordinated Creditor, its servants or agents to enter upon any such property to remove the Equipment notwithstanding that it might be affixed to, or have merged with, any real or personal property.

6 When Security becomes Enforceable

The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925, as varied or amended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and whilst the same is continuing after which the Subordinated Creditor may in its absolute discretion enforce all or any part of the security in any manner it sees fit.

7 Enforcement of Security

7.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due on the date of this Deed.
- (b) Section 103 of the Law of Property Act (restricting the power of sale) and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) do not apply to the security constituted by this Deed.
- (c) The statutory powers of leasing conferred on the Subordinated Creditor are extended so that, without the need to comply with any provision of section 99 or 100 of the Law of Property Act 1925, the Subordinated Creditor is empowered to lease, make agreements for leases, accept surrenders of leases and grant options as the Subordinated Creditor may think fit.

7.2 Agent of the Chargors

For all purposes each Receiver is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. Every Receiver shall be the agent of the Chargor in respect of which he was appointed unless and until a liquidator shall be appointed of that Chargor, whereafter such Receiver shall act as principal but shall not become the agent of the Subordinated Creditor. That Chargor alone shall be responsible for the receiver's contracts, engagements, commissions, omissions, defaults and losses and for liabilities incurred by him. The Subordinated Creditor shall not incur any liability of whatsoever nature (either to the Chargors or to any other person) by reason of the Subordinated Creditor making his appointment as a Receiver or for any other reason.

7.3 Mortgagee in Possession - No Liability

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

7.4 Privileges

Each Receiver and the Subordinated Creditor is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 on mortgagees and receivers when such receivers have been duly appointed under that Act, except that section 103 of that Act does not apply.

7.5 Protection of third parties

No person (including a purchaser) dealing with the Subordinated Creditor or a Receiver or its or his agents need enquire:

- (a) whether the Secured Liabilities have become payable; or
- (b) whether any power purported to be exercised has become exercisable; or
- (c) whether any money remains due; or
- (d) how any money paid to the Subordinated Creditor or to the Receiver is to be applied.

7.6 Redemption of prior Mortgages

At any time after the security constituted by this Deed has become enforceable, the Subordinated Creditor or any Receiver may, in the case of the Subordinated Creditor at the sole cost of the Chargors (payable to the Subordinated Creditor on demand) and in the case of a Receiver as an expense of the Receiver's receivership:

- (a) redeem any interest by way of security for the time being and from time to time ranking in point of security in priority to any of the security constituted by this Deed; and/or
- (b) (in the case of a redemption by the Subordinated Creditor) procure the transfer of that interest by way of security to itself; and/or
- (c) settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Chargors.

8 Receiver

8.1 Appointment of Receiver

In the circumstances described in clause 3.2(a) or at any time after the security constituted by this Deed becomes enforceable, or, at any time if so requested by any Chargor in writing, the Subordinated Creditor may (but shall not be obliged) without further notice (and whether or not the relevant Chargor shall have been accorded sufficient or any time in which to satisfy any relevant indebtedness) from time to time, and notwithstanding that, if such be the case, one or more than one Receiver shall have been appointed in respect of all or any of the Security Assets pursuant to this clause and not removed from such Security Assets, appoint in writing, under the hand of any manager of the Subordinated Creditor, a Receiver of the Security Assets or any of them and, where so requested by a Chargor, whether or not those Security Assets shall belong to that Chargor, but, in the circumstances described in clause 3.2(a), only over the Security Assets specified in the notice referred to in that clause.

8.2 Relationship with the Subordinated Creditor

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (be it express or implied) upon a Receiver of any Security Assets may, after the security created by this Deed has become enforceable, be exercised by the Subordinated Creditor in relation to any Security Asset either:

- (a) without first appointing a Receiver; or
- (b) notwithstanding the appointment of a Receiver.

8.3 Removal

The Subordinated Creditor may by writing under its hand (subject to Section 45 of the Insolvency Act 1986 (any requirement for an order of the court in the case of an administrative receiver)):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it necessary or desirable, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

8.4 Remuneration

The Subordinated Creditor may, from time to time, fix the remuneration of any Receiver and direct payment of the same out of monies accruing to him in the exercise of his powers, authorities and discretions by or pursuant to this Deed, but the Chargor in respect of which any Receiver shall have been appointed shall alone be liable for the payment of that remuneration.

9 Powers of Receiver

9.1 General

- (a) In addition to those conferred by the Law of Property Act 1925 on any receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this Deed. The powers, authorities and discretions conferred by or pursuant to this Deed in relation to the Security Assets on the Subordinated Creditor or any Receiver shall be in addition to, and not in substitution for, the powers conferred on mortgagees or receivers under the Law of Property Act 1925, and, where there is any ambiguity or conflict between the powers, authorities and discretions contained in that Act and those conferred by or pursuant to this Deed, the terms of this Deed shall prevail.
- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receivers.
- (c) A Receiver who is an administrative receiver of a Chargor has all the rights, powers and discretions of an administrative receiver under the Insolvency Act 1986.
- (d) A Receiver may, in the name of the relevant Chargor if he so wishes:
 - (i) do all other acts and things which he may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
 - (ii) do and exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising as if he were its absolute beneficial owner.

9.2 Borrow and Lend Money

A Receiver may raise and borrow money (either unsecured or on the security of any Security Asset, either in priority to, pari passu with, or subsequent to, the security constituted by this Deed or otherwise) and may lend money either with or without security in the case of either borrowing or lending money on any other terms and for whatever purpose which he thinks fit.

No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

9.3 Carry on Business

A Receiver may carry on, manage or concur in the carrying on or managing of, the business for the time being and from time to time of the relevant Chargor in such manner as he may think fit, including, without limitation, power to perform, repudiate, rescind, compromise, amend or vary any contract, instrument or agreement to which the relevant Chargor shall for the time being and from time to time be a party.

9.4 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating in any way to any Security Asset.

9.5 Employees

Either in connection with any exercise by the Receiver of his powers by or pursuant to this Deed or otherwise for any purpose connected with any of the Security Assets, a Receiver may:

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by the relevant Chargor.

9.6 Leases

A Receiver may grant, or concur in the grant of, any leases or licences of any Security Asset for any term on any terms which he thinks fit (including, without limitation, at a rent or fee with or without a premium) and may accept a surrender of any lease or licence of any Security Asset on any terms which he thinks fit (including, without limitation, the payment of money to a lessee or licensee on a surrender).

9.7 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings to the relevant Chargor or its Security Assets as he thinks fit.

9.8 Possession

A Receiver may take immediate possession of, get in, and/or collect the Security Assets of the relevant Chargor and, for that purpose, to enter upon its property or any other premises at which its Security Assets are for the time being and from time to time located and sever, dismantle or remove the same or any fixtures for the time being and from time to time therefrom without being liable for any loss or damage thereby occasioned.

9.9 Protection of Assets

A Receiver may, in each case as he may think fit:

- (a) make and effect, and concur in the making and effecting of, all repairs, maintenance, decoration, provision of all services (including, without limitation, lighting, heating and cleansing) structural and other alterations, improvements, additions and development in or to the Security Assets and do anything else in connection with the Security Assets which he may think fit or which he may deem proper for the efficient use or management of the Security Assets, as well as for the protection as for the improvement of the Security Assets or for the protection of the security hereby constituted;

- (b) commence and/or complete any building operations on the Mortgaged Property or other Security Asset;
- (c) apply for and maintain any planning permission, building regulation, approval or any other permission, consent or licence in relation to the Security Assets; and
- (d) effect and maintain insurances in respect of the Security Assets.

9.10 Receipts

A Receiver may give valid receipts for all monies and execute all deeds or documents (including, without limitation, with full power to convey any assets sold in the name of the relevant Chargor) as may be necessary or appropriate in the name of, or on behalf of the relevant Chargor for the purpose of exercising any of the powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and to use the name of the relevant Chargor for all or any of such powers, authorities and discretions, for which purpose the relevant Chargor hereby irrevocably appoints every such Receiver to be its attorney.

9.11 Sale of assets

A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction, tender or private treaty in any manner and on any terms and with or without such advertisement and in such lot or lots and together or separately as the Receiver thinks fit. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as the Receiver thinks fit. Fixtures may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

9.12 Subsidiaries

A Receiver may promote the formation of a or purchase a newly formed, or concur in the promotion of the formation of a or purchase a newly formed, subsidiary and/or subsidiaries of any Chargor with a view to the same purchasing, leasing, licensing or otherwise acquiring all or any of the assets of that Chargor and the Receiver may sell, lease, license or otherwise dispose all or any of the assets of that Chargor to such subsidiary or subsidiaries on such terms as he shall think fit.

9.13 Exercise of Rights

A Receiver may exercise or permit the relevant Chargor or any nominee of the relevant Chargor to exercise any powers or rights incidental to the ownership of its Security Assets in such manner as the Receiver may think fit and, in particular (as regards any shares, stock or other securities for the time being and from time to time included in its Security Assets), any rights for the time being and from time to time attached thereto.

9.14 Uncalled capital

A Receiver may call up all or any portion of any uncalled capital of a Chargor.

9.15 Professional advice

A Receiver may appoint a solicitor or accountant or other professionally qualified person to advise or assist it in the exercise of any of the powers, authorities and discretions by or pursuant to these presents or otherwise for any purpose connected with its Security Assets, and may discharge any such person.

9.16 Seal

A Receiver may use a Chargor's seal.

9.17 Intellectual Property

A Receiver may in respect of any Intellectual Property:

- (a) make such registrations and pay such fees, renewal fees, registration taxes and similar amounts as he thinks fit to keep such Intellectual Property in force;
- (b) take such steps as he thinks fit (including, without limitation, the institution of legal proceedings and the incurring of advertising expenditure) to police such Intellectual Property in any territory and to prevent third parties infringing it and otherwise to maintain and preserve its value;
- (c) if he thinks fit, abandon or cancel such Intellectual Property or permit its registration (or application for registration) in any jurisdiction to lapse or to permit it to become liable to a claim for abandonment for non-use or otherwise.

10 Application of Proceeds

Any monies received by the Subordinated Creditor or any Receiver after this Deed has become enforceable shall, subject to the payment of any claim having priority to this Deed, be applied in the following order of priority (but without prejudice to the right of the Subordinated Creditor to recover any shortfall from the Chargors):

- (a) in satisfaction of or provision for all costs and expenses incurred by the Subordinated Creditor or any Receiver and of all remuneration due to any Receiver under this Deed;
- (b) in or towards payment of the Secured Liabilities or such part of them as is then due and payable to the Subordinated Creditor; and
- (c) in payment of the surplus (if any) to any Chargor or other person entitled to it.

11 Expenses and Indemnity

As soon as reasonably practicable following demand, each Chargor shall pay all other costs and expenses (including legal fees and VAT) incurred from time to time in connection with the enforcement of or preservation of rights under this Deed by the Subordinated Creditor, or any Receiver, attorney, manager, agent or other person appointed by the Subordinated Creditor under this Deed or by statute, and keep each of them indemnified against any failure or delay in paying the same.

12 Delegation

The Subordinated Creditor and any Receiver may, for the time being and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any manager of the Subordinated Creditor) to any person any right, power or discretion exercisable by the Subordinated Creditor or such Receiver (as the case may be) under this Deed. Any such delegation may be made upon the terms (including, without limitation, power to sub-delegate) and subject to any regulations which the Subordinated Creditor or such Receiver (as the case may be) may think fit. Neither the Subordinated Creditor nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate who shall be entitled to all the indemnities to which his appointor is entitled under this Deed.

13 Further Assurances

13.1 General

Each Chargor shall, at its own expense, execute and do all such acts, deeds and things (including, without limitation, payment of all stamp duties and registration fees) the Subordinated Creditor or a Receiver may reasonably require for:

- (a) perfecting or better perfecting or protecting or better protecting the security intended to be created by this Deed over any Security Asset; and
- (b) after the security constituted by this Deed has become enforceable, facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable, by the Subordinated Creditor or any Receiver in respect of any Security Asset, including, without limitation, the execution of any transfer, conveyance, assignment or assurance of any property whether to the Subordinated Creditor or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Subordinated Creditor may think necessary or desirable.

13.2 Further Subsidiaries

- (a) Each Chargor undertakes to ensure that each company which becomes a Subsidiary (whether direct or indirect) of any Chargor after today's date shall, promptly upon being required to do so by the Subordinated Creditor, execute a Deed of Accession in substantially the form set out in Schedule 5 (*Deed of Accession*) and such company shall on the date which such Deed of Accession is executed by it become a party to this Deed in the capacity of a Chargor and this Deed shall be read and construed for all purposes as if such company had been an original party to this Deed as a Chargor (but for the avoidance of doubt the security created by such company shall be created on the date of the Deed of Accession).
- (b) The Subordinated Creditor may specify any amendments or changes to the form or manner in which any such new Chargor gives such security (including an acceptance of a limit on the liability of such new Chargor) which in the opinion of the Subordinated Creditor is necessary in order that such security may lawfully be given.
- (c) The Company shall procure that all registrations or other steps necessary to perfect any security created by a Deed of Accession are completed as soon as is practicable after its execution and in any event within any applicable time limit.
- (d) Each Chargor (other than the Company) by its execution of this Deed or any Deed of Accession, irrevocably appoints the Company to execute on its behalf any Deed of Accession without further reference to or the consent of such Chargor and such Chargor shall be bound by any such Deed of Accession as if it had itself executed such Deed of Accession.

14 Power of Attorney

Each Chargor, by way of security, irrevocably and severally appoints the Subordinated Creditor, each Receiver and any of their delegates or sub-delegates to be its attorney and on its behalf and in its name or otherwise to execute and do all such acts, deeds and things which such Chargor is obliged to take under this Deed and generally, on its behalf and in its name, to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Deed on the Subordinated Creditor or any Receiver. Each Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under this clause.

15 Continuing Security

15.1 Additional Security

The security constituted by this Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Subordinated Creditor for any of the Secured Liabilities.

15.2 Continuing Security

The security constituted by this Deed is continuing and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

15.3 Reinstatement

If any payment by a Chargor or any discharge given by the Subordinated Creditor (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Chargor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Subordinated Creditor shall be entitled to recover the value or amount of that security or payment from each Chargor, as if the payment, discharge, avoidance or reduction had not occurred.

15.4 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this clause 15.4, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or the Subordinated Creditor) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any Obligor or any other person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

15.5 Chargor intent

Without prejudice to the generality of clause 15.4 (*Waiver of defences*), each Chargor expressly confirms that it intends that the security created by this Deed shall extend from time to time to

any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

15.6 Immediate recourse

Each Chargor waives any right it may have of first requiring the Subordinated Creditor to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

15.7 Appropriations

Until all the Secured Liabilities have been irrevocably paid in full, the Subordinated Creditor may:

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

15.8 Deferral of Chargors' rights

Until all the Secured Liabilities have been irrevocably paid in full and unless the Subordinated Creditor otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Subordinated Creditor's rights under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Subordinated Creditor.

16 Miscellaneous

16.1 Covenant to pay

Each Chargor shall pay or discharge the Secured Liabilities in the manner provided for in any document creating or evidencing the Secured Liabilities and/or otherwise as agreed from time to time.

16.2 H.M. Land Registry

Each Chargor applies to the Chief Land Registrar for a registration in the following terms to be entered on the Register of Title relating to any property registered at H.M. Land Registry in its name and against which this Deed may be noted:

(a) A restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [•] [date of *Debenture*] in favour of Aaron's, Inc. referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of Aaron's, Inc.."

(b) A notice that the Subordinated Creditor is under obligation to make further advances on the terms and subject to the conditions of the Finance Documents.

16.3 New Accounts

If the Subordinated Creditor receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent charge or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, the Subordinated Creditor may open a new account for any Chargor. If the Subordinated Creditor does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Subordinated Creditor will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security and, furthermore, the Subordinated Creditor shall be under no obligation to advance any monies or provide or continue to provide any credit facility to the Borrowers.

16.4 Tacking

The Subordinated Creditor covenants with each Chargor that it shall perform its obligations under any document creating or evidencing the Secured Liabilities (including any obligation to make available further advances).

16.5 Separate Charges

This Deed shall, in relation to each Chargor, be read and construed as if it were a separate Deed relating to such Chargor to the intent that if any Security Interest created by any other Chargor in this Deed shall be invalid or liable to be set aside for any reason, this shall not affect any Security Interest created under this Deed by such Chargor.

16.6 Invalidity

If, at any time, any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

17 Release

17.1 Expiry of Security Period

Upon the expiry of the Security Period (but not otherwise), the Subordinated Creditor shall or shall procure that its appointees will, at the request and cost of the Chargors, take whatever action is necessary to release the Security Assets from the security constituted by this Deed and/or reassign the benefit of the Security Assets to the Chargors.

17.2 Charged Accounts

At any time before the security created by this Deed shall have become enforceable, in the absence of any directions from the Subordinated Creditor to the contrary, any amounts permitted by the terms of the Finance Documents to be paid into an Other Account shall upon payment into such account stand released from the fixed charge over Book Debts created pursuant to clause 2 (*Fixed Security*) and shall stand subject to the floating charge created by clause 3 (*Floating Charge*), provided that such release shall in no respect prejudice the continuance of the fixed charge created pursuant to clause 2 (*Fixed Security*) in respect of all other Book Debts.

18 Rights and Remedies

The rights of the Subordinated Creditor under this Deed are cumulative, may be exercised as often as considered appropriate and are in addition to the general law. Such rights (whether arising hereunder or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing and, in particular, any failure to exercise or delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right, any defective or partial exercise of any such rights shall not preclude any other or further exercise of that or any other such right, and no act or course of conduct or negotiation by the Subordinated Creditor or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

19 Notices

19.1 Delivery and Receipt

(a) Any communications to be made under or in connection with this Deed shall be made in writing, may be made by letter or facsimile and shall be deemed to be given as follows:

(i) if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post with postage prepaid in an envelope addressed to it at that address; and

(ii) if by facsimile, when received in legible form,

save that any notice delivered or received on a non-Business Day or after business hours shall be deemed to be given on the next Business Day at the place of delivery or receipt.

(b) Any communication or document made or delivered to the Company in accordance with this clause 19.1 will be deemed to have been made or delivered to each of the Chargors.

19.2 Addresses

(a) The Company's and each other Chorgor's address and facsimile number for notices are:

The Lodge
Coleshill Manor
Coleshill
Birmingham B46 1DP

Facsimile no: +44 167 546 7312

For the attention of: Finance Director

or such as the Company may notify to the Subordinated Creditor by not less than 10 days' notice.

- (b) The Subordinated Creditor's address and facsimile number for notices are:

309 East Paces Ferry Road N.E.
Atlanta
Georgia 30305-2367
USA

Facsimile no:

For the attention of:

or such as the Subordinated Creditor may notify to the Company by not less than 10 days' notice.

20 Governing Law and Jurisdiction

20.1 Governing Law

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

20.2 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (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 20.2 is for the benefit of the Subordinated Creditor only. As a result, the Subordinated Creditor shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Subordinated Creditor may take concurrent proceedings in any number of jurisdictions.

20.3 Service of process

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

- (a) irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
- (b) agrees that failure by a process agent to notify the relevant Chargor of the process will not invalidate the proceedings concerned.

For the benefit of the Subordinated Creditor the Company expressly agrees and consents to its irrevocable appointment as process agent pursuant to this clause 20.3.

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

**Schedule 1
The Chargors**

Name of Chargor	Registration number (or equivalent, if any)
Perfect Home Holdings Ltd	06016659
Perfect Home Finance Limited	06020013
Temple Retail Limited	05981917
Temple Finance Limited	05671852
Coleshill Financial Services Limited	07039707

Schedule 2
Mortgaged Property

None at the date of this Deed.

**Schedule 3
Group Shares**

Chargor	Company Name	Type of Share	Number of Shares
Perfect Home Holdings Ltd	Perfect Home Finance Limited	Ordinary	1
Perfect Home Finance Limited	Temple Retail Limited	Ordinary	1
Temple Retail Limited	Temple Finance Limited	Ordinary	1
Temple Retail Limited	Coleshill Financial Services Limited	Ordinary	1,000

Schedule 4
Charged Accounts

Chargor	Bank	Branch	Sort Code	Account No.
Perfect Home Holdings Ltd	Barclays Bank plc	Colmore Row, Birmingham	██████	██████████
Perfect Home Finance Limited	Barclays Bank plc	Colmore Row, Birmingham	██████	██████████
Temple Retail Limited	Barclays Bank plc	Colmore Row, Birmingham	██████	██████████
Temple Finance Limited	Barclays Bank plc	Colmore Row, Birmingham	██████	██████████

Schedule 5 Deed of Accession

THIS DEED OF ACCESSION is dated [•] and made

BETWEEN

- (1) ● **Limited** [registered in England with number [•] whose registered office is at [•]] [a corporation organised and existing under the laws of [•] whose principal place of business is at [•]] [of [•]] (the **New Chargor**);
- (2) **Perfect Home Holdings Ltd** registered in England with number 06016659 for itself and as agent for and on behalf of each of the other Chargors presently party to the Debenture (as defined below) (**Company**); and
- (3) **Aaron's, Inc.** a corporation incorporated under the laws of the State of Georgia, USA whose registered office is at 309 East Paces Ferry Road N.E., Atlanta, Georgia 30305-2367, USA (the **Subordinated Creditor**).

RECITALS

- (A) The Company and others as Chargors entered into a deed of debenture dated ● (as supplemented and amended from time to time, the **Debenture**) in favour of the Subordinated Creditor.
- (B) The New Chargor has at the request of the Company and in consideration of the Subordinated Creditor continuing to make facilities available to the Borrowers and after giving due consideration to the terms and conditions of the Finance Documents and the Debenture and satisfying itself that there are reasonable grounds for believing that the entry into this Deed by it will be of benefit to it, decided in good faith and for the purpose of carrying on its business to enter into this Deed and thereby become a Chargor under the Debenture.
- (C) The Chargors and the Subordinated Creditor intend that this document take effect as a deed notwithstanding that it may be executed under hand.

IT IS AGREED:

- 1 Terms defined in the Debenture have the same meaning when used in this Deed.
- 2 The New Chargor agrees to become a party to and bound by the terms of the Debenture as a Chargor with immediate effect and so that the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party to the Debenture in the capacity of Chargor (but so that the security created consequent on such accession shall be created on the date of this Deed).
- 3 The New Chargor undertakes to be bound by all of the covenants and agreements in the Debenture which are expressed to be binding on a Chargor.
- 4 The New Chargor grants to the Subordinated Creditor the assignments, charges, mortgages and other Security Interests described in the Debenture as being granted, created or made by Chargors under the Debenture to the intent that its assignments, charges, mortgages and other Security Interests shall be effective and binding upon it and its property and assets and shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Debenture or in any other Deed of Accession.

- 5 The Debenture and this Deed shall be read and construed as one to the extent and so that references in the Debenture to:
- (a) this Deed and similar phrases shall be deemed to include this Deed;
 - (b) Schedule 2 shall be deemed to include a reference to Part I of the Schedule to this Deed;
 - (c) Schedule 3 shall be deemed to include a reference to Part II of the Schedule to this Deed;
 - (d) Schedule 4 shall be deemed to include a reference to Part III of the Schedule to this Deed;
 - (e) Schedule 6 shall be deemed to include a reference to Part IV of the Schedule to this Deed;
 - (f) Schedule 7 shall be deemed to include a reference to Part V of the Schedule to this Deed.
- 6 The parties agree that the bank accounts of the New Chargor specified in Part III of the Schedule to this Deed shall be designated as Charged Accounts for the purposes of the Debenture.
- 7 The Company, for itself and as agent for and on behalf of the other Chargors under the Debenture, agrees and consents to all of the matters provided for in this Deed.
- 8 Without limiting the generality of the other provisions of this Deed and the Debenture, pursuant to the terms of this Deed and the Debenture, the New Chargor as security for the payment and performance of the Secured Liabilities, and in the manner specified in clause 1.2(g) of the Debenture:
- (a) charges to the Subordinated Creditor by way of legal mortgage all of the property (if any) now belonging to it brief descriptions of which are specified in Schedule 2 (*Mortgaged Property*) to the Debenture and/or Part I of the Schedule to this Deed;
 - (b) mortgages and charges and agrees to mortgage and charge to the Subordinated Creditor all of the stocks, shares and other securities (if any) brief descriptions of which are specified in Part II of the Schedule to this Deed (which shall from today's date form part of the Group Shares for the purposes of the Debenture), the same to be a security by way of a mortgage;
 - (c) charges to the Subordinated Creditor by way of fixed charge its registered Intellectual Property (if any) specified in Part IV of the Schedule to this Deed (which shall from today's date form part of the Specified Intellectual Property of the Chargors for the purposes of the Debenture); and
 - (d) mortgages and charges and agrees to mortgage and charge to the Subordinated Creditor the same to be a security by way of a mortgage all of its right, title and interest in and to the Equipment (if any) brief descriptions of which are specified in Part V of the Schedule to this Deed (which shall from today's date form part of the Specified Equipment for the purposes of the Debenture), the same to be a security by way of a legal mortgage and all spare parts and replacements for and all modifications and additions to such Specified Equipment.
- 9 This Deed is governed by English law.

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

SCHEDULE

Part I – Real Property

[Insert details of any real property owned by the New Chargor]

Part II – Group Shares

[Insert details of all Group Shares of the New Chargor]

Part III – Charged Accounts

[Insert details of all Charged Accounts of the New Chargor]

Part IV – Specified Intellectual Property

[Insert details of any registered Intellectual Property owned by the New Chargor]

Part V – Specified Equipment

[Insert details of any Equipment owned by the New Chargor which is to be Specified Equipment]

SIGNATORIES
[to the Deed of Accession]

The New Chargor

Executed as a deed by)
● **Limited**)
acting by a Director in the presence of:)

Signature of witness:

Name of witness:

Address:
.....
.....

The Company
for itself and as agent for the other
Chargors party to the Debenture

Executed as a deed by)
Perfect Home Holdings Ltd)
acting by a Director in the presence of:)

Signature of witness:

Name of witness:

Address:
.....
.....

The Subordinated Creditor

Aaron's, Inc

By:

Schedule 6
Specified Intellectual Property

Trade Marks

Chargor	Trade Mark Number	Classes	Mark Text
Temple Retail Limited	2419564	35, 36, 37	PERFECTHOME perfecthome
Temple Retail Limited	2422811	35, 36, 37	PerfectHome PERFECTHOME

**Schedule 7
Specified Equipment**

None at the date of this Deed.

Signatories

The Company

Executed as a deed by
Perfect Home Holdings Ltd
acting by a Director in the presence of:

)
)
)

Signature of witness:

.....

Name of witness:

.....

Address:

.....

.....

.....

The other Chargors

Executed as a deed by
Perfect Home Finance Limited
acting by a Director in the presence of:

)
)
)

Signature of witness:

.....

Name of witness:

.....

Address:

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.....

.....

Executed as a deed by
Temple Retail Limited
acting by a Director in the presence of:

)
)
)

Signature of witness:

.....

Name of witness:

.....

Address:

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.....

.....

Executed as a deed by
Temple Finance Limited
acting by a Director in the presence of:

)
)
)

Signature of witness:

Name of witness:

Address:

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.....

Executed as a deed by
Coleshill Financial Services Limited
acting by a Director in the presence of:

)
)
)

Signature of witness:

Name of witness:

Address:

.....
.....
.....
.....

The Subordinated Creditor

Aaron's, Inc

By: 

Steven A. Michaels
Chief Financial Officer