



Registration of a Charge

Company name: **MEDERCO (BFC) LTD**

Company number: **07778532**

Received for Electronic Filing: **22/03/2017**



X62RJXH5

Details of Charge

Date of creation: **14/03/2017**

Charge code: **0777 8532 0001**

Persons entitled: **LDF FINANCE NO. 3 LIMITED**

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:

RICARDO MATTEO, SOLICITOR, HARPER MACLEOD LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7778532

Charge code: 0777 8532 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th March 2017 and created by MEDERCO (BFC) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd March 2017 .

Given at Companies House, Cardiff on 23rd March 2017

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

Debenture

between

Mederco (BFC) Limited

and

LDF Finance No. 3 Limited

Ref:

HARPER MACLEOD LLP ARE ONLY ADVISING LDF FINANCE NO. 3 LIMITED AND NO OTHER PARTY IN RESPECT OF THIS DOCUMENT. EACH OTHER PARTY TO THIS DOCUMENT SHOULD TAKE THEIR OWN INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS DOCUMENT AS THE EXECUTION OF THIS DOCUMENT WILL HAVE LEGAL EFFECT AND IMPLICATIONS

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HARPER MACLEOD LLP ARE ONLY ADVISING LDF FINANCE NO. 3 LIMITED AND NO OTHER PARTY IN RESPECT OF THIS DOCUMENT. EACH OTHER PARTY TO THIS DOCUMENT SHOULD TAKE THEIR OWN INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS DOCUMENT AS THE EXECUTION OF THIS DOCUMENT WILL HAVE LEGAL EFFECT AND IMPLICATIONS

Debenture dated 14 MARCH 2017

between

Mederco (BFC) Limited, a company registered in England and Wales (Company Number: 07778532) and whose registered office is at Unit 18 Cunningham Court Lions Drive, Shadsworth Business Park, Blackburn, England, BB1 2QX (the "**Company**")

and

LDF Finance No. 3 Limited, a company registered in England and Wales (Company Number: 08822799) and whose registered office is at Dee House, St. David's Park, Flintshire, CH5 3XF (the "**Lender**").

It is agreed as follows:

1 Definitions And Interpretation

1.1 In this Deed unless the context otherwise requires or permits, the following shall have the following meanings:

"Administrator" means any administrator appointed in respect of the Company pursuant to clause 7.8;

"Ancillary Rights" means in relation to any Charged Asset:-

- (i) the proceeds of sale of all or any part of that Secured Asset;
- (ii) allotments, rights, money or property arising from that Secured Asset, by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (iii) all rights under any licence, agreement for sale or agreement for lease in respect of that Secured Asset;
- (iv) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that Secured Asset; and
- (v) any moneys and proceeds or income paid or payable in respect of that Secured Asset;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"Charged Assets" means the assets from time to time subject, or expressed to be subject, to the Charges and "**Charged Asset**" shall be construed accordingly;

"Charges" means all or any of the Security created or expressed to be created by or pursuant to this Deed;

"Deed" means this debenture;

"Default Rate" means 5% per annum above the Bank of England Base Rate from time to time;

"Delegate" means a delegate or sub-delegate appointed directly or indirectly under Clause 20;

"Enforcement Event" means any of the following events:

- (vi) the Company has failed to pay all or any of the Secured Liabilities in accordance with Clause 2.1;
- (vii) any breach of the terms of this Deed by the Company;
- (viii) the Company makes a false representation or warranty under this Deed;
- (ix) the occurrence of any circumstance or event, howsoever described, which entitles the Lender to accelerate, or demand repayment of, the Secured Liabilities (or any part thereof); and/or
- (x) the occurrence of an Insolvency Event;

"Financial Collateral" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003 No. 3226);

"Fixtures" means, in relation to any Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon, the property in which is vested in the Company;

"Insolvency Act" means the Insolvency Act 1986;

"Insolvency Event" means;

- (a) any application, notice, resolution or order being made, passed or given for or in connection with the winding up, liquidation, dissolution, administration, administrative receivership, receivership or reorganisation or other similar proceedings of the Company (and/or relating to any of its assets);
- (b) the Company (and/or any of its assets) becoming subject to any winding up, insolvency, reorganisation, receivership or administrative receivership (whether relating to all or only some of its assets), administration, liquidation, dissolution or other similar proceedings, whether voluntary or involuntary and whether or not involving insolvency;
- (c) the appointment of an Insolvency Representative in respect of the Company and/or any of its assets;
- (d) the Company assigning all or any of its assets for the benefit of its creditors generally (or any class thereof) or entering into any composition or arrangement with its creditors generally or any arrangement being ordered or declared by a court of competent jurisdiction whereby all or any of its affairs and/or assets are submitted to the control of, or are protected from, its creditors;
- (e) the Company becoming subject to any distribution of its assets in consequence of any winding up, insolvency, reorganisation, liquidation, dissolution, administration, administrative receivership, receivership or any similar proceedings; or
- (f) any event analogous to any of the foregoing occurring in relation to the Company and/or any of its assets in any jurisdiction;

"Insolvency Representative" means any liquidator, administrator, receiver, receiver and manager, administrative receiver, custodian, trustee or any similar officer in any jurisdiction;

"Insurances" means the Company's interest in all contracts and policies of insurance which are from time to time taken out or effected by or on behalf of the Company in connection with the Charged Assets and **"Insurance"** shall be construed accordingly;

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

"Properties" means all and any freehold or leasehold property vested in the Company from time to time and **"Property"** shall be construed accordingly;

"Receiver" means any receiver or administrative receiver appointed in respect of the Charged Assets (or any of them) pursuant to Clause 10.1;

"Related Rights" means any dividend or interest paid or payable in relation to any Shares and any rights, monies, accretions, advantages, credits, rebates or refunds (including any rebates and refunds in respect of any tax, duties, imposts or charges or property) accruing or offered at any time in relation to any Shares by way of redemption, substitution, capitalisation, exchange, bonus, or preference under option, rights or otherwise;

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity whatsoever) of the Company to the Lender together with any of the following matters relating to or arising in respect of, those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for damages or restitution; and
- (c) any claim as a result of any recovery by the Company of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings;

"Secured Liabilities Discharge Date" means the date on which the Secured Liabilities have been unconditionally and irrevocably and fully and completely paid and/or discharged to the satisfaction of the Lender and no further Secured Liabilities are capable of becoming outstanding;

"Security" means any mortgage, pledge, lien, charge (whether fixed or floating), assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

"Security Financial Collateral Arrangements" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Shares" means any stocks, shares, debentures, bonds, other securities and/or investments legally and/or beneficially owned by the Company or any nominee of the Company from time to time; and

"Subsidiary" means:

- (d) a subsidiary as defined in section 1159 of the Companies Act 2006; and
- (e) a subsidiary undertaking as defined in section 1162 of the Companies Act 2006.

- 1.2 References in this Deed to a "fixed security" shall be construed as a reference to a fixed security as defined by Section 486 of the Act as in force at the date of this Deed.
- 1.3 Reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.4 References to "including", "includes", "in particular" or any similar term shall not be construed as limiting the generality of the words preceding it.
- 1.5 Any reference in this Deed to a document of any kind whatsoever is to that document as amended, varied, supplemented, novated or substituted from time to time.
- 1.6 Words importing persons shall include individuals, firms, partnerships, corporations, governments, governmental bodies and departments, authorities, agencies, unincorporated bodies of persons or associations and any other organisations having legal capacity.
- 1.7 The singular includes the plural and vice versa and any gender includes all genders.
- 1.8 The clause headings are inserted for convenience and shall not affect the construction of this Deed.
- 1.9 References to Clauses are references to the relevant clause in this Deed.
- 1.10 References to persons shall include their respective successors and permitted assignees and permitted transferees.
- 1.11 Reference to the "**winding-up**" of a person also includes the amalgamation, reconstruction, reorganisation, insolvency, bankruptcy, sequestration, administration, dissolution, provisional liquidation, liquidation, receivership, administrative receivership, merger or consolidation of that person, the entering into of a scheme of arrangement of affairs, voluntary arrangement or trust deed for creditors (or other composition in satisfaction of debts) in respect of that person, the appointment of an administrator, receiver, administrative receiver, trustee in sequestration, judicial factor or any other equivalent officer in any jurisdiction in respect of that person, and any other analogous procedure under the law of any jurisdiction which has a similar effect to the foregoing.
- 1.12 Unless the context otherwise requires, a reference to any Charged Asset includes:
- 1.12.1 any part of thereof; and
 - 1.12.2 the proceeds thereof (or any part thereof).
- 1.13 A reference in this Deed to a charge or mortgage of, or over, any Property includes:
- 1.13.1 all buildings and Fixtures on that Property;
 - 1.13.2 the proceeds of sale of any part of that Property (together with all such buildings and Fixtures);
 - 1.13.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that Property or any monies paid or payable in respect of those covenants; and
 - 1.13.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

- 1.14 If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2 Payment to the Lender

- 2.1 The Company undertakes to the Lender that it will pay and discharge to the Lender (or to such other person as the Lender may direct) all of the Secured Liabilities on demand in writing when the same are due.
- 2.2 The Company agrees that if it shall fail to pay and discharge any part of the Secured Liabilities when due then such amount shall bear interest (after as well as before decree) on a daily basis based on a year of 365 days at the Default Rate from the due date thereof until paid in full, which interest shall be payable by the Company to the Lender on demand in writing.
- 2.3 A certificate signed by or on behalf of the Lender as to the amount, calculation or nature of the Secured Liabilities or any part thereof will, in the absence of manifest error, be conclusive and binding on the Company.

3 Charging Provisions

3.1 Fixed Charges

The Company, with full title guarantee and as a continuing security for the payment or discharge of all the Secured Liabilities, charges in favour of the Lender:

- 3.1.1 by way of legal mortgage, all Properties now vested in it whether or not the title thereto is registered at H.M Land Registry, together with all present and future buildings, Fixtures, plant and machinery which are at any time thereon;
- 3.1.2 by way of fixed charge the following assets, both present and future:
- 3.1.2.1 (to the extent that they are not the subject of an effective mortgage under Clause 3.1.1), all Properties and other immovable property belonging to the Company now or in the future together with all buildings, Fixtures, plant and machinery which are at any time thereon;
- 3.1.2.2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to and to which it is or may become party or otherwise entitled and all buildings, Fixtures, and plant and machinery which are at any time on such land;
- 3.1.2.3 its present and future goodwill and uncalled capital;
- 3.1.2.4 its present and future interest in the Shares and Related Rights;
- 3.1.2.5 the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Properties (or any part thereof) and the right to recover and receive all compensation which may at any time become payable to it in respect thereof,
- 3.1.2.6 all know-how licences and patents (including applications and rights to apply therefor), copyrights, rights in trademarks, service marks, whether registered or not, and rights in confidential information now or at any time belonging to it;

- 3.1.2.7 (to the extent that the same do not fall within any other sub-paragraph of this Clause 3.1.2) all present and future book and other debts and monetary claims of the Company whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (together the "**Book Debts**");
- 3.1.2.8 all present and future plant and machinery not otherwise charged under this Clause 3.1 and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress);
- 3.1.2.9 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 3.1.2.10 all its rights in respect of the Insurances, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance; and
- 3.1.2.11 all its rights in respect of each agreement, instrument and right relating to the Charged Assets (together the "**Contractual Rights**"); and
- 3.1.3 by way of assignment all its right, title and interest from time to time in and to:-
 - 3.1.3.1 the Book Debts; and
 - 3.1.3.2 the Contractual Rights,
 and, in each case, the Ancillary Rights in relation thereto;

3.2 Floating Charge

- 3.2.1 The Company, with full title guarantee and as a continuing security for the payment and/or discharge of all the Secured Liabilities, charges in favour of the Lender by way of first floating charge all its undertakings and all its property, assets and rights whatsoever and wheresoever both present and future.
- 3.2.2 The Lender may, by notice to the Company, convert the floating charge created by this Deed into a fixed charge as regards all or any of the Company's assets specified in the notice if:
 - 3.2.2.1 an Enforcement Event has occurred; or
 - 3.2.2.2 at any time the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 3.2.3 Notwithstanding Clause 3.2.2, if any person levies or attempts to levy any distress, execution or sequestration or other process against any of the Charged Assets, the floating charge created by this Deed shall automatically and without need for notice operate as a fixed charge as regards such assets the moment any such event occurs.
- 3.2.4 The floating charge created by this Clause 3.2 is a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created by this Clause.

3.3 Delivery of Documents

The Company shall promptly deliver or cause to be delivered to the Lender:

- 3.3.1 such documents (including, without limitation, intimation notices) required to give effect to this Deed and/or perfect the Security created (or purported created) by this Deed as the Lender requires from time to time;
- 3.3.2 all deeds and documents of title relating to the Charged Assets that are in the possession or control of the Company (and if these are not within the possession or control of the Company, the Company undertakes to procure that they are held to the order of the Lender);
- 3.3.3 all certificates (if any) representing the Shares and all such other documents relating to the Shares, including transfers of the Shares executed in blank or otherwise as may be necessary to effect Security over the Shares as the Lender requires; and
- 3.3.4 a copy of each of the policies and contracts in respect of the Insurances and the related premium receipts and such other documents relating to the Insurances as the Lender requires certified by one of the directors of the Company to be a true and complete copy.

4 Ranking

- 4.1 The Company agrees that, except with the prior written consent of the Lender, it shall be prohibited from granting or creating subsequent to the date of this Deed, any fixed security or any floating charge, otherwise than in favour of the Lender.
- 4.2 The Security created by this Deed shall, if the Company grants another charge in breach of Clause 4.1, rank in priority to any other fixed security which shall be created by the Company after its execution of this Deed and to any other floating charge which shall be created by the Company after its execution of this Deed and (subject as aforesaid) no such fixed security or other floating charge shall rank in priority to or equally with the Security hereby created by it.
- 4.3 Any fixed charges created by this Deed (or otherwise created in favour of the Lender) shall rank prior to the floating charge created by this Deed.

5 Representations, Warranties and Undertakings

- 5.1 The Company hereby represents and warrants to the Lender on each date during the period from (and including) the date of this Deed to (and including) the Secured Liabilities Discharge Date (with reference to the facts and circumstances on each such date) as follows:-
 - 5.1.1 the documents which contain or establish the Company's constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for the Company to grant the Security hereby created and to execute, deliver and perform the undertakings and obligations contained in this Deed;
 - 5.1.2 this Deed constitutes legal, valid and binding obligations of the Company enforceable in accordance with their terms; and
 - 5.1.3 the Company's execution and delivery of this Deed and the Company's performance of any of the undertakings or obligations contained in this Deed do not, and will not, conflict with:
 - 5.1.3.1 any law or regulation applicable to it;
 - 5.1.3.2 its constitutional documents; and/or

5.1.3.3 any agreement, deed, certificate, instrument or other document whatsoever binding upon it or any of its assets or constitute a default or termination event (howsoever described) thereunder.

5.2 Except as the Lender may otherwise agree in writing, the Company hereby undertakes that it shall:

- 5.2.1 carry on and conduct its business and affairs in a proper and efficient manner;
- 5.2.2 not make any substantial alteration in the nature of, or mode of conduct of, its business;
- 5.2.3 not sell, transfer, assign, lease, hire out, lend, discount, factor, charge or otherwise dispose of, deal in or remove all or any of the Charged Assets (save for, in the ordinary course of business, Charged Assets that are only subject to an uncrystallised floating charge);
- 5.2.4 keep, or cause to be kept, proper books of account relating to its business;
- 5.2.5 permit the Lender or any person authorised by the Lender to have access to, and inspect free of charge, its company books;
- 5.2.6 not pull down or remove the whole or any part, of any buildings forming part of any Property or sever or unfix or remove any of the fixtures attaching to them nor (except for the purposes of effecting necessary repairs or of replacing any of them with new or improved models or substitutes) remove any of the plant and machinery belonging to or used by the Company;
- 5.2.7 keep all of the Charged Assets in good and sufficient repair and all plant and machinery and other moveable property in good working order and condition (subject to fair wear and tear) and, as and when requisite (whether by reason of an original or inherent defect, obsolescence, destruction or otherwise), rebuild, renew and replace the same where commercially prudent to do so;
- 5.2.8 not grant or agree to grant any tenancy or licence affecting all or any of the Properties (or any part thereof) or grant or agree to grant a lease of, or accept a surrender of a lease or tenancy of, all or any part of them;
- 5.2.9 not become cautioner, guarantor or surety for any person, firm or company;
- 5.2.10 not undertake any obligation to any third party whereby its rights to recover or take payment of any monies due or which may become due to it from any debtor of it are postponed or subordinated to the claims of such third party;
- 5.2.11 pay (and indemnify the Lender, any Receiver and any Administrator against) all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever (whether imposed by agreement, statute or otherwise, whether in the nature of capital or revenue and even if wholly novel and whether governmental, municipal or otherwise) which may be imposed upon or payable in respect of the Charged Assets (or any part thereof) as and when the same shall become payable, taking into account agreed periods of grace (if any), and also punctually pay and discharge all debts and obligations which by law may have priority over the Security created by this Deed;
- 5.2.12 maintain its centre of main interests (COMI) for the purposes of the Council Regulation (EC) No 1346/2000 on Insolvency Proceedings in the United Kingdom;
- 5.2.13 not transfer, factor, discount, sell, assign, release, compound, subordinate, defer, or vary the terms of any book or other debts or moneys for the time being due, owing or payable to the Company or otherwise deal with the same;

- 5.2.14 subject always to Clause 5.2.13, promptly get in and realise in the ordinary course of its trade or business all its book debts apart from balances standing to the credit of any account with any bank or financial institution;
 - 5.2.15 observe and perform, in all respects, all restrictive and other covenants, stipulations and burdens for the time being affecting the Properties (or any of them or any part of any of them) and the mode of use and the enjoyment of the same and affecting its moveable and personal property and its ancillary and connected rights and will not, without the prior consent in writing of the Lender, enter into any onerous or restrictive obligations with regard thereto and/or do, suffer and/or omit to be done any act, matter and/or thing whereby any provisions of any Act of Parliament, order or regulation whatsoever from time to time in force affecting such property and/or rights shall be infringed;
 - 5.2.16 not make any structural or material alteration to any of the Properties (or any part of any of them);
 - 5.2.17 not negotiate, compromise, abandon or settle any claim for compensation (whether payable under any enactment or otherwise) or any claim under any Insurances or any other material compensation, insurance or other claim; and
 - 5.2.18 not do or cause or permit to be done, nor omit to do, or allow the omission of, anything which may in any way materially and adversely depreciate, jeopardise or otherwise prejudice the value to the Lender of the Charged Assets or the Security hereby constituted.
- 5.3 The Company undertakes to comply to the satisfaction of the Lender with the following obligations in respect of insurance:-
- 5.3.1 the Company hereby undertakes, at its own expense, to insure and keep insured in its own name and in such manner as to protect the interests of the Lender as the Lender may require all of the Charged Assets whatsoever of an insurable nature with reputable underwriters or insurers against loss or damage by fire, civil commotion, explosion, earthquake, landslip, heave, aircraft and articles dropped therefrom, flood, storm, lightning, burst pipes, theft, malicious damage, impact and such other risks and contingencies as the Lender shall from time to time request to the full replacement value thereof from time to time, including, without limitation, architects', surveyors' and engineers' fees and all other professional fees and demolition charges and to maintain such other insurance policies containing like provisions for the protection of the Lender as are required by law or are normally maintained by prudent companies carrying on similar businesses;
 - 5.3.2 the Company undertakes, if the Lender in any case so requires, to have the Lender's interest (as co-insured or otherwise as the Lender may require) noted and maintained on any such policy;
 - 5.3.3 the Company undertakes, if the Lender in any case so requires, to use its best endeavours to obtain the agreement of the Insurers not to cancel any such policy without first giving fourteen days' notice in writing to the Lender and to obtain confirmation in writing from the insurer that a breach by the Company will not vitiate the policy in respect of the Lender's interest or affect the Lender's right to claim under the policy;
 - 5.3.4 the Company undertakes to punctually pay all premiums and other sums payable in respect of all insurances effected by the Company, to comply with all warranties or other requirements relating thereto, and to produce to (or, if required, deposit with) the Lender on demand all or any of the relevant policies and the receipts for the last premiums payable thereunder; and

5.3.5 the Company undertakes to hold any moneys payable to or received by the Company on any insurance (whether maintained under any statutory provision, this Deed or otherwise) upon trust to apply them in replacing or repairing the property or assets in respect of which the moneys are received and/or in repayment or payment of the Secured Liabilities in accordance with the Lender's instructions.

5.4 The Company hereby undertakes to notify the Lender in writing:

5.4.1 of its acquisition of any freehold or leasehold property and if required to do so by the Lender, deposit with the Lender during the continuance of this Deed all charges and documents of title relating to that property;

5.4.2 In the event of any creditor executing diligence against the Company and/or the Charged Assets (whether effectual or not) or any distress or execution being levied or enforced against the Company or any third party debt order or freezing order being made and served on the Company; and

5.4.3 if any steps (including, without limitation, the making of an application or the giving of any notice) are taken by any person (including, without limitation, the Company) in respect of an Insolvency Event in relation to the Company (and/or any of its assets),

in each case, promptly upon the occurrence thereof.

6 Payments

6.1 All sums payable by the Company hereunder shall be paid in full to the Lender (or to such other person as the Lender may direct) without any set off or counterclaim whatsoever and, except to the extent compelled by law, without any withholding or deduction. Where the Company is required by law to make any withholding or deduction, it shall pay to the Lender such additional sums to the extent necessary to ensure that the Lender receives on the due date a sum equal to the sum which it would have received had there been no such withholding or deducting. If the Lender subsequently receives a credit which is referable to the increased payment and which enhances its position, then it will reimburse the Company sufficient to redress the position up to the lower of (a) the increased payment and (b) the amount received, so long as doing so does not prejudice receipt or retention of such credit.

6.2 The Lender may:-

6.2.1 refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same; and/or

6.2.2 hold in an interest bearing account any money received from the Company or on account of the Company's liability under this Deed without any immediate obligation to apply such monies or any part thereof in or towards discharge of any of the Secured Liabilities.

6.3 All payments to be made under this Deed shall be made in the currency or currencies in which the relevant Secured Liabilities are expressed to be payable by the Company.

7 Powers of the Lender

7.1 Power to remedy

7.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.

- 7.1.2 The Company irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- 7.1.3 Any monies expended by the Lender in remedying a breach by the Company of its obligations contained in this Deed shall be immediately reimbursed by the Company to the Lender on a full indemnity basis and shall carry interest in accordance with Clause 2.2.
- 7.2 Exercise of rights
- 7.2.1 The rights of the Lender under Clause 7.1 are without prejudice to any other rights of the Lender under this Deed.
- 7.2.2 The exercise of any rights of the Lender under this Deed shall not make the Lender liable to account as a mortgagee in possession.
- 7.3 Power to dispose of chattels
- 7.3.1 At any time after the Security constituted by this Deed has become enforceable, the Lender, any Administrator or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Property.
- 7.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 7.3.1, the Company shall indemnify the Lender, any Administrator and any Receiver against any liability arising from any disposal made under clause 7.3.1.
- 7.4 Lender has Receiver's powers
- To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the Security constituted by this Deed has become enforceable, be exercised by the Lender in relation to any of the Charged Assets whether or not it has taken possession of any of the Charged Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 7.5 Conversion of currency
- 7.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 7.5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- 7.5.2 Any such conversion shall be effected at any spot selling rate of exchange available to the Lender and selected by the Lender for this purpose for such other currency against the existing currency.
- 7.5.3 Each reference in this clause 7.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.
- 7.6 New accounts
- 7.6.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Charged Assets, the Lender may open a new account for the Company in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

- 7.6.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 7.6.1, then, unless the Lender gives express written notice to the contrary to the Company, all payments made by the Company to the Lender shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

7.7 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other Security for them without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

7.8 Appointment of an Administrator

- 7.8.1 The Lender may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the Security constituted by this Deed becomes enforceable.

- 7.8.2 Any appointment under this clause 7.8 shall:

7.8.2.1 be in writing signed by a duly authorised signatory of the Lender; and

7.8.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

- 7.8.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 7.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

8 When Security Becomes Enforceable

8.1 Security becomes enforceable on occurrence of an Enforcement Event

The Security constituted by this Deed shall become immediately enforceable if an Enforcement Event occurs.

8.2 Discretion

After the Security constituted by this Deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that Security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Assets.

9 Enforcement of Security

9.1 Enforcement powers

- 9.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this Deed, but the Lender shall not exercise such power of sale or other powers until the Security constituted by this Deed has become enforceable under Clause 8.1.

- 9.1.2 Section 103 of the LPA 1925 does not apply to the Security constituted by this Deed.

9.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender, any Administrator and any Receiver, at any time after the Security constituted by this Deed has become enforceable, whether in its own name or in that of the Company, to:

- 9.2.1 grant a lease or agreement to lease;
- 9.2.2 accept surrenders of leases; or
- 9.2.3 grant any option of the whole or any part of the Charged Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender, Administrator or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

9.3 Access on enforcement

- 9.3.1 At any time after the Security constituted by this Deed has become enforceable, the Company will allow the Lender, any Administrator and/or any Receiver, without further notice or demand, immediately to exercise all of its rights, powers and remedies in particular (and without limitation) to take possession of any Charged Asset and for that purpose to enter on any premises where a Charged Asset is situated (or where the Lender, Administrator or Receiver reasonably believes a Charged Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.
- 9.3.2 At all times, the Company must use its best endeavours to allow the Lender, any Administrator and/or any Receiver access to any premises for the purpose of clause 9.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

9.4 Prior Security

At any time after the Security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Lender may:

- 9.4.1 redeem that or any other prior Security;
- 9.4.2 procure the transfer of that Security to it; and
- 9.4.3 settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Company to the Lender and shall bear interest and be secured as part of the Secured Liabilities.

9.5 Privileges

Each Receiver, each Administrator and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

9.6 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets, nor shall

any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Assets for which a mortgagee in possession might be liable as such.

9.7 Conclusive discharge to purchasers

The receipt of the Lender, or any Administrator, Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Assets or in making any acquisition in the exercise of their respective powers, the Lender, and every Administrator, Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

9.8 Right of appropriation

9.8.1 To the extent that:

9.8.1.1 the Charged Assets constitute Financial Collateral; and

9.8.1.2 this Deed and the obligations of the Company under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the Security constituted by this Deed has become enforceable, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.

9.8.2 The value of any Charged Assets appropriated in accordance with this Clause 9.8 shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

9.8.3 The Company agrees that the methods of valuation provided for in this Clause 9.8 are commercially reasonable for the purposes of the Financial Collateral Regulations.

10 Receiver/Administrator

10.1 Appointment

At any time after the Security constituted by this Deed has become enforceable, or at the request of the Company, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Charged Assets.

10.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

10.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise,

and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

10.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Assets.

10.6 Agent of the Company

Any Receiver appointed under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

11 Powers of Receiver/Administrator

11.1 General

11.1.1 Any Receiver and any Administrator appointed by the Lender under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 11.2 to clause 11.23.

11.1.2 If there is more than one Receiver or one Administrator holding office at the same time, each Receiver and each Administrator may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver or Administrator (as appropriate) under this Deed individually and to the exclusion of any other(s).

11.1.3 Any exercise by a Receiver or an Administrator of any of the powers given by Clause 11 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 11.16) or himself.

11.2 Repair and develop Properties

A Receiver or an Administrator may undertake or complete any works of repair, building or development on any of the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

11.3 Surrender leases

A Receiver or an Administrator may grant, or accept surrenders of, any leases or tenancies affecting any Charged Asset and may grant any other interest or right over any Charged Asset on any terms, and subject to any conditions, that he thinks fit.

11.4 Employ personnel and advisors

A Receiver or an Administrator may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver or an Administrator may discharge any such person or any such person appointed by the Company.

11.5 Make VAT elections

A Receiver or an Administrator may make, exercise or revoke any value added tax option to tax as he thinks fit.

11.6 Remuneration

A Receiver or an Administrator may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

11.7 Realise Charged Assets

A Receiver (to the extent which he is appointed in respect of them) or an Administrator may collect and get in the Charged Assets or any part of them, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Assets with like rights.

11.8 Manage or reconstruct the Company's business

A Receiver or an Administrator may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

11.9 Dispose of Charged Assets

A Receiver (to the extent that he is appointed in respect of them) or an Administrator may sell, exchange, convert into money and realise all or any of the Charged Assets in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver or the Administrator thinks fit and a Receiver or an Administrator may promote, or concur in promoting, a company to purchase the Charged Assets to be sold.

11.10 Sever fixtures and fittings

A Receiver or an Administrator may sever and sell separately any fixtures or fittings from any Property without the consent of the Company.

11.11 Sell Book Debts

A Receiver (to the extent that he is appointed in respect of them) or Administrator may sell and assign all or any of the book debts in any manner, and generally on any terms and conditions, that he thinks fit.

11.12 Valid receipts

A Receiver or an Administrator may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Assets.

11.13 Make settlements

A Receiver or an Administrator may make any arrangement, settlement or compromise between the Company and any other person that he may think expedient.

11.14 Bring proceedings

A Receiver or an Administrator may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Assets as he thinks fit.

11.15 Improve the Charged Assets

A Receiver or an Administrator may make substitutions of, or improvements to, the Charged Assets as he may think expedient.

11.16 Make calls on Company members

A Receiver or an Administrator may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

11.17 Insure

A Receiver or an Administrator may, if he thinks fit, but without prejudice to the indemnity in clause 18, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the Insurance required to be maintained by the Company under this Deed.

11.18 Powers under the LPA 1925

A Receiver or an Administrator may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed as a receiver under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

11.19 Borrow

A Receiver or an Administrator may, for any of the purposes authorised by this Clause 11, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that Security ranks in priority to this Deed).

11.20 Redeem prior Security

A Receiver or an Administrator may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver or the Administrator.

11.21 Delegation

A Receiver or an Administrator may delegate his powers in accordance with this Deed.

11.22 Absolute beneficial owner

A Receiver or an Administrator may, in relation to any of the Charged Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Assets or any part of the Charged Assets.

11.23 Incidental powers

A Receiver or an Administrator may do any other acts and things:

11.23.1 that he may consider desirable or necessary for realising any of the Charged Assets;

11.23.2 that he may consider incidental or conducive to any of the rights or powers conferred on him under or by virtue of this Deed or law; or

11.23.3 that he lawfully may or can do as agent for the Company.

12 Application of Security Proceeds

12.1 All monies received by the Lender, an Administrator, a Receiver and/or a Delegate in terms of this Deed shall be applied in the following order of priority:

12.1.1 first, in or towards payment of or provision for all costs, charges and expenses properly incurred by the Lender (and each Receiver, Administrator, Delegate, attorney or agent appointed by it) and all remuneration due to any Receiver and/or Administrator under, or in connection with, this Deed;

12.1.2 second, towards application of the Secured Liabilities in such order and manner as the Lender sees fit; and

12.1.3 third, in payment of the surplus (if any) to the Company or other person entitled to it.

12.2 Clause 12.1 is subject to the payment of any claims having priority over this Deed.

12.3 Clause 12.1 does not prejudice the right of the Lender to recover any shortfall from the Company.

12.4 Neither the Lender, any Administrator, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

13 Protection of Third Parties

No person (including, without limitation, a purchaser) dealing with the Lender, any Administrator, any Receiver, any Delegate or their respective agents will be concerned to enquire:

13.1 whether the Secured Liabilities have become payable;

13.2 whether any power which it is purporting to exercise has become exercisable or is being properly exercised;

13.3 whether any money remains due in respect of the Secured Liabilities; or

13.4 how any money paid to it is to be applied.

14 Further Assurance

The Company shall execute and do all such assurances, acts and things as the Lender may require for perfecting or protecting the Security created by or pursuant to this Deed over the Charged Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions vested in the Lender and shall, in particular (but without prejudice to the generality of the foregoing), execute all fixed securities, floating charges, assignments, Security, transfers, dispositions and assurances of the Charged Assets whether to the Lender or otherwise and give all notices, orders and directions which the Lender may think expedient.

15 Protection of Security

15.1 The Security created by this Deed shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Liabilities and shall remain in full force and effect and may not be revoked until the Secured Liabilities Discharge Date has occurred. Following the Secured Liabilities Discharge Date, or if the Lender so agrees (in its sole discretion), the Lender shall execute and deliver, as soon as practicable after a written request from the Company to do so and at the cost of the Company, a release of this Deed and transfer, reassign and retrocess to the Company the Charged Assets.

15.2 The Security created by this Deed shall be in addition to and shall not in any way prejudice or be prejudiced by any other Security, right or remedy which the Lender may now or at any time hereafter hold for all or any part of the Secured Liabilities.

15.3 No failure on the part of the Lender to exercise, and no delay on its part in exercising, any right, remedy, power or privilege under or pursuant to this Deed or any other document relating to or securing all or any part of the Secured Liabilities will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Deed and any such other document are cumulative and not exclusive of any right or remedies provided by law.

- 15.4 Each of the provisions in this Deed shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes or is declared null and void, invalid, illegal or unenforceable in any respect under any law or otherwise howsoever, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.
- 15.5 Neither the Security created by this Deed nor the rights, powers, discretions and remedies conferred upon the Lender, an Administrator and/or a Receiver by this Deed or by law shall be discharged, impaired or otherwise affected by reason of:
- 15.5.1 any increase in or waiver or discharge of the Secured Liabilities;
 - 15.5.2 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Lender may have now or in the future from or against the Company or any other person in respect of any of the Secured Liabilities;
 - 15.5.3 any act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security or guarantee from or against the Company or any other person or the invalidity or unenforceability of any such Security or guarantee;
 - 15.5.4 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by the Lender (in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Company;
 - 15.5.5 any grant of time, indulgence, waiver or concession by the Lender to the Company or any other person;
 - 15.5.6 any arrangement or compromise entered into between the Lender and the Company or any other person;
 - 15.5.7 the winding-up, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and/or style of the Company;
 - 15.5.8 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any other obligations of the Company;
 - 15.5.9 any legal limitation, disability, incapacity or similar circumstances relating to the Company;
 - 15.5.10 any claim or enforcement of payment from the Company;
 - 15.5.11 the existence of any claim, set-off or other right which the Company may have at any time against any person, whether in connection with the Secured Liabilities or otherwise; or
 - 15.5.12 any other act or omission done or omitted by any person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the Company's liability under this Deed.
- 15.6 The Lender shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by or pursuant to this Deed or by law, to:
- 15.6.1 take any action or obtain judgement or decree in any court against the Company; or
 - 15.6.2 make or file any claim to rank in a winding-up of the Company.

16 Power of Attorney

- 16.1 The Company hereby, by way of security, irrevocably appoints the Lender, each Administrator, each Receiver and each Delegate to be its attorney for it and on its behalf and in its name or otherwise and as such to do all such things as the Company is obliged to do under and in terms of this Deed and to create or constitute, or to make any alteration or addition or deletion in or to, any documents which the Lender or such Administrator, Receiver or Delegate may require for perfecting or protecting the title of the Lender or such Administrator, Receiver or Delegate to the Charged Assets or for vesting any of the Charged Assets in the Lender, such Administrator, Receiver or Delegate or any purchaser and otherwise generally to sign, seal and deliver and perfect any transfer, disposition, assignment and/or assurance or any writing, document or act which may be required or may be deemed proper by the Lender or such Administrator, Receiver or Delegate on or in connection with any sale, lease, disposition, realisation, getting in or other enforcement by the Lender of all or any of the Charged Assets.
- 16.2 The power of attorney contained in Clause 16.1 shall be effective immediately but the Lender shall only be entitled to exercise the powers conferred thereby after this Deed has become enforceable in accordance with Clause 8.1.
- 16.3 The Company hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 16.

17 Examination of Charged Assets

- 17.1 The Company shall permit the Lender, any Administrator, any Receiver, any Delegate and any persons appointed by any of them, during normal business hours and following receipt of reasonable prior notice in writing, to enter in or upon the property of or premises used or occupied by the Company or any part thereof at all times:
- 17.1.1 to view the state and condition thereof or of any buildings, fixtures, fittings (including, without limitation, trade fixtures and fittings) or any plant and machinery;
 - 17.1.2 in the event of the Company failing to comply with any undertaking or obligation hereunder, to execute any works and do anything thereon necessary to ensure such compliance; and
 - 17.1.3 in the event of the Company failing so to do, to comply with any order, direction, requisition, permission, notice or other matter and to do all acts and things necessary or proper for complying therewith.
- 17.2 The Company shall permit the Lender, any Administrator, any Receiver, any Delegate and any persons appointed by any of them, during normal business hours and following receipt of reasonable prior notice in writing, full access to the Charged Assets to carry out any survey, inspection, assessment or review of the Charged Assets and shall permit an inspection to be made and copies and extracts to be taken of books, accounts, records and documents relating to the Charged Assets or the undertakings and obligations of the Company under this Deed and any costs, fees and expenses properly incurred by the Lender in connection with any such surveys, inspections, assessments and/or reviews shall be payable by the Company where an Enforcement Event has occurred or is likely to occur as a result of such survey, inspection, assessment or review being carried out.
- 17.3 At any time following the occurrence of an Enforcement Event, the Company shall at its own cost, if requested by the Lender, appoint such persons as the Lender may specify to investigate or review the financial affairs or operations of the Company and report thereon to the Lender.

18 Costs and expenses

18.1 The Company shall pay, on a full indemnity basis, immediately on demand, all costs, charges, expenses and liabilities incurred, or to be incurred, by the Lender, any Administrator, any Receiver, any Delegate and/or any attorney, manager, agent or other person appointed by any of them in connection with:

18.1.1 the preparation, negotiation, completion, execution, registration, perfection, modification, amendment, issue of waivers and consents under, assignment, release or discharge of this Deed; and

18.1.2 the enforcement and/or attempted enforcement, preservation of rights under, exercise or purported exercise of rights under or decision as to whether to exercise rights under this Deed or actions, proceedings or claims in respect of this Deed and/or the Charged Assets,

which costs, charges and expenses shall form part of the Secured Liabilities.

18.2 The Company shall indemnify the Lender, each Administrator, each Receiver and each Delegate and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

18.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Charged Assets;

18.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the Security constituted by this Deed; or

18.2.3 any default or delay by the Company in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this Clause 18.2.

19 **Avoidance of Payments**

19.1 Any amount which has been paid by the Company to the Lender (or to such other person as the Lender may direct) and which is, in the opinion of the Lender, capable of being reduced or restored or otherwise avoided, in whole or in part, by virtue of any applicable law relating to winding up or insolvency for the time being in force shall not be regarded as having been irrevocably paid for the purposes of this Deed.

19.2 Any settlement, discharge or release of this Deed and/or the Secured Liabilities granted by the Lender to the Company shall be conditional upon no Security or payment to the Lender (or to such other person as the Lender may direct) by the Company or any other person or any other transaction with any such person being terminated, avoided or reduced by virtue of any applicable law relating to winding up or insolvency for the time being in force. If that happens, the Lender shall be entitled to recover the Secured Liabilities from the Company and enforce this Deed as if the settlement, discharge or release had not been given.

20 **Notices**

20.1 Any demand or notice given to the Company under this Deed shall be:

20.1.1 by letter addressed to the Company or any officer of the Company sent by first class post, or hand delivered, to the Company's address last known to the Lender or the Company's registered office; or

20.1.2 by fax or other electronic means to the Company's last known fax number or

electronic mail address.

- 20.2 If sent by post, the demand or notice will be taken to have been made or given at noon the second day following the day the letter was posted. If hand delivered, the demand or notice will be taken to have been made or given at the time of delivery thereof. If sent by fax or other electronic means, the demand or notice will be taken to have been made or given at the time of transmission.

- 20.3 Unless otherwise advised by the Lender any notices given by the Company to the Lender under this Deed will be delivered to the Lender by hand delivery or by registered post at:

LDF Finance No. 3 Limited
Dee House
St. David's Park
Flintshire
CH5 3XF

- 20.4 Any demand or notice made or given, in accordance with Clause 17.2, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

21 Delegation

- 21.1 The Lender, any Administrator and any Receiver may delegate (and any Delegate may sub delegate) by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.
- 21.2 Any such delegation may be made upon any terms (including, without limitation, power to sub-delegate) which the Lender, Administrator, Receiver or Delegate may think fit.
- 21.3 Neither the Lender, any Administrator, any Receiver nor any Delegate will be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

22 Remedies, Waivers and Consents

- 22.1 No failure on the part of the Lender to exercise, and no delay on its part in exercising, any right or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
- 22.2 Any waiver and any consent by the Lender under this Deed shall be in writing and may be given subject to any conditions thought fit by the Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

23 Changes to the Parties

- 23.1 The Lender may assign, transfer or otherwise dispose of all or any part of its right, title and/or interest in and to, and/or any of its obligations or liabilities under, this Deed to any person at any time.
- 23.2 The Company shall not be entitled to assign, transfer or otherwise dispose of all or any part of its right, title and interest in and to, nor any of its obligations or liabilities under, this Deed.

24 Miscellaneous

- 24.1 The Lender may disclose any information in its possession relating to the Company to its advisers or any applicable regulatory authority.

- 24.2 Without prejudice to any of its other rights, remedies or powers, the Lender shall be entitled to hold all sums which are now or which may at any time hereafter be at the credit of any account or accounts in the name of the Company with the Lender as security for the Secured Liabilities and to apply, at any time, without notice to the Company any such sums in and towards discharge of the Secured Liabilities. The Lender is not obliged to exercise its rights under this Clause 24.2, which shall be without prejudice, and in addition, to any right of set-off, compensation, combination of accounts, lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).
- 24.3 If any subsequent charge or other interest affects any Charged Asset in breach of the terms of this Deed, the Lender may open a new account with the Company. If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest. As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.
- 24.4 The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.
- 25 **Third party rights**
- Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 26 **Counterparts**
- 26.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 26.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.
- 27 **Governing Law**
- 27.1 This Deed and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including, without limitation, non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

27.2 The parties hereto irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Deed or its subject matter or formation (including, without limitation, non-contractual disputes or claims). Nothing in this Clause 27 shall limit the right of the Lender to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of that other jurisdiction.

IN WITNESS WHEREOF this Deed has been duly executed and delivered as a deed on the date first above written.

Executed as a deed by Mederco (BFC)
Limited acting by

Signature of Director

Full Name of Director (Please Print)

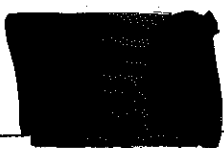
In the presence of a witness:

Witness (Signature)

Witness Full Name

Witness Address

Executed as a deed by LDF Finance No. 3
Limited acting by



Signature of Director

CHRISTOPHER HEELEY


Full Name of Director (Please Print)

In the presence of a witness:

Witness (Signature)

Witness Full Name

Witness Address


ROSS RUTHERFORD
DEE HOUSE, ST DAVID'S PARK
ELWIE, CH5 3ZF

Debenture

between

Mederco (BFC) Limited

and

LDF Finance No. 3 Limited

Ref:

HARPER MACLEOD LLP ARE ONLY ADVISING LDF FINANCE NO. 3 LIMITED AND NO OTHER PARTY IN RESPECT OF THIS DOCUMENT. EACH OTHER PARTY TO THIS DOCUMENT SHOULD TAKE THEIR OWN INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS DOCUMENT AS THE EXECUTION OF THIS DOCUMENT WILL HAVE LEGAL EFFECT AND IMPLICATIONS

HARPER MACLEOD LLP ARE ONLY ADVISING LDF FINANCE NO. 3 LIMITED AND NO OTHER PARTY IN RESPECT OF THIS DOCUMENT. EACH OTHER PARTY TO THIS DOCUMENT SHOULD TAKE THEIR OWN INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS DOCUMENT AS THE EXECUTION OF THIS DOCUMENT WILL HAVE LEGAL EFFECT AND IMPLICATIONS

Debenture dated 14. MARCH 2017

between

Mederco (BFC) Limited, a company registered in England and Wales (Company Number: 07778532) and whose registered office is at Unit 18 Cunningham Court Lions Drive, Shadsworth Business Park, Blackburn, England, BB1 2QX (the "**Company**")

and

LDF Finance No. 3 Limited, a company registered in England and Wales (Company Number: 08822799) and whose registered office is at Dee House, St. David's Park, Flintshire, CH5 3XF (the "**Lender**").

It is agreed as follows:

1 Definitions And Interpretation

1.1 In this Deed unless the context otherwise requires or permits, the following shall have the following meanings:

"Administrator" means any administrator appointed in respect of the Company pursuant to clause 7.8;

"Ancillary Rights" means in relation to any Charged Asset:-

- (i) the proceeds of sale of all or any part of that Secured Asset;
- (ii) allotments, rights, money or property arising from that Secured Asset, by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (iii) all rights under any licence, agreement for sale or agreement for lease in respect of that Secured Asset;
- (iv) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that Secured Asset; and
- (v) any moneys and proceeds or income paid or payable in respect of that Secured Asset;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"Charged Assets" means the assets from time to time subject, or expressed to be subject, to the Charges and "**Charged Asset**" shall be construed accordingly;

"Charges" means all or any of the Security created or expressed to be created by or pursuant to this Deed;

"Deed" means this debenture;

"Default Rate" means 5% per annum above the Bank of England Base Rate from time to time;

"Delegate" means a delegate or sub-delegate appointed directly or indirectly under Clause 20;

"Enforcement Event" means any of the following events:

- (vi) the Company has failed to pay all or any of the Secured Liabilities in accordance with Clause 2.1;
- (vii) any breach of the terms of this Deed by the Company;
- (viii) the Company makes a false representation or warranty under this Deed;
- (ix) the occurrence of any circumstance or event, howsoever described, which entitles the Lender to accelerate, or demand repayment of, the Secured Liabilities (or any part thereof); and/or
- (x) the occurrence of an Insolvency Event;

"Financial Collateral" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003 No. 3226);

"Fixtures" means, in relation to any Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon, the property in which is vested in the Company;

"Insolvency Act" means the Insolvency Act 1986;

"Insolvency Event" means;

- (a) any application, notice, resolution or order being made, passed or given for or in connection with the winding up, liquidation, dissolution, administration, administrative receivership, receivership or reorganisation or other similar proceedings of the Company (and/or relating to any of its assets);
- (b) the Company (and/or any of its assets) becoming subject to any winding up, insolvency, reorganisation, receivership or administrative receivership (whether relating to all or only some of its assets), administration, liquidation, dissolution or other similar proceedings, whether voluntary or involuntary and whether or not involving insolvency;
- (c) the appointment of an Insolvency Representative in respect of the Company and/or any of its assets;
- (d) the Company assigning all or any of its assets for the benefit of its creditors generally (or any class thereof) or entering into any composition or arrangement with its creditors generally or any arrangement being ordered or declared by a court of competent jurisdiction whereby all or any of its affairs and/or assets are submitted to the control of, or are protected from, its creditors;
- (e) the Company becoming subject to any distribution of its assets in consequence of any winding up, insolvency, reorganisation, liquidation, dissolution, administration, administrative receivership, receivership or any similar proceedings; or
- (f) any event analogous to any of the foregoing occurring in relation to the Company and/or any of its assets in any jurisdiction;

"Insolvency Representative" means any liquidator, administrator, receiver, receiver and manager, administrative receiver, custodian, trustee or any similar officer in any jurisdiction;

"Insurances" means the Company's interest in all contracts and policies of insurance which are from time to time taken out or effected by or on behalf of the Company in connection with the Charged Assets and **"Insurance"** shall be construed accordingly;

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

"Properties" means all and any freehold or leasehold property vested in the Company from time to time and **"Property"** shall be construed accordingly;

"Receiver" means any receiver or administrative receiver appointed in respect of the Charged Assets (or any of them) pursuant to Clause 10.1;

"Related Rights" means any dividend or interest paid or payable in relation to any Shares and any rights, monies, accretions, advantages, credits, rebates or refunds (including any rebates and refunds in respect of any tax, duties, imposts or charges or property) accruing or offered at any time in relation to any Shares by way of redemption, substitution, capitalisation, exchange, bonus, or preference under option, rights or otherwise;

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity whatsoever) of the Company to the Lender together with any of the following matters relating to or arising in respect of, those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for damages or restitution; and
- (c) any claim as a result of any recovery by the Company of a payment or discharge on the grounds of preference,

and any amounts which would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings;

"Secured Liabilities Discharge Date" means the date on which the Secured Liabilities have been unconditionally and irrevocably and fully and completely paid and/or discharged to the satisfaction of the Lender and no further Secured Liabilities are capable of becoming outstanding;

"Security" means any mortgage, pledge, lien, charge (whether fixed or floating), assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

"Security Financial Collateral Arrangements" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Shares" means any stocks, shares, debentures, bonds, other securities and/or investments legally and/or beneficially owned by the Company or any nominee of the Company from time to time; and

"Subsidiary" means:

- (d) a subsidiary as defined in section 1159 of the Companies Act 2006; and
- (e) a subsidiary undertaking as defined in section 1162 of the Companies Act 2006.

- 1.2 References in this Deed to a "fixed security" shall be construed as a reference to a fixed security as defined by Section 486 of the Act as in force at the date of this Deed.
- 1.3 Reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.4 References to "including", "includes", "In particular" or any similar term shall not be construed as limiting the generality of the words preceding it.
- 1.5 Any reference in this Deed to a document of any kind whatsoever is to that document as amended, varied, supplemented, novated or substituted from time to time.
- 1.6 Words importing persons shall include individuals, firms, partnerships, corporations, governments, governmental bodies and departments, authorities, agencies, unincorporated bodies of persons or associations and any other organisations having legal capacity.
- 1.7 The singular includes the plural and vice versa and any gender includes all genders.
- 1.8 The clause headings are inserted for convenience and shall not affect the construction of this Deed.
- 1.9 References to Clauses are references to the relevant clause in this Deed.
- 1.10 References to persons shall include their respective successors and permitted assignees and permitted transferees.
- 1.11 Reference to the "**winding-up**" of a person also includes the amalgamation, reconstruction, reorganisation, insolvency, bankruptcy, sequestration, administration, dissolution, provisional liquidation, liquidation, receivership, administrative receivership, merger or consolidation of that person, the entering into of a scheme of arrangement of affairs, voluntary arrangement or trust deed for creditors (or other composition in satisfaction of debts) in respect of that person, the appointment of an administrator, receiver, administrative receiver, trustee in sequestration, judicial factor or any other equivalent officer in any jurisdiction in respect of that person, and any other analogous procedure under the law of any jurisdiction which has a similar effect to the foregoing.
- 1.12 Unless the context otherwise requires, a reference to any Charged Asset includes:
- 1.12.1 any part thereof; and
 - 1.12.2 the proceeds thereof (or any part thereof).
- 1.13 A reference in this Deed to a charge or mortgage of, or over, any Property includes:
- 1.13.1 all buildings and Fixtures on that Property;
 - 1.13.2 the proceeds of sale of any part of that Property (together with all such buildings and Fixtures);
 - 1.13.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that Property or any monies paid or payable in respect of those covenants; and
 - 1.13.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

- 1.14 If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2 Payment to the Lender

- 2.1 The Company undertakes to the Lender that it will pay and discharge to the Lender (or to such other person as the Lender may direct) all of the Secured Liabilities on demand in writing when the same are due.
- 2.2 The Company agrees that if it shall fail to pay and discharge any part of the Secured Liabilities when due then such amount shall bear interest (after as well as before decree) on a daily basis based on a year of 365 days at the Default Rate from the due date thereof until paid in full, which interest shall be payable by the Company to the Lender on demand in writing.
- 2.3 A certificate signed by or on behalf of the Lender as to the amount, calculation or nature of the Secured Liabilities or any part thereof will, in the absence of manifest error, be conclusive and binding on the Company.

3 Charging Provisions

3.1 Fixed Charges

The Company, with full title guarantee and as a continuing security for the payment or discharge of all the Secured Liabilities, charges in favour of the Lender:

- 3.1.1 by way of legal mortgage, all Properties now vested in it whether or not the title thereto is registered at H.M Land Registry, together with all present and future buildings, Fixtures, plant and machinery which are at any time thereon;
- 3.1.2 by way of fixed charge the following assets, both present and future:
- 3.1.2.1 (to the extent that they are not the subject of an effective mortgage under Clause 3.1.1), all Properties and other immovable property belonging to the Company now or in the future together with all buildings, Fixtures, plant and machinery which are at any time thereon;
- 3.1.2.2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to and to which it is or may become party or otherwise entitled and all buildings, Fixtures, and plant and machinery which are at any time on such land;
- 3.1.2.3 its present and future goodwill and uncalled capital;
- 3.1.2.4 its present and future interest in the Shares and Related Rights;
- 3.1.2.5 the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Properties (or any part thereof) and the right to recover and receive all compensation which may at any time become payable to it in respect thereof,
- 3.1.2.6 all know-how licences and patents (including applications and rights to apply therefor), copyrights, rights in trademarks, service marks, whether registered or not, and rights in confidential information now or at any time belonging to it;

- 3.1.2.7 (to the extent that the same do not fall within any other sub-paragraph of this Clause 3.1.2) all present and future book and other debts and monetary claims of the Company whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (together the "**Book Debts**");
- 3.1.2.8 all present and future plant and machinery not otherwise charged under this Clause 3.1 and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress);
- 3.1.2.9 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 3.1.2.10 all its rights in respect of the Insurances, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance; and
- 3.1.2.11 all its rights in respect of each agreement, instrument and right relating to the Charged Assets (together the "**Contractual Rights**"); and
- 3.1.3 by way of assignment all its right, title and interest from time to time in and to:-
 - 3.1.3.1 the Book Debts; and
 - 3.1.3.2 the Contractual Rights,
 and, in each case, the Ancillary Rights in relation thereto;

3.2 Floating Charge

- 3.2.1 The Company, with full title guarantee and as a continuing security for the payment and/or discharge of all the Secured Liabilities, charges in favour of the Lender by way of first floating charge all its undertakings and all its property, assets and rights whatsoever and wheresoever both present and future.
- 3.2.2 The Lender may, by notice to the Company, convert the floating charge created by this Deed into a fixed charge as regards all or any of the Company's assets specified in the notice if:
 - 3.2.2.1 an Enforcement Event has occurred; or
 - 3.2.2.2 at any time the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 3.2.3 Notwithstanding Clause 3.2.2, if any person levies or attempts to levy any distress, execution or sequestration or other process against any of the Charged Assets, the floating charge created by this Deed shall automatically and without need for notice operate as a fixed charge as regards such assets the moment any such event occurs.
- 3.2.4 The floating charge created by this Clause 3.2 is a qualifying floating charge and paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created by this Clause.

3.3 Delivery of Documents

The Company shall promptly deliver or cause to be delivered to the Lender:

- 3.3.1 such documents (including, without limitation, intimation notices) required to give effect to this Deed and/or perfect the Security created (or purported created) by this Deed as the Lender requires from time to time;
- 3.3.2 all deeds and documents of title relating to the Charged Assets that are in the possession or control of the Company (and if these are not within the possession or control of the Company, the Company undertakes to procure that they are held to the order of the Lender);
- 3.3.3 all certificates (if any) representing the Shares and all such other documents relating to the Shares, including transfers of the Shares executed in blank or otherwise as may be necessary to effect Security over the Shares as the Lender requires; and
- 3.3.4 a copy of each of the policies and contracts in respect of the Insurances and the related premium receipts and such other documents relating to the Insurances as the Lender requires certified by one of the directors of the Company to be a true and complete copy.

4 Ranking

- 4.1 The Company agrees that, except with the prior written consent of the Lender, it shall be prohibited from granting or creating subsequent to the date of this Deed, any fixed security or any floating charge, otherwise than in favour of the Lender.
- 4.2 The Security created by this Deed shall, if the Company grants another charge in breach of Clause 4.1, rank in priority to any other fixed security which shall be created by the Company after its execution of this Deed and to any other floating charge which shall be created by the Company after its execution of this Deed and (subject as aforesaid) no such fixed security or other floating charge shall rank in priority to or equally with the Security hereby created by it.
- 4.3 Any fixed charges created by this Deed (or otherwise created in favour of the Lender) shall rank prior to the floating charge created by this Deed.

5 Representations, Warranties and Undertakings

- 5.1 The Company hereby represents and warrants to the Lender on each date during the period from (and including) the date of this Deed to (and including) the Secured Liabilities Discharge Date (with reference to the facts and circumstances on each such date) as follows:-
 - 5.1.1 the documents which contain or establish the Company's constitution include provisions which give power, and all necessary corporate authority has been obtained and action taken, for the Company to grant the Security hereby created and to execute, deliver and perform the undertakings and obligations contained in this Deed;
 - 5.1.2 this Deed constitutes legal, valid and binding obligations of the Company enforceable in accordance with their terms; and
 - 5.1.3 the Company's execution and delivery of this Deed and the Company's performance of any of the undertakings or obligations contained in this Deed do not, and will not, conflict with:
 - 5.1.3.1 any law or regulation applicable to it;
 - 5.1.3.2 its constitutional documents; and/or

5.1.3.3 any agreement, deed, certificate, instrument or other document whatsoever binding upon it or any of its assets or constitute a default or termination event (howsoever described) thereunder.

5.2 Except as the Lender may otherwise agree in writing, the Company hereby undertakes that it shall:

- 5.2.1 carry on and conduct its business and affairs in a proper and efficient manner;
- 5.2.2 not make any substantial alteration in the nature of, or mode of conduct of, its business;
- 5.2.3 not sell, transfer, assign, lease, hire out, lend, discount, factor, charge or otherwise dispose of, deal in or remove all or any of the Charged Assets (save for, in the ordinary course of business, Charged Assets that are only subject to an uncrystallised floating charge);
- 5.2.4 keep, or cause to be kept, proper books of account relating to its business;
- 5.2.5 permit the Lender or any person authorised by the Lender to have access to, and inspect free of charge, its company books;
- 5.2.6 not pull down or remove the whole or any part, of any buildings forming part of any Property or sever or unfix or remove any of the fixtures attaching to them nor (except for the purposes of effecting necessary repairs or of replacing any of them with new or improved models or substitutes) remove any of the plant and machinery belonging to or used by the Company;
- 5.2.7 keep all of the Charged Assets in good and sufficient repair and all plant and machinery and other moveable property in good working order and condition (subject to fair wear and tear) and, as and when requisite (whether by reason of an original or inherent defect, obsolescence, destruction or otherwise), rebuild, renew and replace the same where commercially prudent to do so;
- 5.2.8 not grant or agree to grant any tenancy or licence affecting all or any of the Properties (or any part thereof) or grant or agree to grant a lease of, or accept a surrender of a lease or tenancy of, all or any part of them;
- 5.2.9 not become cautioner, guarantor or surety for any person, firm or company;
- 5.2.10 not undertake any obligation to any third party whereby its rights to recover or take payment of any monies due or which may become due to it from any debtor of it are postponed or subordinated to the claims of such third party;
- 5.2.11 pay (and indemnify the Lender, any Receiver and any Administrator against) all rents, rates, taxes, levies, assessments, impositions and outgoings whatsoever (whether imposed by agreement, statute or otherwise, whether in the nature of capital or revenue and even if wholly novel and whether governmental, municipal or otherwise) which may be imposed upon or payable in respect of the Charged Assets (or any part thereof) as and when the same shall become payable, taking into account agreed periods of grace (if any), and also punctually pay and discharge all debts and obligations which by law may have priority over the Security created by this Deed;
- 5.2.12 maintain its centre of main interests (COMI) for the purposes of the Council Regulation (EC) No 1346/2000 on Insolvency Proceedings in the United Kingdom;
- 5.2.13 not transfer, factor, discount, sell, assign, release, compound, subordinate, defer, or vary the terms of any book or other debts or moneys for the time being due, owing or payable to the Company or otherwise deal with the same;

- 5.2.14 subject always to Clause 5.2.13, promptly get in and realise in the ordinary course of its trade or business all its book debts apart from balances standing to the credit of any account with any bank or financial institution;
 - 5.2.15 observe and perform, in all respects, all restrictive and other covenants, stipulations and burdens for the time being affecting the Properties (or any of them or any part of any of them) and the mode of use and the enjoyment of the same and affecting its moveable and personal property and its ancillary and connected rights and will not, without the prior consent in writing of the Lender, enter into any onerous or restrictive obligations with regard thereto and/or do, suffer and/or omit to be done any act, matter and/or thing whereby any provisions of any Act of Parliament, order or regulation whatsoever from time to time in force affecting such property and/or rights shall be infringed;
 - 5.2.16 not make any structural or material alteration to any of the Properties (or any part of any of them);
 - 5.2.17 not negotiate, compromise, abandon or settle any claim for compensation (whether payable under any enactment or otherwise) or any claim under any Insurances or any other material compensation, insurance or other claim; and
 - 5.2.18 not do or cause or permit to be done, nor omit to do, or allow the omission of, anything which may in any way materially and adversely depreciate, jeopardise or otherwise prejudice the value to the Lender of the Charged Assets or the Security hereby constituted.
- 5.3 The Company undertakes to comply to the satisfaction of the Lender with the following obligations in respect of insurance:-
- 5.3.1 the Company hereby undertakes, at its own expense, to insure and keep insured in its own name and in such manner as to protect the interests of the Lender as the Lender may require all of the Charged Assets whatsoever of an insurable nature with reputable underwriters or insurers against loss or damage by fire, civil commotion, explosion, earthquake, landslip, heave, aircraft and articles dropped therefrom, flood, storm, lightning, burst pipes, theft, malicious damage, impact and such other risks and contingencies as the Lender shall from time to time request to the full replacement value thereof from time to time, including, without limitation, architects', surveyors' and engineers' fees and all other professional fees and demolition charges and to maintain such other insurance policies containing like provisions for the protection of the Lender as are required by law or are normally maintained by prudent companies carrying on similar businesses;
 - 5.3.2 the Company undertakes, if the Lender in any case so requires, to have the Lender's interest (as co-insured or otherwise as the Lender may require) noted and maintained on any such policy;
 - 5.3.3 the Company undertakes, if the Lender in any case so requires, to use its best endeavours to obtain the agreement of the insurers not to cancel any such policy without first giving fourteen days' notice in writing to the Lender and to obtain confirmation in writing from the insurer that a breach by the Company will not vitiate the policy in respect of the Lender's interest or affect the Lender's right to claim under the policy;
 - 5.3.4 the Company undertakes to punctually pay all premiums and other sums payable in respect of all insurances effected by the Company, to comply with all warranties or other requirements relating thereto, and to produce to (or, if required, deposit with) the Lender on demand all or any of the relevant policies and the receipts for the last premiums payable thereunder; and

- 5.3.5 the Company undertakes to hold any moneys payable to or received by the Company on any insurance (whether maintained under any statutory provision, this Deed or otherwise) upon trust to apply them in replacing or repairing the property or assets in respect of which the moneys are received and/or in repayment or payment of the Secured Liabilities in accordance with the Lender's instructions.

5.4 The Company hereby undertakes to notify the Lender in writing:

- 5.4.1 of its acquisition of any freehold or leasehold property and if required to do so by the Lender, deposit with the Lender during the continuance of this Deed all charges and documents of title relating to that property;
- 5.4.2 in the event of any creditor executing diligence against the Company and/or the Charged Assets (whether effectual or not) or any distress or execution being levied or enforced against the Company or any third party debt order or freezing order being made and served on the Company; and
- 5.4.3 if any steps (including, without limitation, the making of an application or the giving of any notice) are taken by any person (including, without limitation, the Company) in respect of an Insolvency Event in relation to the Company (and/or any of its assets),

in each case, promptly upon the occurrence thereof.

6 Payments

6.1 All sums payable by the Company hereunder shall be paid in full to the Lender (or to such other person as the Lender may direct) without any set off or counterclaim whatsoever and, except to the extent compelled by law, without any withholding or deduction. Where the Company is required by law to make any withholding or deduction, it shall pay to the Lender such additional sums to the extent necessary to ensure that the Lender receives on the due date a sum equal to the sum which it would have received had there been no such withholding or deducting. If the Lender subsequently receives a credit which is referable to the increased payment and which enhances its position, then it will reimburse the Company sufficient to redress the position up to the lower of (a) the increased payment and (b) the amount received, so long as doing so does not prejudice receipt or retention of such credit.

6.2 The Lender may:-

- 6.2.1 refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same; and/or
- 6.2.2 hold in an interest bearing account any money received from the Company or on account of the Company's liability under this Deed without any immediate obligation to apply such monies or any part thereof in or towards discharge of any of the Secured Liabilities.

6.3 All payments to be made under this Deed shall be made in the currency or currencies in which the relevant Secured Liabilities are expressed to be payable by the Company.

7 Powers of the Lender

7.1 Power to remedy

- 7.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.

- 7.1.2 The Company irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- 7.1.3 Any monies expended by the Lender in remedying a breach by the Company of its obligations contained in this Deed shall be immediately reimbursed by the Company to the Lender on a full indemnity basis and shall carry interest in accordance with Clause 2.2.
- 7.2 Exercise of rights
- 7.2.1 The rights of the Lender under Clause 7.1 are without prejudice to any other rights of the Lender under this Deed.
- 7.2.2 The exercise of any rights of the Lender under this Deed shall not make the Lender liable to account as a mortgagee in possession.
- 7.3 Power to dispose of chattels
- 7.3.1 At any time after the Security constituted by this Deed has become enforceable, the Lender, any Administrator or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Property.
- 7.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 7.3.1, the Company shall indemnify the Lender, any Administrator and any Receiver against any liability arising from any disposal made under clause 7.3.1.
- 7.4 Lender has Receiver's powers
- To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the Security constituted by this Deed has become enforceable, be exercised by the Lender in relation to any of the Charged Assets whether or not it has taken possession of any of the Charged Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 7.5 Conversion of currency
- 7.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 7.5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- 7.5.2 Any such conversion shall be effected at any spot selling rate of exchange available to the Lender and selected by the Lender for this purpose for such other currency against the existing currency.
- 7.5.3 Each reference in this clause 7.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.
- 7.6 New accounts
- 7.6.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Charged Assets, the Lender may open a new account for the Company in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

- 7.6.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 7.6.1, then, unless the Lender gives express written notice to the contrary to the Company, all payments made by the Company to the Lender shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

7.7 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other Security for them without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

7.8 Appointment of an Administrator

- 7.8.1 The Lender may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the Security constituted by this Deed becomes enforceable.

- 7.8.2 Any appointment under this clause 7.8 shall:

7.8.2.1 be in writing signed by a duly authorised signatory of the Lender; and

7.8.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

- 7.8.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 7.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

8 When Security Becomes Enforceable

8.1 Security becomes enforceable on occurrence of an Enforcement Event

The Security constituted by this Deed shall become immediately enforceable if an Enforcement Event occurs.

8.2 Discretion

After the Security constituted by this Deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that Security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Assets.

9 Enforcement of Security

9.1 Enforcement powers

- 9.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this Deed, but the Lender shall not exercise such power of sale or other powers until the Security constituted by this Deed has become enforceable under Clause 8.1.

- 9.1.2 Section 103 of the LPA 1925 does not apply to the Security constituted by this Deed.

9.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender, any Administrator and any Receiver, at any time after the Security constituted by this Deed has become enforceable, whether in its own name or in that of the Company, to:

- 9.2.1 grant a lease or agreement to lease;
- 9.2.2 accept surrenders of leases; or
- 9.2.3 grant any option of the whole or any part of the Charged Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender, Administrator or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

9.3 Access on enforcement

- 9.3.1 At any time after the Security constituted by this Deed has become enforceable, the Company will allow the Lender, any Administrator and/or any Receiver, without further notice or demand, immediately to exercise all of its rights, powers and remedies in particular (and without limitation) to take possession of any Charged Asset and for that purpose to enter on any premises where a Charged Asset is situated (or where the Lender, Administrator or Receiver reasonably believes a Charged Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.
- 9.3.2 At all times, the Company must use its best endeavours to allow the Lender, any Administrator and/or any Receiver access to any premises for the purpose of clause 9.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

9.4 Prior Security

At any time after the Security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Lender may:

- 9.4.1 redeem that or any other prior Security;
- 9.4.2 procure the transfer of that Security to it; and
- 9.4.3 settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Company to the Lender and shall bear interest and be secured as part of the Secured Liabilities.

9.5 Privileges

Each Receiver, each Administrator and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

9.6 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets, nor shall

any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Assets for which a mortgagee in possession might be liable as such.

9.7 Conclusive discharge to purchasers

The receipt of the Lender, or any Administrator, Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Assets or in making any acquisition in the exercise of their respective powers, the Lender, and every Administrator, Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

9.8 Right of appropriation

9.8.1 To the extent that:

9.8.1.1 the Charged Assets constitute Financial Collateral; and

9.8.1.2 this Deed and the obligations of the Company under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the Security constituted by this Deed has become enforceable, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.

9.8.2 The value of any Charged Assets appropriated in accordance with this Clause 9.8 shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

9.8.3 The Company agrees that the methods of valuation provided for in this Clause 9.8 are commercially reasonable for the purposes of the Financial Collateral Regulations.

10 Receiver/Administrator

10.1 Appointment

At any time after the Security constituted by this Deed has become enforceable, or at the request of the Company, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Charged Assets.

10.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

10.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise,

and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

10.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Assets.

10.6 Agent of the Company

Any Receiver appointed under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

11 Powers of Receiver/Administrator

11.1 General

11.1.1 Any Receiver and any Administrator appointed by the Lender under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 11.2 to clause 11.23.

11.1.2 If there is more than one Receiver or one Administrator holding office at the same time, each Receiver and each Administrator may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver or Administrator (as appropriate) under this Deed individually and to the exclusion of any other(s).

11.1.3 Any exercise by a Receiver or an Administrator of any of the powers given by Clause 11 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 11.16) or himself.

11.2 Repair and develop Properties

A Receiver or an Administrator may undertake or complete any works of repair, building or development on any of the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

11.3 Surrender leases

A Receiver or an Administrator may grant, or accept surrenders of, any leases or tenancies affecting any Charged Asset and may grant any other interest or right over any Charged Asset on any terms, and subject to any conditions, that he thinks fit.

11.4 Employ personnel and advisors

A Receiver or an Administrator may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver or an Administrator may discharge any such person or any such person appointed by the Company.

11.5 Make VAT elections

A Receiver or an Administrator may make, exercise or revoke any value added tax option to tax as he thinks fit.

11.6 Remuneration

A Receiver or an Administrator may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

11.7 Realise Charged Assets

A Receiver (to the extent which he is appointed in respect of them) or an Administrator may collect and get in the Charged Assets or any part of them, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Assets with like rights.

11.8 Manage or reconstruct the Company's business

A Receiver or an Administrator may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

11.9 Dispose of Charged Assets

A Receiver (to the extent that he is appointed in respect of them) or an Administrator may sell, exchange, convert into money and realise all or any of the Charged Assets in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver or the Administrator thinks fit and a Receiver or an Administrator may promote, or concur in promoting, a company to purchase the Charged Assets to be sold.

11.10 Sever fixtures and fittings

A Receiver or an Administrator may sever and sell separately any fixtures or fittings from any Property without the consent of the Company.

11.11 Sell Book Debts

A Receiver (to the extent that he is appointed in respect of them) or Administrator may sell and assign all or any of the book debts in any manner, and generally on any terms and conditions, that he thinks fit.

11.12 Valid receipts

A Receiver or an Administrator may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Assets.

11.13 Make settlements

A Receiver or an Administrator may make any arrangement, settlement or compromise between the Company and any other person that he may think expedient.

11.14 Bring proceedings

A Receiver or an Administrator may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Assets as he thinks fit.

11.15 Improve the Charged Assets

A Receiver or an Administrator may make substitutions of, or improvements to, the Charged Assets as he may think expedient.

11.16 Make calls on Company members

A Receiver or an Administrator may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

11.17 Insure

A Receiver or an Administrator may, if he thinks fit, but without prejudice to the indemnity in clause 18, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this Deed.

11.18 Powers under the LPA 1925

A Receiver or an Administrator may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed as a receiver under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

11.19 Borrow

A Receiver or an Administrator may, for any of the purposes authorised by this Clause 11, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that Security ranks in priority to this Deed).

11.20 Redeem prior Security

A Receiver or an Administrator may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver or the Administrator.

11.21 Delegation

A Receiver or an Administrator may delegate his powers in accordance with this Deed.

11.22 Absolute beneficial owner

A Receiver or an Administrator may, in relation to any of the Charged Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Charged Assets or any part of the Charged Assets.

11.23 Incidental powers

A Receiver or an Administrator may do any other acts and things:

11.23.1 that he may consider desirable or necessary for realising any of the Charged Assets;

11.23.2 that he may consider incidental or conducive to any of the rights or powers conferred on him under or by virtue of this Deed or law; or

11.23.3 that he lawfully may or can do as agent for the Company.

12 Application of Security Proceeds

12.1 All monies received by the Lender, an Administrator, a Receiver and/or a Delegate in terms of this Deed shall be applied in the following order of priority:

12.1.1 first, in or towards payment of or provision for all costs, charges and expenses properly incurred by the Lender (and each Receiver, Administrator, Delegate, attorney or agent appointed by it) and all remuneration due to any Receiver and/or Administrator under, or in connection with, this Deed;

12.1.2 second, towards application of the Secured Liabilities in such order and manner as the Lender sees fit; and

- 12.1.3 third, in payment of the surplus (if any) to the Company or other person entitled to it.
- 12.2 Clause 12.1 is subject to the payment of any claims having priority over this Deed.
- 12.3 Clause 12.1 does not prejudice the right of the Lender to recover any shortfall from the Company.
- 12.4 Neither the Lender, any Administrator, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.
- 13 Protection of Third Parties**
- No person (including, without limitation, a purchaser) dealing with the Lender, any Administrator, any Receiver, any Delegate or their respective agents will be concerned to enquire:
- 13.1 whether the Secured Liabilities have become payable;
- 13.2 whether any power which it is purporting to exercise has become exercisable or is being properly exercised;
- 13.3 whether any money remains due in respect of the Secured Liabilities; or
- 13.4 how any money paid to it is to be applied.
- 14 Further Assurance**
- The Company shall execute and do all such assurances, acts and things as the Lender may require for perfecting or protecting the Security created by or pursuant to this Deed over the Charged Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions vested in the Lender and shall, in particular (but without prejudice to the generality of the foregoing), execute all fixed securities, floating charges, assignments, Security, transfers, dispositions and assurances of the Charged Assets whether to the Lender or otherwise and give all notices, orders and directions which the Lender may think expedient.
- 15 Protection of Security**
- 15.1 The Security created by this Deed shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Liabilities and shall remain in full force and effect and may not be revoked until the Secured Liabilities Discharge Date has occurred. Following the Secured Liabilities Discharge Date, or if the Lender so agrees (in its sole discretion), the Lender shall execute and deliver, as soon as practicable after a written request from the Company to do so and at the cost of the Company, a release of this Deed and transfer, reassign and retrocess to the Company the Charged Assets.
- 15.2 The Security created by this Deed shall be in addition to and shall not in any way prejudice or be prejudiced by any other Security, right or remedy which the Lender may now or at any time hereafter hold for all or any part of the Secured Liabilities.
- 15.3 No failure on the part of the Lender to exercise, and no delay on its part in exercising, any right, remedy, power or privilege under or pursuant to this Deed or any other document relating to or securing all or any part of the Secured Liabilities will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Deed and any such other document are cumulative and not exclusive of any right or remedies provided by law.

- 15.4 Each of the provisions in this Deed shall be severable and distinct from one another and if at any time any one or more of such provisions is or becomes or is declared null and void, invalid, illegal or unenforceable in any respect under any law or otherwise howsoever, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.
- 15.5 Neither the Security created by this Deed nor the rights, powers, discretions and remedies conferred upon the Lender, an Administrator and/or a Receiver by this Deed or by law shall be discharged, impaired or otherwise affected by reason of:
- 15.5.1 any increase in or waiver or discharge of the Secured Liabilities;
 - 15.5.2 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Lender may have now or in the future from or against the Company or any other person in respect of any of the Secured Liabilities;
 - 15.5.3 any act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security or guarantee from or against the Company or any other person or the invalidity or unenforceability of any such Security or guarantee;
 - 15.5.4 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by the Lender (in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Company;
 - 15.5.5 any grant of time, indulgence, waiver or concession by the Lender to the Company or any other person;
 - 15.5.6 any arrangement or compromise entered into between the Lender and the Company or any other person;
 - 15.5.7 the winding-up, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and/or style of the Company;
 - 15.5.8 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any other obligations of the Company;
 - 15.5.9 any legal limitation, disability, incapacity or similar circumstances relating to the Company;
 - 15.5.10 any claim or enforcement of payment from the Company;
 - 15.5.11 the existence of any claim, set-off or other right which the Company may have at any time against any person, whether in connection with the Secured Liabilities or otherwise; or
 - 15.5.12 any other act or omission done or omitted by any person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the Company's liability under this Deed.
- 15.6 The Lender shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by or pursuant to this Deed or by law, to:
- 15.6.1 take any action or obtain judgement or decree in any court against the Company; or
 - 15.6.2 make or file any claim to rank in a winding-up of the Company.

16 Power of Attorney

- 16.1 The Company hereby, by way of security, irrevocably appoints the Lender, each Administrator, each Receiver and each Delegate to be its attorney for it and on its behalf and in its name or otherwise and as such to do all such things as the Company is obliged to do under and in terms of this Deed and to create or constitute, or to make any alteration or addition or deletion in or to, any documents which the Lender or such Administrator, Receiver or Delegate may require for perfecting or protecting the title of the Lender or such Administrator, Receiver or Delegate to the Charged Assets or for vesting any of the Charged Assets in the Lender, such Administrator, Receiver or Delegate or any purchaser and otherwise generally to sign, seal and deliver and perfect any transfer, disposition, assignment and/or assurance or any writing, document or act which may be required or may be deemed proper by the Lender or such Administrator, Receiver or Delegate on or in connection with any sale, lease, disposition, realisation, getting in or other enforcement by the Lender of all or any of the Charged Assets.
- 16.2 The power of attorney contained in Clause 16.1 shall be effective immediately but the Lender shall only be entitled to exercise the powers conferred thereby after this Deed has become enforceable in accordance with Clause 8.1.
- 16.3 The Company hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 16.

17 Examination of Charged Assets

- 17.1 The Company shall permit the Lender, any Administrator, any Receiver, any Delegate and any persons appointed by any of them, during normal business hours and following receipt of reasonable prior notice in writing, to enter in or upon the property of or premises used or occupied by the Company or any part thereof at all times:
- 17.1.1 to view the state and condition thereof or of any buildings, fixtures, fittings (including, without limitation, trade fixtures and fittings) or any plant and machinery;
 - 17.1.2 in the event of the Company failing to comply with any undertaking or obligation hereunder, to execute any works and do anything thereon necessary to ensure such compliance; and
 - 17.1.3 in the event of the Company failing so to do, to comply with any order, direction, requisition, permission, notice or other matter and to do all acts and things necessary or proper for complying therewith.
- 17.2 The Company shall permit the Lender, any Administrator, any Receiver, any Delegate and any persons appointed by any of them, during normal business hours and following receipt of reasonable prior notice in writing, full access to the Charged Assets to carry out any survey, inspection, assessment or review of the Charged Assets and shall permit an inspection to be made and copies and extracts to be taken of books, accounts, records and documents relating to the Charged Assets or the undertakings and obligations of the Company under this Deed and any costs, fees and expenses properly incurred by the Lender in connection with any such surveys, inspections, assessments and/or reviews shall be payable by the Company where an Enforcement Event has occurred or is likely to occur as a result of such survey, inspection, assessment or review being carried out.
- 17.3 At any time following the occurrence of an Enforcement Event, the Company shall at its own cost, if requested by the Lender, appoint such persons as the Lender may specify to investigate or review the financial affairs or operations of the Company and report thereon to the Lender.

18 Costs and expenses

18.1 The Company shall pay, on a full indemnity basis, immediately on demand, all costs, charges, expenses and liabilities incurred, or to be incurred, by the Lender, any Administrator, any Receiver, any Delegate and/or any attorney, manager, agent or other person appointed by any of them in connection with:

18.1.1 the preparation, negotiation, completion, execution, registration, perfection, modification, amendment, issue of waivers and consents under, assignment, release or discharge of this Deed; and

18.1.2 the enforcement and/or attempted enforcement, preservation of rights under, exercise or purported exercise of rights under or decision as to whether to exercise rights under this Deed or actions, proceedings or claims in respect of this Deed and/or the Charged Assets,

which costs, charges and expenses shall form part of the Secured Liabilities.

18.2 The Company shall indemnify the Lender, each Administrator, each Receiver and each Delegate and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

18.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Charged Assets;

18.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the Security constituted by this Deed; or

18.2.3 any default or delay by the Company in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this Clause 18.2.

19 Avoidance of Payments

19.1 Any amount which has been paid by the Company to the Lender (or to such other person as the Lender may direct) and which is, in the opinion of the Lender, capable of being reduced or restored or otherwise avoided, in whole or in part, by virtue of any applicable law relating to winding up or insolvency for the time being in force shall not be regarded as having been irrevocably paid for the purposes of this Deed.

19.2 Any settlement, discharge or release of this Deed and/or the Secured Liabilities granted by the Lender to the Company shall be conditional upon no Security or payment to the Lender (or to such other person as the Lender may direct) by the Company or any other person or any other transaction with any such person being terminated, avoided or reduced by virtue of any applicable law relating to winding up or insolvency for the time being in force. If that happens, the Lender shall be entitled to recover the Secured Liabilities from the Company and enforce this Deed as if the settlement, discharge or release had not been given.

20 Notices

20.1 Any demand or notice given to the Company under this Deed shall be:

20.1.1 by letter addressed to the Company or any officer of the Company sent by first class post, or hand delivered, to the Company's address last known to the Lender or the Company's registered office; or

20.1.2 by fax or other electronic means to the Company's last known fax number or

electronic mail address.

20.2 If sent by post, the demand or notice will be taken to have been made or given at noon the second day following the day the letter was posted. If hand delivered, the demand or notice will be taken to have been made or given at the time of delivery thereof. If sent by fax or other electronic means, the demand or notice will be taken to have been made or given at the time of transmission.

20.3 Unless otherwise advised by the Lender any notices given by the Company to the Lender under this Deed will be delivered to the Lender by hand delivery or by registered post at:

LDF Finance No. 3 Limited
Dee House
St. David's Park
Flintshire
CH5 3XF

20.4 Any demand or notice made or given, in accordance with Clause 17.2, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

21 Delegation

21.1 The Lender, any Administrator and any Receiver may delegate (and any Delegate may sub delegate) by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

21.2 Any such delegation may be made upon any terms (including, without limitation, power to sub-delegate) which the Lender, Administrator, Receiver or Delegate may think fit.

21.3 Neither the Lender, any Administrator, any Receiver nor any Delegate will be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

22 Remedies, Waivers and Consents

22.1 No failure on the part of the Lender to exercise, and no delay on its part in exercising, any right or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

22.2 Any waiver and any consent by the Lender under this Deed shall be in writing and may be given subject to any conditions thought fit by the Lender. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

23 Changes to the Parties

23.1 The Lender may assign, transfer or otherwise dispose of all or any part of its right, title and/or interest in and to, and/or any of its obligations or liabilities under, this Deed to any person at any time.

23.2 The Company shall not be entitled to assign, transfer or otherwise dispose of all or any part of its right, title and interest in and to, nor any of its obligations or liabilities under, this Deed.

24 Miscellaneous


24.1 The Lender may disclose any information in its possession relating to the Company to its advisers or any applicable regulatory authority.

- 24.2 Without prejudice to any of its other rights, remedies or powers, the Lender shall be entitled to hold all sums which are now or which may at any time hereafter be at the credit of any account or accounts in the name of the Company with the Lender as security for the Secured Liabilities and to apply, at any time, without notice to the Company any such sums in and towards discharge of the Secured Liabilities. The Lender is not obliged to exercise its rights under this Clause 24.2, which shall be without prejudice, and in addition, to any right of set-off, compensation, combination of accounts, lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).
- 24.3 If any subsequent charge or other interest affects any Charged Asset in breach of the terms of this Deed, the Lender may open a new account with the Company. If the Lender does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest. As from that time all payments made to the Lender will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.
- 24.4 The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.
- 25 **Third party rights**
- Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 26 **Counterparts**
- 26.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 26.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.
- 27 **Governing Law**
- 27.1 This Deed and any dispute or claim arising out of, or in connection with, it or its subject matter or formation (including, without limitation, non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and Wales.

- 27.2 The parties hereto irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Deed or its subject matter or formation (including, without limitation, non-contractual disputes or claims). Nothing in this Clause 27 shall limit the right of the Lender to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of that other jurisdiction.

IN WITNESS WHEREOF this Deed has been duly executed and delivered as a deed on the date first above written.

Executed as a deed by Mederco (BFC)
Limited acting by




Signature of Director

STEWART DAY

Full Name of Director (Please Print)

In the presence of a witness:



CHAS ARYA

Ratio Law

Hanover House

30-32 Charlotte Street

Manchester

M1 4FD

Witness (Signature)

Witness Full Name

Witness Address

Executed as a deed by LDF Finance No. 3
Limited acting by

Signature of Director

Full Name of Director (Please Print)

In the presence of a witness:

Witness (Signature)

Witness Full Name

Witness Address