

228059/39

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01

Particulars of a charge



Companies House

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

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

☐ **What this form is NOT for**
You may not use this form to
register a charge where an
instrument is used. Use form M01

THURSDAY



A06 11/12/2014 #98

COMPANIES HOUSE

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

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

1 Company details

Company number 08284549

Company name in full ☒ Hope Construction Materials Limited (The "Chargor")

4 For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date ☒ 04/12/2014

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

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

Name ☒ THE BANK OF NEW YORK MELLON, LONDON BRANCH

Name

Name

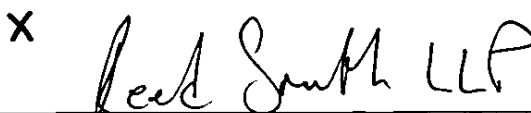
Name

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

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

MRO1

Particulars of a charge

| | | | |
|-------------------|---|---|---|
| 4 | Brief description | Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument | Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument" Please limit the description to the available space |
| Brief description | <p>The Chargor, charges by way of legal mortgage and fixed charge any freehold, leasehold or immovable property (including the following freehold property)</p> <p>✓ (1) the freehold land being land lying to the north west of Stretfield Road, Bradwell, Hope Valley with title number DY420222,</p> <p>(2) the freehold mines and minerals being within or under the parcels of land at Bradwell Moor and Far Cotes with title number DY,</p> | | |
| 5 | Other charge or fixed security | <p>Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p>✓ <input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> | |
| 6 | Floating charge | <p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p>✓ <input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input type="checkbox"/> Yes</p> | |
| 7 | Negative Pledge | <p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> | |
| 8 | Trustee statement ¹ | <p>You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge</p> <p><input type="checkbox"/></p> | ¹ This statement may be filed after the registration of the charge (use form MR06) |
| 9 | Signature | <p>Please sign the form here</p> <p>Signature</p> <p>X  X</p> <p>This form must be signed by a person with an interest in the charge</p> | |

MR01 - continuation page

Particulars of a charge

| 4 | Description |
|-------------|---|
| | Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security |
| Description | <p>(3) the freehold land on the north and south sides of Pindale Road, Hope, Hope Valley with title number DY420239,</p> <p>(4) the land on the north and south side of Castleton Road, Hope, Hope Valley with title number DY420304,</p> <p>(5) the freehold land at the back of 24 Wortley Court, Bradwell, Hope Valley (S33 9LB) with title number DY422261,</p> <p>(6) the freehold land to the south of Pindale Road, Hope, Hope Valley with title number DY449021,</p> <p>(7) the freehold land being limestone and shale at Bradwell Moor, Bradwell, Hope Valley with title number DY458293,</p> <p>(8) the freehold land on the south side of Pindale Road, Hope, Hope Valley with title number DY420277,</p> <p>(9) the freehold land at Bradwell, Hope Valley with title number DY420298,</p> <p>(10) the freehold land on the south side of Dirlow Rake, Castleton with title number DY171585,</p> <p>(11) the freehold land at Bradwell, Hope Valley with title number DY420257,</p> <p>(12) the freehold land at Bradwell Moor with title number DY203886,</p> <p>and by way of fixed charge all of the Chargor's patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered</p> |

MRO1

Particulars of a charge



Presenter information

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

Contact name Farhan Nathwani

Company name Reed Smith LLP

Address The Broadgate Tower

20 Primrose Street

Post town London

County/Region

Postcode E C 2 A 2 R S

Country United Kingdom

DX

Telephone 0203 116 3835



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

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



Important information

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



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.



Where to send

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

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

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

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



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8284549

Charge code: 0828 4549 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th December 2014 and created by HOPE CONSTRUCTION MATERIALS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th December 2014.

R

Given at Companies House, Cardiff on 16th December 2014



Companies House



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

Certified as a true copy of the
original instrument other than material
redacted pursuant to s.859G of the
Companies Act 2008

Reed Smith LLP
Reed Smith LLP

Date 9/12/2014

DATED 4 DECEMBER 2014

- (1) HOPE CONSTRUCTION MATERIALS LIMITED
(formerly Hope Valley Holdings Limited)
(as Company)
- (2) THE SUBSIDIARIES OF THE COMPANY LISTED IN
SCHEDULE 1
(as Original Chargors)
- (3) THE BANK OF NEW YORK MELLON, LONDON
BRANCH
(as Security Agent)

2014 DEBENTURE

EXECUTION VERSION

ReedSmith

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THIS DEBENTURE is dated 4 December 2014

BETWEEN:

- (1) **HOPE CONSTRUCTION MATERIALS LIMITED** (formerly Hope Valley Holdings Limited), a company incorporated in England with registered number 8284549 (the "Company"),
- (2) The Subsidiaries of the Company listed in Schedule 1 (*The Chargors*) (together with the Company, the "Original Chargors"), and
- (3) **THE BANK OF NEW YORK MELLON, LONDON BRANCH** as trustee for the Finance Parties on the terms and conditions set out in the Facility Agreement (the "Security Agent" which shall include any person for the time being appointed as trustee or as an additional trustee for the purpose of, and in accordance with, the Facility Agreement)

IT IS AGREED as follows

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined

In this Debenture:

"Accession Deed" means a deed in the form set out in Schedule 8 (*Form of Accession Deed*) by which a person will become a party to this Debenture as an Additional Chargor;

"Account" means any credit balance from time to time on any account (including the accounts specified in Schedule 6 (*Accounts*)) opened or maintained by any Chargor with the Account Bank or any other financial institution (and any replacement account or subdivision or subaccount of that account) and includes all Related Rights

"Account Bank" has the meaning given to such term in the Facility Agreement.

"Additional Chargor" means a company which creates Security over its assets in favour of the Security Agent by executing an Accession Deed;

"Administration Event" means

- (a) the presentation of an application to the court for the making of an administration order in relation to any Chargor;
- (b) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to any Chargor or files such a notice with the court; or
- (c) any person levies or attempts to levy any distress, attachment, execution or other legal process against a Charged Asset.

"Charged Assets" means all of the assets and undertaking of each Chargor, both present and future, which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Debenture

"Chargor" means the Original Chargors and each Additional Chargor

"Debt Service Reserve Account" means the account required to be maintained by the Company with the Account Bank pursuant to clause 23.22 (*Debt Service Reserve*) of the Facility Agreement.

"Environment" has the meaning given to such term in the Facility Agreement

"Environmental Law" has the meaning given to such term in the Facility Agreement.

"Environmental Permit" has the meaning given to such term in the Facility Agreement.

"Existing Debenture" means the debenture dated 6 December 2013 between the Original Obligors and the Security Agent.

"Facility Agreement" means the facility agreement originally dated 6 December 2013 as amended and restated on or about the date hereof between, inter alios, the Company as original borrower and guarantor, ICICI Bank UK PLC as arranger, The Bank of New York Mellon, London Branch as agent, The Bank of New York Mellon, London Branch as security trustee and the other parties listed therein.

"Finance Document" has the meaning given to such term in the Facility Agreement.

"Inventory" means, in relation to each Chargor, all inventory that would constitute "inventory" as such term is used in their financial statements including, without limitation, inventories of raw materials, work-in-process, finished goods, equipment, office and other supplies, parts, materials and other accessories related thereto

"Insurance Policy" means any policy of insurance (including life insurance or assurance) in which any Chargor may from time to time have an interest together with all amounts payable to such Chargor under or in connection with each of those policies and includes all Related Rights

"Intellectual Property" means in relation to a Chargor

- (a) all of the Chargor's patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered, and
- (b) the benefit of all applications and rights to use such assets of each member of the Group,

and includes all Related Rights

"Intra-Group Loan" means any loan by any Chargor as lender to any other member of the Group as borrower

"Investments" means.

- (a) the Shares,

- (b) all other shares, stocks, debentures, bonds, warrants, coupons, options, other securities and investments and rights to subscribe for other investments, and
- (c) all negotiable instruments, certificates of deposit, eligible debt securities, interests in collective investment schemes, or other investments referred to in section 22 of, and as defined in Part II of Schedule 2 to, the Financial Services and Markets Act 2000 and Part III of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, whether certificated or uncertificated, physical or dematerialised, registered or unregistered, held by the relevant Chargor or by a trustee or clearance system or nominee

which a Chargor purports to mortgage or charge under this Debenture and includes all Related Rights

"Lease" means in relation to any of the Real Property which is leasehold, the lease or leases, agreement for lease, tenancy or licence pursuant to, and in accordance with which, a Chargor holds such Real Property and any instrument supplemental to it or which is expressed to be collateral to it or entered into pursuant to or in accordance with its terms

"Legal Reservations" has the meaning given to such term in the Facility Agreement

"Plant and Machinery" means in relation to any Chargor all present and future plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress and includes all Related Rights)

"Real Property" means

- (a) any freehold, leasehold or immovable property (including the freehold property in England and Wales specified in Schedule 2 (*Real Property*)), and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property,

of each Chargor and includes all Related Rights

"Receivables" means, in relation to each Chargor, all book and other debts of any nature, and all other rights to receive money, now or in the future, due or owing to such Chargor and the benefit of all related negotiable instruments, rights, Security Interests, guarantees and indemnities of any kind, arising out of or in connection with the sale of merchandise and/or goods and services to any person in the ordinary course of business.

"Receiver" means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as the Security Agent may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment

"Related Rights" means, to the extent applicable in relation to any asset

- (a) the proceeds of sale of any part of that asset;

- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset;
- (d) any dividend, interest or other distribution paid or payable, and
- (e) any moneys and proceeds paid or payable in respect of that asset.

"Reports" means (a) the undated report titled "Part 1 Red Flags Report – B Executive Summary", (b) the undated report titled "E Real Estate", (c) the undated report titled "Appendix 5 – Detailed Real Estate Summaries", (d) the undated report titled "Co-located Sites Sellers' Titles", (e) the undated report titled "Project Shakespeare – Co-Located Sites – Detailed Real Estate Summaries", and (f) the undated report titled "Project Shakespeare – Co-located Sites – Lease/Underlease Summaries" in each case prepared by Mayer Brown LLP and provided by the Company to the Lenders

"SCB Floating Charge" means the floating charge dated 12 February 2013 created by the Original Chargers in favour of Standard Chartered Bank as in force as at 6 December 2013, the executed form of which has been provided to the Security Agent, and any renewal or replacement of that floating charge executed in favour of any provider of a Permitted Revolving Facility provided such renewal and/or replacement is granted on equivalent terms and creates a floating charge over Inventory and Receivables only

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor and grantor of Security to the Finance Parties (or any of them) under each or any of the Finance Documents together with all costs, charges and expenses incurred by any Finance Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities

"Security" means any Security Interest executed, created, evidenced or conferred by or pursuant to this Debenture.

"Security Interest" means any mortgage, charges, assignment, pledge, lien or other security interest securing any obligations of any person or any other agreement or arrangement having the effect of conferring security

"Security Period" means the period beginning on the date of this Debenture and ending on the date on which the Security Agent is satisfied that the Secured Obligations have irrevocably and unconditionally been discharged in full and all the Facility has been cancelled in full

"Shares" means all of the shares held by a Chorgor in any member of the Group (other than the Company) incorporated in England and any other shares in any member of the Group incorporated in England owned by or held by any nominee on behalf of any Chorgor including those shares specified in Schedule 3 (*Shares*).

"Specific Contracts" means

- (a) the loan agreement dated 9 October 2012 originally between Tarmac Ltd, Tarmac (South Western) Ltd and Tarmac Caledonian Ltd (the "Tarmac Lenders") and Hope Ready Mixed Concrete Limited as borrower, which such loan agreement was assigned by the Tarmac Lenders to Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) pursuant to a deed of assignment dated 7 January 2013,
- (b) the loan agreement dated 23 October 2012 originally between Lafarge Cement UK Ltd and Lafarge Aggregates Ltd (the "Lafarge Lenders") and Hope Cement Limited as borrower, which such loan agreement was assigned by the Lafarge Lenders to Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) pursuant to a deed of assignment dated 7 January 2013;
- (c) any other agreement documenting any Intra-Group Loan, and
- (d) any interest rate hedging arrangement entered into by a Chargor in connection with the Finance Documents and includes all Related Rights

"Specified Real Property" means the Real Property listed under the heading "Specified Real Property" in Schedule 2 (*Real Property*)

1.2 Terms defined in other Finance Documents

Unless defined in this Debenture, or the context otherwise requires, a term defined in the Facility Agreement or in any other Finance Document has the same meaning in this Debenture, or any notice given under or in connection with this Debenture, as if all references in those defined terms to the Facility Agreement or other Finance Document were a reference to this Debenture or that notice

1.3 Construction

Clause 1.2 (*Construction*) of the Facility Agreement will apply as if incorporated in this Debenture, or in any notice given under or in connection with this Debenture, as if all references in that Clause to the Facility Agreement were a reference to this Debenture or that notice

1.4 Disposition of Property

The terms of the Facility Agreement and each other Finance Document and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Debenture and each other Finance Document to the extent required for any purported disposition of any Property contained in any Finance Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989

1.5 Clawback

If the Security Agent considers that any amount paid or credited to any Finance Party is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Chargors under this Debenture and the Security constituted by those documents will continue and such amount will not be considered to have been irrevocably paid.

1.6 Application of provisions in Facility Agreement

Clause 28 (*The Security Agent*) of the Facility Agreement is deemed to form part of this Debenture as if expressly incorporated into it and as if all references in those clauses to the Facility Agreement were references to this Debenture

2. COVENANT TO PAY

Each Chargor covenants with the Security Agent to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms and to indemnify the Finance Parties against any losses, costs, charges, expenses and liabilities including interest thereon arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms.

3. FIXED SECURITY

3.1 General

All Security created by a Chargor under Clauses 3 and 4 inclusive is

- (a) granted in favour of the Security Agent as security trustee for the Finance Parties;
- (b) continuing security for the payment, discharge and performance of the Secured Obligations, and
- (c) granted in respect of all the right, title and interest (if any), present and future, of that Chargor in and to the relevant Charged Asset

3.2 Mortgage

Subject to Clause 11.6 (*Leasehold interests and property containing a prohibition on charging*), each Chargor charges by way of legal mortgage, all of its right, title and interest from time to time in and to the Real Property

3.3 Assignment by way of Security

- (a) Subject to Clause 11.6 (*Leasehold interests and property containing a prohibition on charging*), each Chargor assigns and agrees to assign absolutely (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 3.2 (*Mortgage*)) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same, all of its right, title and interest to from time to time in and to each of the following assets:
 - (i) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting any Chargor in respect of the Real Property,
 - (ii) any Insurance Policies and all proceeds paid or payable thereunder;

- (iii) the Accounts, and
 - (iv) each of the Specific Contracts,
- but excluding Inventory and Receivables
- (b) Each Chargor shall remain liable to perform all its obligations under the assets described in paragraphs (a)(i)-(iv) above
 - (c) Notwithstanding the other terms of this Clause 3.3, prior to the occurrence of an Event of Default which is continuing, each Chargor may, subject to the other terms of the Finance Documents, continue to exercise all and any of its rights under and in connection with the Specific Contracts

3.4 Fixed charges

Subject to Clause 11.6 (*Leasehold interests and property containing a prohibition on charging*), each Chargor charges (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 3.2 (*Mortgage*) or assigned pursuant to Clause 3.3 (*Assignment by way of Security*)) by way of fixed charge, all of its rights, title and interest from time to time in and to each of the following assets

- (a) the Real Property,
 - (b) the Accounts,
 - (c) its book and other debts and monetary claims owing to it and any proceeds of those debts and claims and all Related Rights,
 - (d) the Intellectual Property,
 - (e) the Plant and Machinery,
 - (f) any goodwill and rights and claims in relation to its uncalled share capital,
 - (g) its rights to recover any VAT on any supplies made to it relating to the Charged Assets and any sums so recovered,
 - (h) the Investments,
 - (i) any beneficial interest, claim or entitlement it has to any pension fund now or in the future; and
 - (j) each of the assets which are specified in Clause 3.3 (*Assignment by way of Security*),
- but excluding Inventory and Receivables

4. FLOATING CHARGE

4.1 Floating charge

- (a) Subject to paragraph (b), each Chargor charges by way of floating charge all present and future assets and undertaking of such Chargor other than any assets effectively charged by way of legal mortgage or fixed charge or assigned under Clauses 3.2 (*Mortgage*), 3.3 (*Assignment by way of Security*) and 3.4 (*Fixed charges*)
- (b) Whilst the SCB Floating Charge remains outstanding, the floating charge created by paragraph (a) above shall rank behind the floating charge created by the SCB Floating Charge in ranking and priority of payment in respect only of the Inventory and Receivables of the Obligors expressed to be subject to the charges created under the SCB Floating Charge
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above

4.2 Conversion of floating charge to fixed Security

- (a) Subject to paragraph (c), the Security Agent may at any time by notice to the relevant Chargor convert the floating charge constituted under Clause 4.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset (other than the Inventory and Receivables) which is the subject of the floating charge or which is specified in the notice if
 - (i) this Debenture is enforceable in accordance with Clause 13 (*When security becomes enforceable*), or
 - (ii) the Security Agent reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process
- (b) Subject to paragraph (d), in addition, without prejudice to any rule of law which may have a similar effect, the floating charge constituted under Clause 4.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets (other than the Inventory and Receivables) the subject of the floating charge upon the occurrence of an Administration Event.
- (c) Whilst the SCB Floating Charge remains outstanding and only if the SCB Floating Charge has been converted into a fixed charge, the Security Agent may then by notice to the relevant Chargor convert the floating charge constituted under Clause 4.1 (*Floating charge*) into a fixed charge as regards the Inventory and Receivables if
 - (i) this Debenture is enforceable in accordance with Clause 13 (*When security becomes enforceable*), or

- (ii) the Security Agent reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process
- (d) Whilst the SCB Floating Charge remains outstanding and only if the SCB Floating Charge has been converted into a fixed charge, without prejudice to any rule of law which may have a similar effect, the floating charge over the Inventory and Receivables constituted under Clause 4.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards the Inventory and Receivables upon the occurrence of an Administration Event

5. RESTRICTIONS ON DEALING

No Chargor may

- (a) create or allow to exist any Security Interest on any of its assets, or
- (b) either in a single transaction or in a series of transactions and whether related or not and whether voluntarily or involuntarily sell, transfer, licence lease or otherwise dispose of all or any part of its assets,

unless expressly permitted under the Facility Agreement.

6. REAL PROPERTY

6.1 Reports

Each Chargor represents and warrants to the Security Agent that, to the best of its knowledge, the Reports provided by the Company to the Security Agent prior to the date of this Debenture are true, correct and complete copies of the original

6.2 Title

Each Chargor represents and warrants to the Security Agent that it is the legal and beneficial owner of its Real Property and its Real Property, other than any Security Interest granted under the Existing Debenture, is held by it free from any Security Interest, encumbrance, restriction or any lease or licence which would be likely to materially and adversely affect the enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted under this Debenture, or the rights and remedies of the Security Agent hereunder

6.3 Acquisitions

If a Chargor acquires any freehold or leasehold property after the date of this Debenture, it must

- (a) notify the Security Agent promptly;
- (b) promptly on request by the Security Agent and at the cost of that Chargor, but only where the value of such acquired freehold or leasehold property is in excess of

£5,000,000, execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of that property in any form (consistent with this Debenture) which the Security Agent may require (taking into account the Agreed Security Principles as defined in the Facility Agreement),

- (c) if the title to that freehold or leasehold property is registered at H M Land Registry or required to be so registered, give H.M Land Registry written notice of this Security and any mortgage granted pursuant to paragraph (b) above, and
- (d) if applicable, ensure that this Security and any mortgage granted pursuant to paragraph (b) above is correctly noted in the Register of Title against that title at H.M Land Registry

6.4 Investigation of title

Each Chargor must grant the Security Agent or its agents or advisers on request all facilities within the power of that Chargor to enable the Security Agent or its agents or advisers (at the expense of that Chargor) after the Security has become enforceable to

- (a) carry out investigations of title to the Real Property, and
- (b) make such enquiries in relation to any part of the Real Property as a prudent mortgagee might carry out.

7. INVESTMENTS

7.1 Certificated Investments

As soon as possible after its acquisition of any certificated Investment unless such documents are already in the possession of the Security Agent under the terms of the Existing Debenture, each Chargor

- (a) must promptly deposit with the Security Agent, or as the Security Agent may direct, any bearer instrument, share certificate or other document of title or evidence of ownership in relation to that Investment, and
- (b) must promptly take any action and execute and deliver to the Security Agent any share transfer or other document which may be requested by the Security Agent in order to enable the transferee to be registered as the owner or otherwise obtain legal title to that Investment, this includes,
 - (i) delivering executed share transfers in favour of the Security Agent or any of its nominees as transferee or, if the Security Agent so directs, with the transferee left blank, and
 - (ii) procuring that those share transfers are registered by the company in which the Investments are held and that share certificates in the name of the transferee are delivered to the Security Agent.

For the avoidance of doubt, the Security Agent will not require any Investment to be transferred into the name of the Security Agent as owner or otherwise obtain a legal title to an Investment prior to the Security becoming enforceable

7.2 Calls

- (a) Each Chargor must pay all calls and other payments due and payable in respect of any of its Shares.
- (b) If a Chargor fails to do so, the Security Agent may pay those calls or other payments on behalf of that Chargor. That Chargor must promptly on request reimburse the Security Agent for any payment made by the Security Agent under this 7.2(b) and, pending reimbursement, that payment will constitute part of the Secured Obligations.

7.3 Other obligations in respect of Investments

- (a) Each Chargor must comply with all requests for information which is within its knowledge and which are made under any law or regulation or by any listing or other authority or any similar provision contained in any articles of association or other constitutional document relating to any of its Shares. If a Chargor fails to do so, the Security Agent may elect to provide any information which it may have on behalf of that Chargor.
- (b) Each Chargor must promptly supply a copy to the Security Agent of any information referred to in Clause 7.3(a) above.
- (c) Each Chargor must comply with all other conditions and obligations assumed by it in respect of any of its Shares.
- (d) No Finance Party will be required in any manner to
 - (i) perform or fulfil any obligation of a Chargor,
 - (ii) make any payment,
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or a Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount,in respect of any Share or other Investment.

7.4 Voting rights and dividends

- (a) Subject to Clause 7.5 (*Voting Rights*) below, unless this Security has become enforceable, each Chargor shall be entitled to

- (i) receive all dividends, interest and other monies arising from the Investments, and
 - (ii) exercise all voting rights in relation to the Investments
- (b) At any time after the Security has become enforceable, the Security Agent may, at its discretion, (in the name of the relevant Chargor or otherwise and without any further consent or authority from such Chargor)
 - (i) exercise (or refrain from exercising) any voting rights in respect of the Investments,
 - (ii) apply all dividends, interest and other monies arising from the Investments
 - (iii) in accordance with Clause 17 (*Application of Moneys*),
- (c) transfer the Investments into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require, and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Investments, including the right, in relation to any company whose shares or other securities are included in the Investments, to concur or participate in
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof),
 - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities, and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities, in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Investments

7.5 Voting Rights

No Chargor shall exercise its voting rights in relation to the Shares in any manner which would be likely to materially and adversely affect the enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted in respect of the Shares under this Debenture, or the rights and remedies of the Security Agent hereunder

8. ACCOUNTS

8.1 Accounts

The initial Account Bank is The Bank of New York Mellon, London Branch unless otherwise agreed between the Agent and the Company

8.2 Change of Account Bank

- (a) If there is a change of Account Bank, the net amount (if any) standing to the credit of the Accounts maintained with the old Account Bank will be transferred to the corresponding Accounts maintained with the new Account Bank promptly upon the appointment taking effect and each Chargor hereby irrevocably gives all authorisations and instructions necessary for any such transfer to be made
- (b) Each Chargor
 - (i) must take any action which the Security Agent may require to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms), and
 - (ii) irrevocably appoints the Security Agent as its attorney to take any such action if that Chargor should fail to do so

8.3 Book debts and receipts

Each Chargor must get in and realise its book and other debts and other moneys owed to it in the ordinary course of its business

8.4 Withdrawals

- (a) Except with the prior consent of the Security Agent or as provided below, no Chargor may withdraw any moneys (including interest) standing to the credit of
 - (i) the Debt Service Reserve Account,
 - (ii) the Mandatory Prepayment Account except as permitted or required by the Facility Agreement, or
 - (iii) any Holding Account (other than the Mandatory Prepayment Account) except as permitted or required by the Facility Agreement
- (b) Before this Security has become enforceable, the Security Agent may withdraw amounts standing to the credit of the Mandatory Prepayment Account in accordance with the Facility Agreement
- (c) After this Security has become enforceable, the Security Agent or the Agent may withdraw amounts standing to the credit of any Account to meet amounts due and payable by any Chargor whether under the Finance Documents or otherwise

9. PLANT AND MACHINERY

After this Security has become enforceable, each Chargor must take any action which the Security Agent may reasonably require to evidence the interest of the Security Agent in its

Plant and Machinery, this includes fixing a nameplate on its Plant and Machinery in a prominent position stating that.

- (a) the Plant and Machinery is charged in favour of the Security Agent, and
- (b) the Plant and Machinery must not be disposed of without the prior consent of the Security Agent unless permitted under the Facility Agreement

10. INSURANCES

10.1 Rights

- (a) Subject to the rights of the Security Agent under paragraph (b) below, each Chargor must, to the extent commercially reasonable, diligently pursue its rights under each of its Insurances, but only if and to the extent that the exercise of those rights in the manner proposed would not result in a Default under the terms of the Facility Agreement.
- (b) After this Security has become enforceable
 - (i) the Security Agent may exercise (without any further consent or authority on the part of any Chargor and irrespective of any direction given by any Chargor) any of the rights of any Chargor in connection with any amounts payable to it under any of its Insurances;
 - (ii) each Chargor must take such steps (at its own cost) as the Security Agent may require to enforce those rights, this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor; and
 - (iii) each Chargor must hold any payment received by it under any of its Insurances (excluding proceeds of any third party liability insurances paid to the Chargor to meet third party claims) on trust for the Security Agent.

11. PROVISIONS AS TO SECURITY

11.1 Notice of assignment: Leases

Each Chargor will

- (a) immediately after this Security has become enforceable join the Security Agent in giving notice to all landlords, tenants and other persons which are parties to any Leases, of the fixed Security constituted under this Debenture in respect of any such Lease such notice being in the form set out in Part 1 of Schedule 5 (*Notice of Assignment*).
- (b) immediately after this Security has become enforceable use all reasonable endeavours to procure from each of the landlords, tenants, and other persons referred to in paragraph (a) above an acknowledgement in the form set out in Part 2 of Schedule 5

(*Acknowledgement of Assignment*) or otherwise in the form set out in the relevant notice of assignment

11.2 Notice of Security: Insurance Policies

Each Chargor will

- (a) immediately after this Security has become enforceable give notice to each insurer party to each of the Insurance Policies by sending a notice substantially in the form set out in Part 1 of Schedule 5 (*Notice of Assignment*), and
- (b) immediately after this Security has become enforceable use all reasonable endeavours to procure that each such other party delivers a letter undertaking to the Security Agent in the form set out in Part 2 of Schedule 5 (*Acknowledgement of Assignment*)

11.3 Notice of Security: Accounts

Each Chargor will

- (a) promptly following the date of this Deed in respect of the Mandatory Prepayment Account and Debt Service Reserve Account give notice to the relevant bank, building society, financial institution or other person of the assignment constituted by this Debenture and the fact that such accounts may not be operated without the written consent of the Security Agent.
- (b) immediately after this Security has become enforceable in relation to each Account, give notice to the relevant bank, building society, financial institution or other person of the assignment constituted under this Debenture, the notice being in the form set out in Part 1 of Schedule 6 (*Notice of Security to Approved Bank*)
- (c) immediately after this Security has become enforceable each use all reasonable endeavours to procure from the relevant bank, building society or other financial institution, an acknowledgement of receipt of such notice in the form set out in Part 2 of Schedule 6 (*Acknowledgement of Security by Approved Bank*)

11.4 Notice of Security: Specific Contracts

Each Chargor will

- (a) immediately after this Security has become enforceable in relation to each Specific Contract, give notice to the relevant counterparty to such Specific Contract of the assignment constituted under this Debenture, the notice being in the form set out in Part 1 of Schedule 7 (*Notice of Assignment of Specific Contract*)
- (b) immediately after this Security has become enforceable use all reasonable endeavours to procure from the relevant counterparty to such Specific Contract, an acknowledgement of receipt of such notice in the form set out in Part 2 of Schedule 7 (*Acknowledgement of Assignment of Specific Contract*).

11.5 Notices of Security: other assets

Immediately after this Security has become enforceable each Chargor shall join the Security Agent in giving notices of assignment or charge (in such form as may be specified by the Security Agent) in respect of any asset (other than those specified in Clause 11.1 (*Notices of assignment Leases*), Clause 11.2 (*Notices of assignment Insurance Policies*), Clause 11.3 (*Notices of Accounts*) and Clause 11.4 (*Notices of Security Specific Contracts*)) which is the subject of an assignment or charge pursuant to Clause 3 (*Fixed Security*) promptly upon the request of the Security Agent from time to time and will use all reasonable endeavours to procure from the recipient of those notices, an acknowledgement in a form satisfactory to the Security Agent.

11.6 Leasehold interests and property containing a prohibition on charging

- (a) There shall be excluded from the charges created by Clause 3 (*Fixed Security*) (and the further assurance provisions set out in Clause 12 (*Further Assurance*))
 - (i) any leasehold property held by any Chargor under a lease, licence or other arrangement and any other property where the freehold is not owned and where the terms of such lease, licence or other arrangement either preclude absolutely the relevant Chargor from creating any charge over its leasehold or other interest in such property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained, and
 - (ii) any other property where the relevant terms either preclude absolutely the relevant Chargor from creating any Security Interest over its interest in such property, or require the consent of any third party prior to the creation of such Security Interest and such consent shall not have been previously obtained.
- (b) If any charge created by this Deed breaches the terms of any lease under which the relevant Chargor holds any leasehold property or any terms governing the relevant property as described in Clause 11.6(a), such breach shall not in turn constitute a breach of any of the representations and warranties given by any Chargor in the Finance Documents.

11.7 Delivery of share certificates

The Chargor shall, unless such documents are already in the possession of the Security Agent under the terms of the Existing Debenture

- (a) on the date of this Debenture, deposit with the Security Agent (or procure the deposit of) all certificates or other documents to title to the Shares and stock transfer forms (executed in blank by it or on its behalf), and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Investments, notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (a) all certificates or other documents of title representing such items and (b) such stock transfer forms or

other instruments of transfer (executed in blank on its behalf) in respect thereof as the Security Agent may request

11.8 Deposit of title deeds

Each Chargor shall

- (a) immediately after this Security has become enforceable deposit with the Security Agent all deeds, certificates and other documents (if any) constituting or evidencing title to the Charged Assets, and
- (b) deposit with the Security Agent at any time thereafter any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items.

11.9 Application to the Land Registry

Each Chargor hereby consents to an application being made to the Land Registry to enter a restriction in the proprietorship register of any registered land at any time forming part of the Specified Real Property set out in Schedule 2 (*Real Property*)

11.10 Further Loans

- (a) Subject to the terms of the Facility Agreement, each Lender is under an obligation to make further Loans to the Chargors, and that obligation will be deemed to be incorporated in this Debenture as if set out in this Debenture
- (b) Each Chargor consents to an application being made to the Land Registry to enter notice of the obligation to make further Loans on the Charges Register of any registered land forming part of the Charged Assets

12. FURTHER ASSURANCE

12.1 Further assurance

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (a) below
- (b) Each Chargor shall promptly, at its own cost, do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s)
 - (i) to perfect the Security created or intended to be created in respect of the Charged Assets (which may include the execution by such Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Assets) or for the exercise of any the rights,

powers and remedies of the Security Agent provided by or pursuant to this Debenture or by law,

- (ii) to confer on the Security Agent security over any asset or undertaking of such Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Debenture, and/or
- (iii) after the Security has become enforceable, to facilitate the realisation of the Charged Assets.

12.2 Necessary Action

Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary or as may reasonably be requested by the Security Agent for the purpose of the creation, perfection, protection or maintenance of any Security

13. WHEN SECURITY BECOMES ENFORCEABLE

13.1 Timing

This Security will become immediately enforceable any time after the occurrence of

- (a) an Event of Default that is continuing; or
- (b) an Administration Event.

13.2 Enforcement

After this Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit or as the Majority Lenders direct.

14. ENFORCEMENT OF SECURITY

14.1 General

- (a) For the purposes of all powers implied by law, the Secured Obligations are deemed to have become due and payable on the date of this Debenture.
- (b) The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise on execution of this Debenture
- (c) Any restriction imposed by law on the power of sale (including under section 103 of the Law of Property Act 1925) or the right of a mortgagee to consolidated mortgages (including under section 93 of the Law of Property Act 1925) does not apply to this Security

- (d) Any powers of leasing conferred on the Security Agent by law are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders or leases and grant options as the Security Agent may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the Law of Property Act 1925)

14.2 No liability as mortgagee in possession

None of the Security Agent, any Receiver nor a nominee of either of them will be liable, by reason of entering into possession of a Charged Asset

- (a) to account as mortgagee in possession or for any loss on realisation, or
 - (b) for any default or omission for which a mortgagee in possession might be liable,
- except in the case of gross negligence or wilful default on its part.

14.3 Privileges

Each Receiver, the Security Agent or a nominee of a Receiver of the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by law (including the Law of Property Act 1925) on mortgagees and receivers duly appointed under any law (including the Law of Property Act 1925).

14.4 Protection of third parties

No person (including a purchaser) dealing with the Security Agent or a Receiver or its or his agents will be concerned to enquire

- (a) whether the Secured Obligations have become payable,
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised,
- (c) how any money paid to the Security Agent or to that Receiver is to be applied

14.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Security Agent may
 - (i) redeem any prior Security Interest against any Charged Asset and/or
 - (ii) procure the transfer of that Security Interest to itself or its nominee, and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor

- (b) Each Chargor must pay to the Security Agent, promptly on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

14.6 Right of appropriation

To the extent that the provisions of the Financial Collateral Arrangements (No 2) Regulations 2003 apply to a Charged Asset, the Security Agent shall have the right to appropriate all or any part of that Charged Asset in or towards the payment or discharge of the Secured Obligations. For this purpose, a commercially reasonable method of valuing a Charged Asset shall be

- (a) in the case of cash on account in an Account, the amount standing to the credit of that Account, together with any accrued interest, at the time of appropriation, and
- (b) in the case of any Investments, their market value determined by the Security Agent by reference to a public index, independent valuation or by such other process as the Security Agent may select

14.7 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 13.2 (*Enforcement*) or Clause 4.2 (*Conversion of floating charge to fixed security*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986

15. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

15.1 Appointment and removal

After this Security has become enforceable the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent), without prior notice

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets, or
- (b) appoint two or more Receivers of separate parts of the Charged Assets, or
- (c) remove (so far as it is lawfully able) any Receiver so appointed, or
- (d) appoint another person(s) as an additional or replacement Receiver(s), or
- (e) appoint one or more persons to be an administrator of the Chargor(s).

15.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 15.1 (*Appointment and removal*) shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver,
- (b) for all purposes deemed to be the agent of the Chargor(s) which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent, and
- (c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925)

15.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Debenture) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets

16. POWERS OF RECEIVERS

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the relevant Chargor) have and be entitled to exercise, in relation to the Charged Assets, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of the relevant Chargor or in his own name and, in each case, at the cost of the relevant Chargor):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the relevant Chargor itself could do or omit to do, and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of the relevant Chargor) which seem to the Receiver to be incidental or conducive to
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him,
 - (ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed), or

- (iii) bringing to his hands any assets of the relevant Chargor forming part of, or which when got in would be, Charged Assets.

17. APPLICATION OF MONEYS

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the Facility Agreement.

18. EXPENSES AND INDEMNITY

18.1 General

Except as provided in clause 13.3 (*Agency fees*) of the Facility Agreement, but otherwise without in any way limiting the terms of the Facility Agreement each Chargor must:

- (a) promptly on demand pay all costs and expenses (including reasonable legal fees) incurred in connection with this Debenture by the Security Agent, Receiver, attorney, manager, agent or other person appointed by the Security Agent under this Debenture, and
- (b) keep each of those persons indemnified against any loss or liability incurred by it in connection with any litigation, arbitration or administrative proceedings concerning this security, this includes any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise

18.2 Currency Indemnity

- (a) Each Chargor must, as an independent obligation, indemnify the Security Agent against any loss or liability which the Security Agent incurs as a consequence of
 - (i) the Security Agent receiving an amount in respect of an Obligor's liability under the Finance Documents, or
 - (ii) that liability being converted into a claim, proof, judgement or order,in a currency other than the currency in which the amount is expressed to be payable under the relevant Finance Document.
- (b) Unless otherwise required by law, each Chargor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable

19. PROTECTION OF PURCHASERS

19.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

20. PROTECTION OF PURCHASERS

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The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

20.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings

21. POWER OF ATTORNEY

21.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all other documents and do all things which the attorney may consider to be required or desirable for

- (a) carrying out any obligation imposed on such Chargor by this Debenture or any other agreement binding on such Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Assets and perfecting the security created or intended to be created in respect of the Charged Assets); and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or by law (including, after this Debenture has become enforceable in accordance with Clause 13 (*When security becomes enforceable*), the exercise of any right of a legal or beneficial owner of the Charged Assets)

21.2 Ratification

The Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

22. EFFECTIVENESS OF SECURITY

22.1 Continuing security

- (a) The Security shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Agent
- (b) No part of the Security will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

22.2 Cumulative rights

The Security shall be cumulative, in addition to and independent of every other Security Interest which the Security Agent or any Finance Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior Security Interest held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Finance Parties over the whole or any part of the Charged Assets shall merge into the Security.

22.3 No prejudice

The Security shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to any Chargor or any other person, or the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Finance Parties or by any variation of the terms of the trust upon which the Security Agent holds the Security or by any other thing which might otherwise prejudice that Security.

22.4 Remedies and waivers

No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture, shall operate as a waiver of those rights, powers and remedies, nor shall any single or partial exercise of any such rights, powers and remedies preclude any further or other exercise of that or any other rights, powers and remedies.

22.5 Partial invalidity

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

22.6 Waiver of defences

The obligations of, and the Security created by, each Chargor under this Debenture will not be affected by any act, omission, matter or thing which, but for this Clause 22.6, would reduce, release or prejudice any of its obligations under, or the Security created by, this Debenture and whether or not known to such Chargor or any Finance Party including

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person,
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any Obligor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security,
- (d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person,
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security or of the Secured Obligations;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security or of the Secured Obligations, and
- (g) any insolvency or similar proceedings.

22.7 Immediate recourse

Each Chargor waives any right it may have of first requiring a Finance Party (or any trustee or Security Agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from such Chargor under this Debenture. This waiver applies irrespective of any law or any provision of this Debenture to the contrary.

22.8 Deferral of rights

Until the end of the Security Period, no Chargors will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture

- (a) to be indemnified by an Obligor;

- (b) to claim any contribution from any guarantor of any Obligor's obligations under this Debenture, and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Finance Parties under this Debenture or of any other guarantee or Security taken pursuant to, or in connection with, this Debenture by any Finance Party

22.9 Release of Chargors' right of contribution

If any Chargor ceases to be a Chargor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Chargor:

- (a) that Chargor will be released by each other Chargor from any liability whatsoever to make a contribution to any other Guarantor arising by reason of the performance by any other Chargor of its obligations under the Finance Documents, and
- (b) each other Chargor will waive any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Finance Party or of any other security taken under, or in connection with, any Finance Document where the rights or security are granted by or in relation to the assets of the retiring Chargor

22.10 Collateral Security

Where any Security initially takes effect as a collateral or further Security to another Security intended to be constituted under this Debenture or which otherwise secures all or any part of the Secured Obligations to which a Chargor is a party then, despite any receipt, release or discharge endorsed on or given in respect of or under the second mentioned Security, the first mentioned Security will operate as an independent Security

23. PRIOR SECURITY INTERESTS

- (a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Debenture, the Security Agent may redeem such prior Security Interest or procure the transfer thereof to itself
- (b) The Security Agent may settle and agree the accounts of the prior Security Interest and any accounts so settled and passed will be conclusive and binding on the Chargors.
- (c) All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Chargors to the Security Agent on demand together with accrued interest thereon as well as before judgement at the rate from time to time applicable to unpaid sums specified in the Facility Agreement from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgement)

24. SUBSEQUENT SECURITY INTERESTS

If the Security Agent or any of the other Finance Parties at any time receives or is deemed to have received notice of any subsequent Security Interest, assignment or transfer affecting the Charged Assets or any part of the Charged Assets which is prohibited by the terms of any Finance Document, all payments thereafter by or on behalf of any Chargor to the Security Agent will (in the absence of any express contrary appropriation by the Chargor) be treated as having been credited to a new account of such Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received

25. SUSPENSE ACCOUNTS

All monies received, recovered or realised by the Security Agent under this Debenture (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Secured Obligations

26. RELEASE OF SECURITY

- (a) Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Chargors, take whatever action is necessary to release and cancel the security constituted by this Debenture and procure the reassignment to the Chargors of the property and assets assigned to the Security Agent pursuant to this Debenture and return all deeds of title delivered under this Debenture, in each case without recourse to, or any representation or warranty by, Security Agent or any of its nominees
- (b) Prior to the Security constituted under this Debenture becoming enforceable, if a member of the Group (other than the Company) is or is proposed to be the subject of a disposal to a person outside of the Group which is not prohibited by the Facility Agreement, then where that member of the Group or any of its Subsidiaries created Security over any of its assets (including shares in any of its Subsidiaries) or business in favour of the Security Agent, or Security in favour of the Security Agent was created over the shares (or equivalent membership interests) of that member of the Group or any of its Subsidiaries, the Security Agent will (acting on the instructions of the Majority Lenders), at the costs and request of the Company, release those assets, business or shares (or other equivalent membership interests) and any guarantees and related liabilities and issue certificates of non-crystallisation of any floating charge and de-register the Security from the relevant registers
- (c) Prior to the Security constituted under this Debenture becoming enforceable, if a member of the Group disposes of an asset where that disposal is permitted under the Facility Agreement or has otherwise been approved by the Majority Lenders, the Security Agent will (acting on the instructions of the Majority Lenders), at the request and cost of the Company, release those assets from the Security and issue certificates of non-crystallisation of any floating charge and de-register the Security from the relevant registers

- (d) Any release of Security referred to in paragraphs (b) or (c) above shall only become effective on the making of the relevant disposal

27. NOTICES

Any communication under this Debenture or any other Finance Document created by or under this Debenture shall be made and given in accordance with the terms of clause 35 (*Notices*) of the Facility Agreement.

28. COUNTERPARTS

This Debenture may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument

29. PERPETUITY PERIOD

The perpetuity period applicable to the trusts created by this Debenture is one hundred and twenty five years

30. GOVERNING LAW

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

THIS DEBENTURE has been executed as, and is intended to take effect as a deed by the Chargors and has been signed by the Security Agent on the date written on the first page of this Debenture

SCHEDULE 1

The Chargors

| Name | Jurisdiction | Registered No. |
|-----------------------------------|---------------------|-----------------------|
| Hope Ready Mixed Concrete Limited | England | 08132394 |
| Hope Cement Limited | England | 08134185 |

SCHEDULE 2

Real Property

Specified Real Property

| <i>Chargor</i> | <i>Address/description of land</i> | <i>Title No.</i> |
|--|--|------------------|
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land being land lying to the north west of Stretfield Road, Bradwell Hope Valley | DY420222 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold mines and minerals being within or under the parcels of land at Bradwell Moor and Far Cotes | DY393873 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land on the north and south sides of Pindale Road, Hope, Hope Valley | DY420239 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Land on the north and south sides of Castleton Road, Hope, Hope Valley | DY420304 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land at the back of 24 Wortley Court, Bradwell, Hope Valley (S33 9LB) | DY422261 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land lying to the south of Pindale Road, Hope, Hope Valley | DY449021 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land being limestone and shale at Bradwell Moor, Bradwell, Hope Valley | DY458293 |
| Hope Construction Materials | Freehold land on the south side of Pindale Road, Hope, Hope | DY420277 |






| | | |
|--|---|----------|
| Limited (formerly Hope Valley Holdings Limited) | Valley | |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land at Bradwell, Hope Valley | DY420298 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land on the south side of Dirlow Rake, Castleton | DY171585 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land at Bradwell, Hope Valley | DY420257 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Freehold land at Bradwell Moor | DY203886 |

SCHEDULE 3

Shares

| Chargor | Name of company in which shares are held | Class of shares held | Number of shares held |
|--|--|----------------------|-----------------------|
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Hope Ready Mixed Concrete Limited | Ordinary | 1 |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Hope Cement Limited | Ordinary | 1 |

SCHEDULE 4**Accounts**

| Charger | Bank | Account Number |
|--|--|--|
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | UBS AG Paradeplatz 6, CH-8098, Zurich |  |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | HSBC Bank plc Pall Mall, London |  |
| Hope Ready Mixed Concrete Limited | Barclays Bank PLC 1 Churchill Place, Canary Wharf, London E14 5HP |  |
| Hope Cement Limited | Barclays Bank PLC 1 Churchill Place, Canary Wharf, London E14 5HP |  |
| Hope Construction Materials Limited (formerly Hope Valley Holdings Limited) | Barclays Bank PLC 1 Churchill Place, Canary Wharf, London E14 5HP |  |

SCHEDULE 5

ASSIGNMENT

Part 1

Notice of Assignment

To [Headlease holder/tenant/Insurer]

Date []

Dear Sirs,

We give you notice that, by a debenture dated [] (the "Debenture"), we charged by way of [equitable assignment/fixed charge] to [] (the "Security Agent") as trustee for the Finance Parties all our right, interests and benefits in, to and under [the *describe Lease*] dated [] between [] relating to [] (including all monies payable thereunder and the proceeds of all claims and judgments for breach of covenant) (the "Lease")] OR [the *describe Insurance Policy*] policy number effected by us or whomsoever in relation to the risk to [describe Property] (including all monies payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy of insurance (the "Policy")]

We will remain liable to perform all our obligations under the [Lease/Policy] and the Security Agent is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by us to perform our obligations under the [Lease/Policy]

We irrevocably instruct and authorise you to pay all payments under or arising under the [Lease/Policy] to our account called "• - [Disposal Proceeds/Deposit/Rental Income] Account", Account number [] sort code [] It is very important that you make all immediate arrangements for all sums payable by you under the [Lease/Policy] to be paid to this account

Please note that

- 1 all remedies provided for under the [Lease/Policy] or available at law or in equity are exercisable by the Security Agent;
- 2 all rights to compel performance of the [Lease/Policy] are exercisable by the Security Agent; and
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the [Lease/Policy] belong to the Security Agent.

This letter is governed by and will be construed in accordance with the laws of England. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us

Yours faithfully

[]

Part 2
Acknowledgement of Assignment

To []
 as Security Agent

Date []

Dear Sirs

We confirm receipt from [] (the "Chargor") of a notice dated [] of a charge by way of [equitable assignment/fixed charge] upon the terms of a debenture dated [] (the "Debenture") to [] (the "Security Agent") as trustee for the Finance Parties of all the Chargor's right, interest and benefit in, to and under the [Lease/Policy] (as specified in that notice) to which we are a party.

We confirm that we have not received notice of

- (a) any assignment or charge of or over any of the rights, interests and benefits specified in such notice, or
- (b) the interest of any third party in any of the rights, interests and benefits specified in such notice

We further confirm that

- 1 no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Security Agent,
- 2 no termination of such rights, interests or benefits will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination and specifying the action necessary to avoid such termination,
- 3 the Chargor will remain liable to perform all its obligations under the [Lease/Policy] and the Security Agent is under no obligation of any kind whatsoever under the [Lease/Policy] nor under any liability whatsoever in the event of any failure by the Chargor to perform its obligations under the [Lease/Policy]; and
- 4 no breach or default on the part of the Chargor of any of the terms of such [Lease/Policy] will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach

We confirm that we have made all necessary arrangements for all future payments payable under such [Lease/Policy] to be made into the account specified in the notice.

We unconditionally and irrevocably waive all rights of set-off, lien, combination of accounts and similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by the Chargor (and the proceeds thereof) and we will send you copies of all statements, orders and notices given by us relating to such debt.

This letter is governed by and will be construed in accordance with the laws of England.

Yours faithfully

SCHEDULE 6

Accounts

Part 1

Notice of Security to Account Bank

To [Account Bank/other financial institution]

Date []

Dear Sirs

We give you notice that, by a debenture dated [] (the "Debenture"), we charged by way of [equitable assignment/fixed charge] to [] (the "Security Agent") as trustee for the Finance Parties any accounts and all monies (including interest) from time to time standing to the credit of those accounts with any bank, building society, financial institution or other person and the debt or debts represented thereby

The account[s] maintained with your [bank/building society/financial institution/other] [is/are]

Account Name[s]. []

Sort Code[s]. []

Account No[s] []

We irrevocably instruct and authorise you to disclose to the Security Agent without any reference to or further authority from us and without any inquiry by you as to the justification for such disclosure, such information relating to [any] account[s] maintained with you from time to time as the Security Agent may request you to disclose to it

By countersigning this notice, the Security Agent authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the above named account(s) until.

- (a) you receive notice in writing to the contrary from the Security Agent,
- (b) a petition is presented for a winding-up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first)

This letter is governed by and will be construed in accordance with the laws of England. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us

Yours faithfully

[]

Part 2
Acknowledgement of Security by Account Bank

To []
 as Security Agent

Date []

Dear Sirs

We confirm receipt from [] (the "Chargor") of a notice dated [] of a charge by way of [equitable assignment/fixed charge] upon the terms of a debenture dated [] (the "Debenture") of all moneys (including interest) from time to time standing to the credit of the Chargor's account[s] (as specified therein) (the " Account[s]") which [is/are] maintained with us and the debt or debts represented thereby

We unconditionally and irrevocably waive all rights of set-off, lien, combination or consolidation of accounts, security in respect of any Account[s] and similar rights (however described) which we may have now or in the future in respect of [each of] the Account[s] or the balance thereon to the extent that such rights relate to amounts owed to us by the Chargor other than the amounts owed in connection with the operation of the Account[s] referred to below

Account Name[s] []

Sort Code[s]: []

Account No[s] []

We confirm that we have not received notice of the interest of any third party in [any of] the Account[s]

This letter is to be governed by and will be construed in accordance with the laws of England

Yours faithfully

[Account Bank/other financial institution]

cc []

SCHEDULE 7
SPECIFIC CONTRACTS

PART 1
Notice of Assignment of Specific Contracts

To []

Date []

Dear Sirs,

We hereby give you notice that we have assigned to [] ("Security Agent") pursuant to a debenture entered into by us in favour of the Security Agent dated [] (the "Debenture") all our right, title and interest in and to [details of contract] (the "Contract") including all moneys which may be payable in respect of the Contract

With effect from your receipt of this notice.

- 1 all payments by you to us under or arising from the Contract should be made to us until such time as you receive notice from the Security Agent instructing you otherwise ("Payment Notice") Upon receipt of a Payment Notice we instruct you to comply with all payment instructions in respect of any payments to be made under or arising from the Contract as set out in the Payment Notice,
- 2 and upon your receipt of notice from the Security Agent that the Security (as defined in the Debenture) has become enforceable, all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Agent (provided that the Security Agent shall have no greater rights under this letter than we have under the Contract),
- 3 and upon your receipt of notice from the Security Agent that the Security has become enforceable, all rights to compel performance of the Contract are exercisable by the Security Agent although the Company shall remain liable to perform all the obligations assumed by it under the Contract,
- 4 and upon your receipt of notice from the Security Agent that the Security has become enforceable, all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Security Agent to the exclusion of the Company and no changes may be made to the terms of the Contract otherwise than as provided for in the Facility Agreement (as defined in the Debenture);
- 5 you are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Contract as it may from time to time request, and
6. these instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Security Agent.

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

Part 2

Acknowledgement of Assignment by Contract counterparty

To: []

We acknowledge receipt of a notice in the terms set out above and confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits in and to the Contract and that we will comply with the terms of that notice

We further confirm that

no amendment, waiver or release of any of such rights, interests and benefits arising under the Contract shall be effective without the prior written consent of the Security Agent, unless it is of a minor technical or non-operational nature or in any way which could not be reasonably expected materially and adversely to affect the interests of the Security Agent,

For and on behalf of []

By

Dated

cc Chargor

SCHEDULE 8

Form of Accession Deed

This Deed is made on []

Between

- (1) [] (registered in England with number [] for itself and for the Chargors (the “Company”);
- (2) [] (registered in England with number [] (the “Acceding Chargor”); and
- (3) [] as security trustee for the Finance Parties (the “Security Agent”),

Whereas

- (A) This Deed is supplemental to a debenture dated • between, inter alia, the Company, the Chargors and the Security Agent (the “Debenture”)
- (B) [The Acceding Chargor has also entered into an Accession Deed to the Facility Agreement on or about the date of this Security Accession Deed and by doing so appoints the Company as its agent on the terms set out in the Accession Deed]

It is agreed

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

- (a) Save to the extent otherwise defined in this Deed, terms defined in the Debenture have the same meaning when used in this Deed
- (b) In this Deed, “Subsidiary Shares” means all shares present and future held by the Acceding Chargor or its Subsidiaries including those listed in Schedule 3 (*Shares*) to this Deed

1.2 Interpretation

Clauses 1 2 (*Terms defined in other Finance Documents*), 1 3 (*Construction*), 1 4 (*Intercreditor Agreement*), 1 4 (*Disposition of Property*) and 1 5 (*Clawback*) of the Debenture are incorporated in this Deed as if they were set out in full in this Deed, but so that references in those clauses to “this Debenture” shall be construed as reference to this Accession Deed

2. ACCESSION OF ACCEDING CHARGOR

2.1 Accession

The Acceding Chargor agrees to be a Chargor for the purposes of the Debenture with immediate effect and agrees to be bound by all the terms of the Debenture as if it had originally been a party to it.

2.2 Covenant to pay

The Acceding Chargor covenants with the Security Agent to pay, discharge and satisfy the Secured Obligation in accordance with their respective terms and to indemnify the Finance Parties against any losses, costs, charges, expenses and liabilities including interest thereon arising from any breach or failure to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms

3. FIXED SECURITY

3.1 General

All Security created by the Acceding Chargor under clauses 3 and 4 inclusive is

- (a) granted in favour of the Security Agent as security trustee for the Finance Parties,
- (b) continuing security for the payment, discharge and performance of the Secured Obligations; and
- (c) granted in respect of all the right, title and interest (if any), present and future, of the Acceding Chargor in and to the relevant Charged Asset.

3.2 Mortgage

Subject to Clause 11.6 (*Leasehold interests and property containing a prohibition on charging*) of the Debenture, the Acceding Chargor charges by way of legal mortgage, all of its rights, title and interest from time to time in the Real Property.

3.3 Assignment by way of Security

Subject to Clause 11.6 (*Leasehold interests and property containing a prohibition on charging*) of the Debenture, the Acceding Chargor assigns and agrees to assign absolutely with to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 3.2 (*Mortgage*) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same, all of its right, title and interest from time to time in and to each of the following assets

- (a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting the Acceding Chargor in respect of the Real Property,
- (b) any Insurance Policies and all proceeds paid or payable thereunder;
- (c) the Accounts, and

each of the Specific Contracts.

3.4 Fixed charges

The Acceding Chargor charges (to the extent not validly and effectively charged by way of legal mortgage pursuant to Clause 3.2 (*Mortgage*) or assigned pursuant to Clause 3.3 (*Assignment by way of Security*)) by way of fixed charge, all of its rights, title and interest from time to time in and to each of the following assets

- (a) the Real Property and all Related Rights,
- (b) the Accounts,
- (c) its book and other debts and monetary claims owing to it and any proceeds of those debts and claims and all Related Rights,
- (d) the Intellectual Property,
- (e) the Plant and Machinery;
- (f) any goodwill and rights and claims in relation to its uncalled share capital;
- (g) its rights to recover any VAT on any supplies made to it relating to the Charged Assets and any sums so recovered,
- (h) the Investments,
- (i) any beneficial interest, clauses or entitlement it has to any pension fund now or in the future, and
- (j) each of the assets which are specified in Clause 3.3 (*Assignment by way of Security*).

4. FLOATING CHARGE

4.1 Floating charge

- (a) The Acceding Chargor by way of floating charge all of its present and future assets and undertaking other than asset effectively charged by way of legal mortgage or fixed charge or assigned under clauses 3.2 (*Mortgage*), 3.3 (*Assignment by way of Security*) and 3.4 (*Fixed Charges*)
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above

4.2 Conversion of floating charge to fixed Security

- (a) The Security Agent may at any time by notice to the Acceding Chargor convert the floating charge constituted under Clause 4.1 (*Floating charge*) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice if:

- (i) The Acceding Debenture is enforceable in accordance with Clause 13 (*When security becomes enforceable*), or
 - (ii) the Security Agent reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process
- (b) In addition, without prejudice to any rule of law which may have a similar effect, the floating charge constituted under Clause 4.1 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge upon the occurrence of an Administration Event.

4.3 Qualifying floating charge

This Deed contains a qualifying floating charge and clause 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by or under this Deed

5. Consent of existing charging companies

The Chargors agree to the terms of this Deed and agree that its execution will in no way prejudice or affect any Security granted by any of them by or under the Debenture

6. Security power of attorney

The Acceding Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Acceding Chargor is obliged to take under this Deed or the Debenture. The Acceding Chargor ratifies and confirms whatever any attorney does or prompts to do pursuant to its appointment under this Clause 6

7. Notices

The Acceding Chargor confirms that its address details for notices in relation to Clause 27 (*Notices*) of the Debenture are as follows

Address •
Facsimile •
Attention •

8. Counterparts

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed

9. Governing law and jurisdiction

Clause 30 (*Governing law*) of the Debenture shall be incorporated in this Deed as if set out here in full but so that references to the Debenture shall be construed as references to this Deed.

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

Schedule 1

Real Property

Schedule 2

Shares

Schedule 3

Intellectual Property

Schedule 4

Insurance Policies

Schedule 5

Accounts

Schedule 6

Specific Contracts

SIGNATURES TO THE ACCESSION DEED

Company

Executed as a deed by
• **Limited**
acting by

)
) Director
)
)
) Director/Secretary

Acceding Chargor

Executed as a deed by
• **Limited**
acting by

)
) Director
)
)
) Director/Secretary

Security Agent

[]
By

)
)
)
)
)

EXECUTION PAGE

Chargors

**EXECUTED AS A DEED by
HOPE CONSTRUCTION MATERIALS
LIMITED**

)
)
)

Director

~~Director~~/Secretary

**EXECUTED AS A DEED by
HOPE READY MIXED CONCRETE
LIMITED**

)
)
)

Director

~~Director~~/Secretary

**EXECUTED AS A DEED by
HOPE CEMENT LIMITED**

)
)

Director

~~Director~~/Secretary

Security Agent

**EXECUTED AS A DEED by
THE BANK OF NEW YORK MELLON,
LONDON BRANCH**
for and on its behalf
by its duly authorised
signatory

)
)
)
)
)

Authorised Signatory

EXECUTION PAGE

Chargors

EXECUTED AS A DEED by
HOPE CONSTRUCTION MATERIALS
LIMITED

)
)
)

Director

Director/Secretary

EXECUTED AS A DEED by
HOPE READY MIXED CONCRETE
LIMITED

)
)
)

Director

Director/Secretary

EXECUTED AS A DEED by
HOPE CEMENT LIMITED

)
)

Director

Director/Secretary

Security Agent

EXECUTED AS A DEED by
THE BANK OF NEW YORK MELLON,
LONDON BRANCH
for and on its behalf
by its duly authorised
signatory

)
)
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)
)

Authorised Signatory



Maria Golubeva
Vice President