



Registration of a Charge

Company name: **CROSSCO (1332) LIMITED**

Company number: **08585509**

Received for Electronic Filing: **03/10/2018**



X7FSNTLK

Details of Charge

Date of creation: **27/09/2018**

Charge code: **0858 5509 0003**

Persons entitled: **BUTTERFLY (FINANCE) LIMITED AS SECURITY AGENT FOR THE SECURED PARTIES**

Brief description: **NONE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

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

Certified by:

GOWLING WLG (UK) LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8585509

Charge code: 0858 5509 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th September 2018 and created by CROSSCO (1332) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd October 2018 .

Given at Companies House, Cardiff on 5th October 2018

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated *27 September* 2018

CROSSCO (1332) LIMITED
as Original Chargor

(1)

AND

BUTTERFLY (FINANCE) LIMITED
as Security Agent

(2)

DEBENTURE



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THIS DEBENTURE is dated 27 September 2018

BETWEEN:

- (1) **CROSSCO (1332) LIMITED** (registered number 08585509) having its registered office at 11th Floor Two Snowhill, Birmingham, England, B4 6WR (the "**Original Chargor**") in favour of
- (2) **BUTTERFLY (FINANCE) LIMITED**, as security agent for the Secured Parties on the terms and conditions set out in the Security Trust Deed (as defined below) (the "**Security Agent**", which expression shall include any person for the time being appointed as security agent, trustee or as an additional trustee for the purpose of, and in accordance with the Security Trust Deed).

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facilities Agreement shall, unless otherwise defined in this Debenture, have the same meaning when used in this Debenture or any Mortgage (as defined below) and in addition:

Account means any account opened or maintained by any of the Chargors with the Security Agent or any other financial institution (and any replacement account or subdivision or sub-account of that account) and all Related Rights.

Act means the Law of Property Act 1925.

Additional Chargor means any entity which becomes a Chargor by executing a Deed of Accession.

Assigned Account means any Account that may from time to time be agreed between the Security Agent and the Company to be an Assigned Account.

Charged Intellectual Property means any and all Intellectual Property owned by any Chargor now or in the future including without limitation those rights listed in schedule 2 (*Details of Intellectual Property*).

Charged Property means all the assets and undertaking of any Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Security Agent by or pursuant to this Debenture and any Mortgage.

Charges means all or any of the Security created or expressed to be created by or pursuant to this Debenture and any Mortgage.

Chargor means the Original Chargor or an Additional Chargor.

Collateral Rights means all rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture or any Mortgage or by law.

Company means Crossco (1332) Limited (Company Number 08585509) as Obligors' agent pursuant to the Facilities Agreement.

Deed of Accession means a deed substantially in the form of schedule 10 (*Form of Deed of Accession*) or in any form agreed between the Company and the Security Agent.

Delegate means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

Derivative Assets means all assets derived from any of the Shares including all allotments, accretions, offers, rights, dividends, interest, income, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Shares and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof.

Event of Default has the meaning given to it in the Facilities Agreement.

Facilities Agreement means the facilities agreement originally dated 14 October 2013 (as amended and restated on 17 October 2014) originally made between, amongst others, (1) Executive Care Group Limited as parent (2) Crossco (1332) Limited as company (3) the Borrowers (as defined therein) and (4) HSBC Bank plc as lender.

Insurance Policy means any policy of insurance (including, without limitation, key-man insurance, life insurance or assurance) in which any Chargor may from time to time have an interest.

Intellectual Property means all patents, rights in inventions, trade marks, service marks, designs, business names, domain names, geographical indications, copyrights (including rights in computer software), registered designs, design rights, moral rights, database rights, rights in confidential information and know how, trade names, trade dress, formulas, trade secrets and other intellectual property rights and interests, whether registered or unregistered and including all applications for and the right to apply for the same, and any interests (including by way of licence or covenant not to sue) which may subsist anywhere in the world.

Investments means:

- (a) any stocks, shares, debentures, bonds, coupons, negotiable instruments, securities and certificates of deposit (but not including the Shares);
- (b) all interests in collective investment schemes; and
- (c) all warrants, options and other rights to subscribe for or acquire any of the investments described in paragraphs (a) and (b) above,

in each case whether held directly by or to the order of any Chargor or by any trustee, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearance system).

Monetary Claims means any book and other debts and monetary claims (other than Accounts) owing to a Chargor and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which a Chargor is a party and any other assets, property, rights or undertaking of a Chargor).

Mortgage means a mortgage or charge in respect of all the Real Property granted by a Chargor in favour of the Security Agent in accordance with clause 6 (*Further Assurance*) substantially in the form of schedule 7 (*Form of Legal Mortgage*).

Permitted Security means any security granted in favour of the Security Agent from time to time.

PSC Notice means a request for information made pursuant to sections 790D and 790E of the Companies Act 2006.

PSC Restrictions Notice means a "restrictions notice" and **PSC Warning Notice** means a "warning notice", in each case as defined in Paragraph 1(2) of schedule 1B of the Companies Act 2006.

Real Property means:

- (a) any freehold, leasehold or immovable property (including the freehold and leasehold property in England and Wales specified in schedule 1 (*Details of 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;

and includes all Related Rights.

Receiver means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment.

Related Rights means, in relation to any asset (including the Shares, the Derivative Assets and the Investments):

- (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, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

Secured Obligations means all obligations covenanted to be discharged by each Chargor in clause 2.1 (*Covenant to pay*).

Secured Parties means the Security Agent, Butterfly (Finance) Limited as lender, any party which has acceded to the Security Trust Deed in accordance with its terms, and any Receiver or Delegate.

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

Security Trust Deed means the security agent appointment deed dated on or around the date of this Debenture and made between Crossco (1332) Limited (as company), Butterfly (Finance) Limited (as lender) and Butterfly (Finance) Limited (as security agent).

Shares means all of the shares listed at schedule 3 (*Details of Shares*) and all of the shares in the capital of any other limited liability company incorporated in England and Wales, in each case held by, to the order or on behalf of any Chargor from time to time.

Specific Contracts means any document designated by the Security Agent and the Company as a Specific Contract from time to time.

Tangible Moveable Property means any 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 all Related Rights.

1.2 Interpretation

In this Debenture or, as applicable, any Mortgage:

- (a) the rules of interpretation contained in clause 1.2 (*Construction*) of the Facilities Agreement shall apply to the construction of this Debenture or any Mortgage;
- (b) any reference to the "Security Agent", the "Chargors" or the "Secured Parties" shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests; and
- (c) references in this Debenture to any clause or schedule shall be to a clause or schedule contained in this Debenture.

1.3 Third party rights

- (a) Unless expressly provided to the contrary in this Debenture a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Debenture.

- (b) Notwithstanding any term of this Debenture, the consent of any person who is not a Party is not required to rescind or vary this Debenture at any time.

1.4 Inconsistency

- (a) In the event of any inconsistency arising between any of the provisions of this Debenture or any Mortgage and the Facilities Agreement or the Security Trust Deed, the provisions of the Facilities Agreement or the Security Trust Deed (as the case may be) shall prevail.
- (b) To the extent that the provisions of this Debenture are inconsistent with those of any Mortgage, the provisions of that Mortgage shall prevail.

1.5 Disposition of property

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

1.6 Incorporation of provisions into any Mortgage

clauses 1.2 (*Interpretation*), 6.1 (*Further assurance: general*), 6.4 (*Implied covenants for title*), 15 (*Enforcement of Security*), 16 (*Extension and Variation of the Act*), 17 (*Appointment of Receiver or administrator*), 18 (*Powers of Receiver*), 21 (*Power of attorney*), 30 (*Governing Law*) and 31 (*Jurisdiction*) of this Debenture are incorporated into any Mortgage as if expressly incorporated into that Mortgage, as if references in those clauses to this Debenture were references to that Mortgage and as if all references in those clauses to Charged Property were references to the assets of the Chargor from time to time charged in favour of, or assigned (whether at law or in equity) to, the Security Agent by or pursuant to that Mortgage.

1.7 Mortgage

It is agreed that each Mortgage is supplemental to this Debenture.

1.8 Deed

It is intended that this Debenture takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2 PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to pay

Each Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it shall discharge all obligations, as and when they fall due in accordance with their terms, which any Obligor may at any time have to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including, for the avoidance of doubt, this Debenture, any Mortgage, or any document designated as a Finance Documents from time to time) including any liabilities in respect of any further advances made under the Finance Documents (including, for the avoidance of doubt, any other document designated as a Finance Document from time to time), whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). Each Chargor shall pay to the Security Agent when due and payable every sum at any time owing, due or incurred by such Obligor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such liabilities, provided that neither such covenant nor the security constituted by this Debenture or any Mortgage shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

2.2 Interest on demands

If any Chargor fails to pay any sum on the due date for payment of that sum such Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of demand until the date of payment calculated on a daily basis at the rate determined by and in accordance with the provisions of clause 10.3 (*Default interest*) of the Facilities Agreement.

3 FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

3.1 Fixed charges

Each Chargor hereby charges with full title guarantee in favour of the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of first fixed charge (which, so far as it relates to land in England and Wales vested in a Chargor at the date of this Debenture and listed in schedule 1 (*Details of Real Property*), shall be a charge by way of legal mortgage) all such Chargor's right, title and interest from time to time in and to each of the following assets (subject in each case to obtaining any necessary consent to such mortgage or fixed charge from any third party) in each case both present and future:

- (a) the Real Property;
- (b) the Tangible Moveable Property;
- (c) the Accounts;
- (d) the Charged Intellectual Property;
- (e) any goodwill and rights in relation to the uncalled capital of such Chargor;
- (f) the Investments and all Related Rights;
- (g) the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise); and
- (h) all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Debenture and all Related Rights.

3.2 Assignments

Each Chargor hereby assigns with full title guarantee to the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, subject to a proviso for re-assignment on redemption, all such Chargor's right, title and interest from

time to time in and to each of the following assets (subject to obtaining any necessary consent to that assignment from any third party and without prejudice to such Chargor's obligations under clause 6.3 (*Consent of third parties*) in each case both present and future:

- (a) the proceeds of any Insurance Policy;
- (b) all rights and claims in relation to any Assigned Account; and
- (c) each of the Specific Contracts,

and, in each case, all Related Rights.

3.3 Floating charge

- (a) Each Chargor hereby charges with full title guarantee in favour of the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of such Chargor, other than any asset which is situated in England and Wales and which is validly and effectively charged under the laws of England and Wales by way of fixed security created under this Debenture in favour of the Security Agent as security for the Secured Obligations.
- (b) The floating charge created by this clause 3.3 shall be deferred in point of priority to all fixed security validly and effectively created by a Chargor under the Finance Documents in favour of the Security Agent as trustee for the Secured Parties as security for the Secured Obligations.
- (c) Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this clause 3.3.

4 CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: by notice

The Security Agent may at any time by notice in writing to a Chargor convert the floating charge created by clause 3.3 (*Floating charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred; or
- (b) 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; or
- (c) the Security Agent (acting in good faith) reasonably considers that it is necessary in order to protect the priority of the security.

4.2 Crystallisation: automatic

Notwithstanding clause 4.1 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- (a) any Chargor creates or attempts to create any Security (other than any Permitted Security) over any of the Charged Property; or
- (b) any Chargor disposes or attempts to dispose of all or any assets (other than as expressly permitted under the Facilities Agreement); or
- (c) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property which is not discharged within 2 Business Days; or
- (d) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of any Chargor or an administrator is appointed to any Chargor (unless such action would not constitute an Event of Default); or
- (e) 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.

5 PERFECTION OF SECURITY

5.1 Notices of assignment and charge

If requested by the Security Agent, each Chargor shall promptly deliver (or procure delivery) to the Security Agent and the obligor or debtor specified by the Security Agent:

- (a) in respect of each Insurance Policy the proceeds of which are assigned pursuant to clause 3.2 (*Assignments*), a notice of assignment substantially in the form set out in schedule 4 (*Form of Notice of Assignment of Insurances*) duly executed by it on the date of this Debenture or within 3 Business Days of such Chargor entering into a new Insurance Policy;
- (b) in respect of each Assigned Account assigned pursuant to clause 3.2 (*Assignments*), a notice of assignment substantially in the form set out in schedule 5 (*Form of Notice of Assignment of Account*) duly executed by it on the date of this Debenture or within 3 Business Days of an Account being designated as an Assigned Account;
- (c) in respect of each Specific Contract assigned pursuant to clause 3.2 (*Assignments*), a notice of assignment substantially in the form set out in schedule 6 (*Form of Notice of Assignment of Specific Contract*) duly executed by it on the date of this Debenture or within 3 Business Days of such Chargor entering into a Specific Contract; and
- (d) in respect of all leases relating to Real Property mortgaged or charged pursuant to clause 3.1 (*Fixed charges*) or any Mortgage, a notice of charge substantially in the form set out in schedule 8 (*Form of Notice of Charge*) duly executed by it on the date of this Debenture or within 3 Business Days of such Chargor entering into a lease relating to Real Property,

and in each case such Chargor shall use all reasonable endeavours to procure that each notice is acknowledged promptly by the obligor or debtor specified by the Security Agent.

5.2 Notices of charge: Accounts

- (a) If requested by the Security Agent, each Chargor shall following the execution of this Debenture or any Deed of Accession and promptly upon the request of the Security Agent from time to time, in respect of any Account, promptly deliver to the Security Agent (or procure delivery of) a notice of charge in the form set out in schedule 9 (*Form of Notice of Charge of Account*) or such other form as the Security Agent shall agree or require duly executed by or on behalf of such Chargor and shall use all reasonable endeavours to ensure that such notice is acknowledged by the relevant bank or financial institution with which that Account is opened or maintained.

5.3 Real Property: delivery of documents of title

- (a) If requested by the Security Agent, each Chargor shall, in respect of any Real Property specified in schedule 1 (*Details of Real Property*), deliver to the Security Agent (or procure delivery of), and the Security Agent shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to such property.
- (b) If requested by the Security Agent, each Chargor shall upon the execution of this Debenture and promptly following the acquisition by such Chargor of any interest in any other freehold, leasehold or other immovable property, deliver (or procure delivery) to the Security Agent of, and the Security Agent shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to such property.

5.4 Note of Mortgage

In the case of any Real Property, title to which is or will be registered under the Land Registration Act 2002, which is acquired by or on behalf of a Chargor after the execution of this Debenture, such Chargor shall promptly notify the Security Agent of the title number(s) and, contemporaneously with the making of an application to the Land Registry for the registration of such Chargor as the Registered Proprietor of such property, apply to the Chief Land Registrar to enter a notice of any Mortgage on the Charges Register of such property.

5.5 Further advances

- (a) Subject to the terms of the Facilities Agreement, each Lender (as defined in the Facilities Agreement) is under an obligation to make further advances to the Borrowers and that obligation will be deemed to be incorporated into this Debenture as if set out in this Debenture.
- (b) Each Chargor consents to an application being made to the Chief Land Registrar to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Charged Property.

5.6 Application to the Land Registry

Each Chargor consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship Register of any property which is, or is required to be, registered and which forms part of the Real Property:

"No [disposition or specify type of disposition] of the registered estate [other than a charge] by the proprietor of the registered estate [,or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [Butterfly (Finance) Limited of [insert address of lender]] referred to in the Charges Register [or [their conveyancer or specify appropriate details]]."

5.7 Delivery of share certificates

- (a) If requested by the Security Agent, each Chargor shall, on the date of this Debenture or on, or promptly after, the date on which any Shares are issued or transferred to it after the date of this Debenture, deposit with the Security Agent (or procure the deposit of):
 - (i) all certificates or other documents of title to such Shares;
 - (ii) stock transfer forms in such form as the Security Agent shall require with the name of the transferee, the consideration and the date kept blank but otherwise duly completed and executed by or on behalf of such Chargor in relation to such Shares; and
 - (iii) to the extent that any of the Shares are held by any nominee of a Chargor, a duly executed undertaking relating to such Shares (in form and substance satisfactory to the Security Agent) together with such instruments of transfer (with the name of the transferee, the consideration and the date left blank, but otherwise duly completed and executed) and other documents as the Security Agent may from time to time require for perfecting its title to such Shares.
- (b) Each Chargor shall, promptly upon the accrual, offer or issue of any Derivative Assets, notify the Security Agent of that occurrence and procure the prompt delivery to the Security Agent of:
 - (i) all certificates or other documents of title representing such Derivative Assets; and
 - (ii) such stock transfer forms or other instruments of transfer with the name of the transferee, the consideration and the date left blank but otherwise duly

completed and executed by or on behalf of such Chargor) in respect of such Derivative Assets as the Security Agent may request.

5.8 Registration of Intellectual Property

Without prejudice to the generality of any other clause in this Debenture, each Chargor shall at any time or times, if requested by the Security Agent, promptly and at its own expense, execute all such documents and do all acts that the Security Agent may reasonably require to record the interest of the Security Agent in any registers in the world relating to any registered Charged Intellectual Property to the extent required by, and pursuant to, the requirements set out in the Facilities Agreement.

6 FURTHER ASSURANCE

6.1 Further assurance: general

- (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 sub-clause 6.1(b).
- (b) Each Chargor shall promptly enter into a Mortgage over any future acquired Real Property.

6.2 Necessary action

Each Chargor shall at its own expense take all such action as is available to it (including making all filings and registrations) as the Security Agent, any Receiver or administrator may properly consider expedient for the purpose of the creation, perfection, protection, confirmation or maintenance of any security created or intended to be created in favour of the Security Agent, any Receiver or administrator by or pursuant to this Debenture and any Mortgage.

6.3 Consent of third parties

Each Chargor shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Security Agent) as soon as possible any consents necessary, including any consent necessary for any Mortgage, to enable the assets of such Chargor to be the subject of an effective fixed charge or assignment pursuant to clause 3 (*Fixed Charges, Assignments and Floating Charge*) and, immediately upon obtaining any such consent, the asset concerned

shall become subject to such security and such Chargor shall promptly deliver a copy of each consent to the Security Agent.

6.4 Implied covenants for title

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

6.5 Value of security

No Chargor shall do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the security created or intended to be created by this Debenture.

7 NEGATIVE PLEDGE AND DISPOSALS

7.1 Security

Each Chargor shall not (and shall not agree to) at any time during the subsistence of this Debenture or any Mortgage, create or permit to subsist any Security over all or any part of the Charged Property other than Permitted Security.

7.2 No disposal of interests

Each Chargor shall not (and shall not agree to) at any time during the subsistence of this Debenture or any Mortgage, except as permitted pursuant to the Facilities Agreement:

- (a) execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Charged Property; or
- (b) create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property; or
- (c)

- (i) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of the Charged Property; or
- (ii) allow or grant any person any licence or right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the validity, enforceability or value of any of the Charged Property or the ability of the Security Agent to exercise any of the Collateral Rights; or
- (d) assign or otherwise dispose of any interest in any Account and no right, title or interest in relation to any Account maintained with the Security Agent, or the credit balance standing to any such Account shall be capable of assignment or other disposal; or
- (e) lend or otherwise dispose of, or grant any rights (whether of pre-emption or otherwise) over, all or any part of the Investments or any Related Rights.

8 SHARES AND INVESTMENTS

8.1 Shares: before an Event of Default which is continuing

Prior to the occurrence of an Event of Default which is continuing, each Chargor shall:

- (a) be entitled to receive, retain and pay all dividends, interest and other monies arising from the Shares and/or Related Rights as permitted by the terms of the Facilities Agreement; and
- (b) be entitled to exercise all voting rights in relation to the Shares provided that such Chargor shall not exercise such voting rights in any manner inconsistent with the security created or intended to be created by this Debenture or which is in breach of any Finance Document, or otherwise permit or agree to any (a) variation of the rights attaching to or conferred by any of the Shares or (b) increase in the issued share capital of any company whose Shares are charged pursuant to this Debenture, which in the opinion of the Security Agent would prejudice the value of, or validity and enforceability of, or adversely affect the ability of the Security Agent to realise the security created by, this Debenture.

8.2 Shares: after an Event of Default which is continuing

After the occurrence of an Event of Default which is continuing, the Security Agent may at its discretion (in the name of any Chargor or otherwise and without any further consent or authority from such Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (b) apply all dividends, interest and other monies arising from the Shares in accordance with clause 19 (*Application of Monies*);
- (c) transfer the Shares into the name of 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 Shares, including the right, in relation to any company whose shares or other securities are included in the Charged Property, 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 of such event);
 - (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 such manner and on such terms as the Security Agent may think fit, and the proceeds of any such action shall form part of the Charged Property.

8.3 Investments and Shares: payment of calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and Shares or any Related Rights, and in any case of default by such Chargor in such payment, the Security Agent may, if it thinks fit, make such payment on behalf of such Chargor in which case any sums paid by the Security Agent shall

be reimbursed by such Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate and in accordance with clause 2.2 (*Interest on demands*).

8.4 Investments: delivery of documents of title

After the occurrence of an Event of Default which is continuing, each Chargor shall, promptly on the request of the Security Agent, deliver (or procure delivery) to the Security Agent, and the Security Agent shall be entitled to retain, all of the Investments and any certificates and other documents of title representing the Investments to which such Chargor (or its nominee(s)) is or becomes entitled together with any other document which the Security Agent may reasonably request (in such form and executed as the Security Agent may reasonably require) with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

8.5 Investments: exercise of rights

No Chargor shall exercise any of its rights and powers in relation to any of the Investments in any manner which, in the reasonable opinion of the Security Agent, would prejudice the value of, or validity and enforceability of, or adversely affect the ability of the Security Agent to realise, the security created by this Debenture.

8.6 No restrictions on transfer

Each Chargor shall:

- (a) ensure that the Shares and Related Rights are at all times free from any restriction on transfer (whether under any relevant constitutional documents or otherwise) by the Security Agent (or its nominee(s)) to perfect or enforce the security conferred or intended to be conferred by this Debenture; and
- (b) procure that the board of directors of each Chargor approves any transfer of any of the Shares and Related Rights desired to be made by the Security Agent in the exercise of the rights, powers and remedies conferred upon it by this Debenture or by law.

8.7 Communications and PSC notices

- (a) Each Chargor shall notify the Security Agent of the contents of any communication or document received by it in relation to any of the Shares and Related Rights.
- (b) Each Chargor shall promptly copy to the Security Agent and comply with all requests for information which are made under a PSC Notice, PSC Warning Notice or PSC Restrictions Notice relating to the Shares. If it fails to do so, the Security Agent may elect to provide such information as it may have on behalf of the relevant Chargor.

8.8 Variation of rights

No Chargor shall, by the exercise of any voting rights or otherwise, permit or agree to any proposed compromise, arrangement, capital reorganisation, conversion, exchange, repayment or takeover offer affecting or in respect of any of the Shares or Related Rights.

8.9 Obligations generally

Each Chargor shall comply with every covenant (whether restrictive or otherwise), obligation and provision on its part to be complied with (and use its best endeavours to procure compliance by each other party thereto with every covenant, obligation and provision on the part of each such other party to be complied with) contained in any document affecting the Shares and Related Rights or their use and enjoyment.

9 ACCOUNTS

9.1 Accounts: notification and variation

Each Chargor, during the subsistence of this Debenture:

- (a) shall promptly deliver to the Security Agent on the date of this Debenture (if requested) and in the case of an Additional Chargor on the date of any Deed of Accession executed by such Additional Chargor (and, if any change occurs thereafter, on the date of such change), details of each Account maintained by it with any bank or financial institution (other than with the Security Agent);
- (b) shall maintain each Account; and

- (c) shall not, without the Security Agent's prior written consent, such consent not to be unreasonably withheld or delayed (save where there would be in the Security Agent's reasonable opinion a materially adverse effect on the security created under any Finance Document), permit or agree to any variation of the rights attaching to any Account or close any Account.

9.2 Accounts: operation before an Event of Default which is continuing

Prior to the occurrence of an Event of Default which is continuing, each Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account (other than an Assigned Account), subject to the terms of the Facilities Agreement.

9.3 Accounts: operation after an Event of Default which is continuing

After the occurrence of an Event of Default which is continuing, no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior consent of the Security Agent.

9.4 Assigned Accounts

- (a) No Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account except with the prior consent of the Security Agent or as permitted pursuant to the terms of the Facilities Agreement.
- (b) The Security Agent shall, upon the occurrence of an Event of Default which is continuing, be entitled without notice to exercise from time to time all rights, powers and remedies held by it as assignee of the Assigned Accounts and to:
 - (i) demand and receive all and any monies due under or arising out of each Assigned Account; and
 - (ii) exercise all such rights as the relevant Chargor was then entitled to exercise in relation to such Assigned Account or might, but for the terms of this Debenture, exercise.

9.5 Accounts: application of monies

Upon the occurrence of an Event of Default which is continuing, or this security otherwise becoming enforceable pursuant to clause 15.1 (*Enforcement*), the Security Agent shall be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with clause 19 (*Application of Monies*).

9.6 Accounts: representations

Each Chargor represents to the Security Agent on the date of this Debenture and on each day prior to the release of the security constituted by this Debenture in accordance with clause 23.1 (*Redemption of security*) that:

- (a) each Account is the subject of an appropriate mandate in form and content reasonably satisfactory to the Security Agent which shall be irrevocable until such time as each of the Security Agent and such Chargor shall otherwise agree;
- (b) no party (other than the Security Agent) has any rights of set-off or counterclaim in respect of any Account; and
- (c) none of the Accounts is the subject of any claim, assertion, right, action or other restriction or arrangement of whatever nature which does or may impinge upon the ownership of the Accounts by the relevant Chargor.

10 INTELLECTUAL PROPERTY

10.1 Preservation of Charged Intellectual Property

Other than as permitted under the terms of the Facilities Agreement, each Chargor shall do all things necessary to safeguard and maintain the Charged Intellectual Property, including:

- (a) maintaining all Charged Intellectual Property on the relevant register, including (without limitation), payment of all renewal fees due in respect thereof;
- (b) completing the registration of any outstanding applications to register Charged Intellectual Property, including (without limitation), payment of all applicable registration fees thereof; and

- (c) observing and performing:
 - (i) all applicable requirements of all laws relating to the Charged Intellectual Property;
 - (ii) any conditions attaching to any registration of the Charged Intellectual Property; and
 - (iii) any notices or other orders made by any person or body in relation to the Charged Intellectual Property.

10.2 Unauthorised Third Party Use

- (a) Other than as permitted under the Facilities Agreement, each Chargor shall take all reasonable and appropriate actions necessary to cease any infringement or unauthorised use by a third party of the Charged Intellectual Property.
- (b) Each Chargor shall promptly notify the Security Agent in the event of any infringement or unauthorised use of any Charged Intellectual Property which is reasonably likely to have a Material Adverse Effect.

11 MONETARY CLAIMS

11.1 Dealing with Monetary Claims

No Chargor shall, at any time during the subsistence of this Debenture, unless otherwise permitted pursuant to the Facilities Agreement, without the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed, save where there would be, in the Security Agent's reasonable opinion, a materially adverse effect on the security created under any Finance Document):

- (a) deal with the Monetary Claims except by getting in and realising them in a prudent manner in the ordinary course of business (on behalf of the Security Agent) and paying the proceeds of those Monetary Claims in accordance with the terms of the Facilities Agreement or, following the occurrence of an Event of Default which is continuing, as the Security Agent may otherwise require (and such proceeds shall be held upon trust by the relevant Chargor for the Security Agent on behalf of the Secured Parties prior to such payment in); or

- (b) factor or discount any of the Monetary Claims or enter into any agreement for such factoring or discounting.

11.2 Release of Monetary Claims: before an Event of Default which is continuing

Prior to the occurrence of an Event of Default which is continuing, the proceeds of the realisation of the Monetary Claims shall (subject to any restriction on the application of such proceeds contained in this Debenture or in the Facilities Agreement), upon such proceeds being credited to an Account (other than an Assigned Account), be released from the fixed charge created pursuant to clause 3.1 (*Fixed charges*) and the relevant Chargor shall be entitled to withdraw such proceeds from such Account provided that such proceeds shall continue to be subject to the floating charge created pursuant to clause 3.3 (*Floating charge*) and the terms of this Debenture.

11.3 Release of Monetary Claims: after an Event of Default which is continuing

After the occurrence of an Event of Default which is continuing and except with the prior written consent of the Security Agent, no Chargor shall be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

12 INSURANCES

12.1 Insurance: undertakings

Each Chargor shall at all times during the subsistence of this Debenture:

- (a) keep the Charged Property insured in accordance with the terms of the Facilities Agreement;
- (b) have the interest of the Security Agent noted on all Insurance Policies until such time as the Security Agent notifies the insurer(s) to the contrary;
- (c) not do any act nor commit any default by which any Insurance Policy may become void or voidable;
- (d) promptly pay all premiums and other monies payable under all Insurance Policies and supply on request copies of each Insurance Policy required to be maintained in

accordance with this clause 12.1 (*Insurance: undertakings*) together with the current premium receipts relating to each such policy; and

- (e) if required by the Security Agent (but subject to the provisions of any lease of the Charged Property), deposit all Insurance Policies relating to the Charged Property with the Security Agent.

12.2 Insurance: default

If a Chargor defaults in complying with clause 12.1 (*Insurance: undertakings*), the Security Agent may effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all monies reasonably expended by the Security Agent in doing so shall be reimbursed by such Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate specified in clause 12.2 (*Interest on demands*).

12.3 Application of insurance proceeds

All monies received by a Chargor under any Insurance Policies relating to the Charged Property shall (subject to the rights and claims of any person having prior rights to such monies):

- (a) prior to the occurrence of an Event of Default which is continuing, be applied in accordance with the terms of the Facilities Agreement; and
- (b) after the occurrence of an Event of Default which is continuing, be held by such Chargor on trust for the Security Agent pending payment to the Security Agent for application in accordance with clause 19 (*Application of Monies*) and such Chargor waives any right it may have to require that any such monies are applied in reinstatement of any part of the Charged Property.

13 REAL PROPERTY

13.1 Property: notification

Each Chargor shall immediately notify the Security Agent of any contract, conveyance, transfer or other disposition or the acquisition by such Chargor (or its nominee(s)) of any Real Property.

13.2 Lease covenants

Each Chargor shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of the Charged Property is at any time subject:

- (a) pay the rents (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or, (if the lessee) on the lessee; and
- (b) not do any act or thing whereby any lease or other document which gives any right to occupy any part of the Charged Property becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term.

13.3 General property undertakings

Each Chargor shall:

- (a) repair and keep in good and substantial repair and condition all the Real Property at any time forming part of the Charged Property;
- (b) not at any time without the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed, save where there would be, in the Security Agent's reasonable opinion, a materially adverse effect on the security created under any Finance Document) sever or remove any of the fixtures forming part of the Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Charged Property (except for the purpose of any necessary repairs or replacement of it); and
- (c) comply with and observe and perform (a) all applicable requirements of all planning and environmental legislation, regulations and bye-laws relating to the Real Property, (b) any conditions attaching to any planning permissions relating to or affecting the Real Property and (c) any notices or other orders made by any planning, environmental or other public body in respect of all or any part of the Real Property.

13.4 Entitlement to remedy

If any Chargor fails to comply with any of the undertakings contained in this clause 13, the Security Agent shall be entitled (with such agents, contractors and others as it sees fit), to do

such things as may, in the reasonable opinion of the Security Agent, be required to remedy such failure and all monies spent by the Security Agent in doing so shall be reimbursed by such Chargor to the Security Agent on demand with interest from the date of payment by the Security Agent until reimbursed in accordance with clause 2.2 (*Interest on demands*).

14 SPECIFIC CONTRACTS

Each Chargor shall not at any time during the subsistence of this Debenture make or agree to make any amendments, variations or modifications to the Specific Contracts or waive any of its rights under the Specific Contracts, without the prior written consent of the Security Agent unless the amendment, variation, modification or waiver is of a minor, technical or non-operational nature and would not reasonably be expected to adversely affect the interest of the Secured Parties (save that all Related Rights shall, until the occurrence of an Event of Default which is continuing which is continuing, be exercised by and at the sole discretion of such Chargor, subject always to the terms of the Facilities Agreement).

15 ENFORCEMENT OF SECURITY

15.1 Enforcement

At any time after the occurrence of an Event of Default which is continuing, or if a Chargor requests the Security Agent to exercise any of its powers under this Debenture or any Mortgage, or if a petition or application is presented for the making of an administration order in relation to a Chargor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of any Chargor or files such a notice with the court, the security created by or pursuant to this Debenture is immediately enforceable and the Security Agent may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property and the Security Agent (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Charged Property (including, without limitation, the power to execute, seal, deliver or otherwise complete any transfers or other documents required to vest any of the Shares and/or Related Rights in the Security Agent, any of its nominees or in any purchaser of any of the Shares and/or Related Rights); and

- (b) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Act (as varied or extended by this Debenture and each Mortgage) on mortgagees and by this Debenture and each Mortgage on any Receiver or otherwise conferred by law on mortgagees or Receivers.

15.2 No liability as mortgagee in possession

Neither the Security Agent nor any of its nominees nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable, and in particular the Security Agent (or its nominee(s)) or any Receiver shall not be liable for any loss occasioned by any exercise or non-exercise of rights attached to the Shares or the Related Rights or by any failure to report to any Chargor any notice or other communication received in respect of the Shares.

15.3 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Debenture and the obligations of any Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**")) the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Investments and/or Shares, the market price of such Investments and/or Shares determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

15.4 Effect of moratorium

The Security Agent shall not be entitled to exercise its rights under clause 15.1 (*Enforcement*), clause 17.1 (*Appointment and removal*) (other than clause 17.1(e)) or clause 4 (*Crystallisation of Floating Charge*) 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.

16 EXTENSION AND VARIATION OF THE ACT

16.1 Extension of powers

The power of sale or other disposal conferred on the Security Agent, its nominee(s) and any Receiver by this Debenture and each Mortgage shall operate as a variation and extension of the statutory power of sale under Section 101 of the Act and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture and each Mortgage.

16.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Act shall not apply to this Debenture and each Mortgage or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Debenture and each Mortgage with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any Chargor on or at any time after the occurrence of an Event of Default which is continuing.

16.3 Power of leasing

The statutory powers of leasing may be exercised by the Security Agent at any time on or after the occurrence of an Event of Default which is continuing and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Act.

16.4 Transfer of Security

- (a) At any time after the occurrence of an Event of Default which is continuing, the Security Agent may:
 - (i) redeem any prior Security against any Charged Property; and/or
 - (ii) procure the transfer of any such Security to itself; and/or

(iii) settle and pass the accounts of the prior mortgagee or chargee; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.

(b) Each Chargor shall pay to the Security Agent immediately on demand the costs and expenses incurred by the Security Agent in taking any action contemplated by clause 16.4(a), including the payment of any principal or interest.

16.5 Suspense account

If the security created by this Debenture is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or any Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.

17 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

17.1 Appointment and removal

After the occurrence of an Event of Default which is continuing, or if a petition or application is presented for the making of an administration order in relation to any Chargor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of any Chargor or files such a notice with the court or if requested to do so by any Chargor, the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent), without prior notice to any Chargor and in relation to each Chargor:

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

17.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to clause 17.1 (*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 shall be deemed to be the agent of the relevant Chargor 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 Act).

17.3 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 Act (as extended by this Debenture and each Mortgage) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Property. Except as provided in clause 15.4 (*Effect of moratorium*), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the Act) does not apply to this Debenture.

18 POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of a Chargor) have and be entitled to exercise, in relation to the Charged Property (and any assets of a Chargor which, when got in, would be Charged Property) in respect of which he was appointed, 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 such Chargor):

- (a) all the powers conferred by the Act on mortgagors and on mortgagees in possession and on receivers appointed under the 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 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 (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the relevant Chargor forming part of, or which when got in would be, Charged Property.

19 APPLICATION OF MONIES

All monies received or recovered by the Security Agent, its nominee(s) or any Receiver pursuant to this Debenture and each Mortgage 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 Act) 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 clause 3 (*Application of Proceeds*) of the Security Trust Deed.

20 PROTECTION OF PURCHASERS

20.1 Consideration

The receipt of the Security Agent, its nominee(s) or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Security Agent, its nominee(s) 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, its nominee(s) or any Receiver shall be bound to inquire whether the right of the Security Agent, such nominee(s) 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, such nominee(s) 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 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 (including the completion, execution and delivery of any Mortgages, deeds, charges, assignments or other security and any transfers of the Charged Property); and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Debenture or any Mortgage or by law (including the exercise of any right of a legal or beneficial owner of the Charged Property) and (without prejudice to the generality of the foregoing) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

21.2 Exercise of power of attorney

The Security Agent may only exercise the power of attorney granted by a Chargor pursuant to clause 21.1 (*Appointment and powers*) following:

- (a) the occurrence of an Event of Default which is continuing; or
- (b) the failure by such Chargor to comply with any further assurance or perfection of security obligations required by the terms of this Debenture or any Mortgage within 5 Business Days of such further assurance or perfection of security obligation arising.

21.3 Ratification

Each 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.

21.4 Security Agent's power to remedy breaches

If at any time any Chargor fails to perform any of the covenants contained in this Debenture it shall be lawful for the Security Agent, but the Security Agent shall have no obligation, to take such action on behalf of such Chargor (including, without limitation, the payment of money) as may in the Security Agent's reasonable opinion be required to ensure that such covenants are performed. Any losses, costs, charges and expenses incurred by the Security Agent in taking such action shall be reimbursed by such Chargor on demand.

22 EFFECTIVENESS OF SECURITY

22.1 Continuing security

- (a) The security created by or pursuant to this Debenture and any Mortgage shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document.
- (b) No part of the security from time to time intended to be constituted by the Debenture will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

22.2 Cumulative rights

The security created by or pursuant to this Debenture and any Mortgage and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Security Agent or any Secured 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 held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Debenture and any Mortgage.

22.3 No prejudice

The security created by or pursuant to this Debenture and any Mortgage and the Collateral Rights 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 Secured 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 or any Collateral Right.

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 Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

22.5 No liability

None of the Security Agent, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Debenture or any Mortgage or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property.

22.6 Partial invalidity

If, at any time, any provision of this Debenture or any Mortgage 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 or any Mortgage 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 or any Mortgage is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

22.7 Waiver of defences

The obligations of each Chargor under this Debenture and each Mortgage will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or

prejudice any of its obligations under this Debenture and each Mortgage (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, indulgence, waiver or consent granted to, or composition with, any person; or
- (b) the release of any person under the terms of any composition or arrangement with any creditor of any Obligor; or
- (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 person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security; or
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person; or
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed by the Company from time to time); or
- (f) any unenforceability, illegality, invalidity, voidability or non-provability of any obligation of any person under any Finance Document or any other document or security or of the Secured Obligations; or
- (g) any insolvency or similar proceedings.

22.8 Immediate recourse

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

22.9 Deferral of rights

Until such time as the Secured Obligations have been discharged in full, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or any Mortgage:

- (a) to be indemnified by any Obligor;
- (b) to claim any contribution from any other Chargor or any guarantor of any Obligor's obligations under this Debenture or under any other Finance Document;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, this Debenture or any Mortgage by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under this Debenture or any Mortgage;
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.
- (g) **Chargor intent**

Without prejudice to the generality of clause 22.7 (*Waiver of defences*), each Chargor expressly confirms that it intends that this Debenture and any Mortgage shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facilities or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

23 RELEASE OF SECURITY

23.1 Redemption of security

Upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor, any Obligor or any other person under any of the Finance Documents, the Security Agent shall, at the request and cost of the Chargors, release and cancel the security constituted by this Debenture and procure the reassignment to the relevant Chargors of the property and assets assigned to the Security Agent pursuant to this Debenture, in each case subject to clause 23.3 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

23.2 Partial Release of Security

Where a Chargor makes a Permitted Disposal, the Security Agent shall, at the request and expense of the Chargor, release the relevant Charged Property which is the subject of such Permitted Disposal from the security created by this Debenture and take all action reasonably necessary to reassign to the Chargor the relevant Charged Property assigned to the Security Agent which is the subject of such Permitted Disposal.

23.3 Avoidance of payments

If the Security Agent considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of each Chargor under, and the security created by, this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

24 SET-OFF

24.1 Each Chargor authorises the Security Agent following an Event of Default which is continuing (but the Security Agent shall not be obliged to exercise such right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Agent to such Chargor and apply any credit balance to which such Chargor is entitled on any account with the Security Agent in accordance with clause 19 (*Application of Monies*).

24.2 Without prejudice to any right of set-off the Security Agent may have under any other Finance Document or otherwise, if any time deposit matures on any account a Chargor has with the

Security Agent prior to the release of all of the Charged Property pursuant to clause 23.1 (*Redemption of security*) when:

- (a) an Event of Default has occurred and is continuing; and
- (b) no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which the Security Agent considers appropriate.

25 SUBSEQUENT SECURITY INTERESTS

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Debenture or any Mortgage or the Facilities Agreement, all payments made thereafter by or on behalf of any Chargor to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall 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 as at the time when the Security Agent received such notice.

26 ASSIGNMENT

The Security Agent may assign and transfer all or any of its rights and obligations under this Debenture or any Mortgage to any person to whom it may transfer its rights in accordance with the terms of the Security Trust Deed. The Security Agent shall be entitled to disclose such information concerning each Chargor and this Debenture or any Mortgage as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

27 NOTICES

27.1 Any notice or other communication given under or in connection with this Deed shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at the appropriate address.

27.2 For the purposes of this clause 27 the appropriate address means:

- (a) in the case of an Obligor, its registered office, provided the notice is marked for the attention of Matthew Glowasky; and
 - (b) in the case of Butterfly Finance, its registered office, provided the notice is marked for the attention of Matthew Glowasky.
- 27.3 Any notice or other communication given under this clause 27 shall be deemed to have been received:
 - (a) if delivered by hand, on signature of a delivery receipt, or at the time the notice is left at the proper address; or
 - (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00am on the second Business Day after posting, or at the time recorded by the delivery service.
- 27.4 This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

28 DISCRETION AND DELEGATION

28.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Debenture or under any Mortgage by the Security Agent or any Receiver may, subject to the terms and conditions of the Security Trust Deed, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

28.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) or any Mortgage on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

29 COUNTERPARTS

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

30 GOVERNING LAW

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

31 JURISDICTION

31.1 English courts

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Debenture or any Mortgage (including a dispute regarding the existence, validity or termination of this Debenture or any Mortgage or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Debenture or any Mortgage) (a "Dispute").

31.2 Convenient forum

The parties to this Debenture agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

31.3 Exclusive jurisdiction

This clause 31 is for the benefit of the Security Agent only. As a result and notwithstanding clause 31.1 (*English courts*), it does not prevent the Security Agent from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed on behalf of the Security Agent and executed as a deed by the Original Chargor and is delivered by it on the date specified above.

SCHEDULE 1

Details of Real Property

Part 1

Registered Land

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

Chargor	County and District/ London Borough	Description of Property	Title Number

This has been intentionally left blank.

Part 2

Unregistered Land

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

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

None at the date of this Deed.

SCHEDULE 2

Details of Intellectual Property

Registered Mark	Application Number	Class	Grant Date	Applicant / Proprietor	Territory	Status	Term of Trademark Right	Covered Products

This has been intentionally left blank.

SCHEDULE 3

Details of Shares

Chargor	Name of Company in which Shares are held	Class of Shares	Number of Shares held	Issued Share Capital

This has been intentionally left blank.

SCHEDULE 4

Form of Notice of Assignment of Insurances

To: [Insurer]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned to Butterfly (Finance) Limited (the Security Agent) pursuant to a debenture entered into by us in favour of the Security Agent dated [•] 2018 (subject to a provision for reassignment) all our right, title and interest in and to the proceeds of [insert description and number of relevant insurance policy] (the Insurance Policy).

With effect from the date of your receipt of this notice we instruct you to:

- 1 make all payments and claims under or arising from the Insurance Policy (in accordance with the terms of that Insurance Policy) 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 claims and payments under or arising from the Insurance Policy as set out in such Payment Notice;
- 2 note the interest of the Security Agent on the Insurance Policy; and
- 3 disclose to the Security Agent, without further approval from us, such information regarding the Insurance Policy as the Security Agent may from time to time request and to send it copies of all notices issued by you under the Insurance Policy.

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

This notice and all matters, including non-contractual obligations, arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Agent [11th Floor Two Snowhill, Birmingham, England, B4 6WR].

Yours faithfully,

.....
for and on behalf of

[Company]

To: *Butterfly (Finance) Limited*
[address]

Date: [•]

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, title and interests and benefits referred to in such notice and that we will comply with the terms of that notice.

We further confirm that no amendment or termination of the Insurance Policy shall be effective unless we have given the Security Agent thirty days written notice of such amendment or termination.

For and on behalf of [Insurer]

By:

SCHEDULE 5

Form of Notice of Assignment of Account

To: [Account Bank]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned and charged to Butterfly (Finance) Limited (the Security Agent) pursuant to a debenture entered into by us in favour of the Security Agent dated [•] 2018 all of our right, title and interest in and to account number [•], account name [•] (including any renewal or redesignation of such account) and all monies standing to the credit of that account from time to time (the Account).

With effect from the date of your receipt of this notice:

- 1 any existing payment instructions affecting the Account are to be terminated and all payments and communications in respect of the Account should be made to the Security Agent or to its order (with a copy to us); and
- 2 we are not entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Account except in accordance with the facilities agreement originally dated 14 October 2013 (as amended and restated on 17 October 2014 and as further amended and restated on or about the date of this Debenture) originally made between, amongst others, (1) Executive Care Group Limited as parent (2) Crossco (1332) Limited as company (3) the Borrowers (as defined therein) and (4) HSBC Bank plc as lender.

This notice and all matters, including non-contractual obligations, arising out of or in connection with it are governed by English law.

Please accept this notice by signing the enclosed acknowledgement and returning it to the Security Agent at [11th Floor Two Snowhill, Birmingham, England, B4 6WR].

Yours faithfully

.....
for and on behalf of

[Chargor]

To: Crossco (1332) Limited
11th Floor Two Snowhill, Birmingham, England, B4 6WR

Date: [•]

At the request of the Security Agent and [Chargor] we acknowledge receipt of the notice of assignment and charge, on the terms attached, in respect of the Account (as described in those terms). We confirm that:

- 1 the balance standing to the Account at today's date is [•], no fees or periodic charges are payable in respect of the Account and there are no restrictions on (a) the payment of the credit balance on the Account (except, in the case of a time deposit, the expiry of the relevant period) or (b) the assignment of the Account to the Security Agent or any third party;
- 2 we have not received notice of any previous assignments of, charges over or trusts in respect of, the Account and we will not, without the Security Agent's consent (a) exercise any right of combination, consolidation or set off which we may have in respect of the Account or (b) amend or vary any rights attaching to the Account;
- 3 we will disclose to the Security Agent any information relating to the Account which the Security Agent may from time to time request you to provide;
- 4 we will hold all monies from time to time standing to the credit of the Account to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as they may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
- 5 we will act only in accordance with the instructions given by persons authorised by the Security Agent and we shall send all statements and other notices given by us relating to the Account to the Security Agent.

For and on behalf of [Account Bank]

By:

SCHEDULE 6

Form of Notice of Assignment of Specific Contract

To: [Counterparty]

Date: [•]

Dear Sirs,

We hereby give you notice that we have assigned to Butterfly (Finance) Limited (Security Agent) pursuant to a debenture entered into by us in favour of the Security Agent dated [•] 2018 (the Debenture) all our right, title and interest in and to [insert details of contract] (the Contract) including all monies which may be payable to us in respect of the Contract.

With effect from the date of 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 upon your receipt of a Payment Notice from the Security Agent:
 - 2.1 all remedies provided for in the Contract or available at law or in equity are exercisable by the Security Agent;
 - 2.2 all rights to compel performance of the Contract are exercisable by the Security Agent although we shall remain liable to perform all the obligations assumed by it under the Contract; and
 - 2.3 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 us and no changes may be made to the terms of the Contract otherwise than as provided for in the facilities agreement originally dated 14 October 2013 (as amended and restated on 17 October 2014 and as further amended and restated on or about the date of this Debenture) originally made

between, amongst others, (1) Executive Care Group Limited as parent (2) Crossco (1332) Limited as company (3) the Borrowers (as defined therein) and (4) HSBC Bank plc as lender.

- 3 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 to send it copies of all notices issued by you under the Contract to the Security Agent as well as to us; and
- 4 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.

This notice and all matters, including non-contractual obligations, arising out of or in connection with it are governed by English law.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at [11th Floor Two Snowhill, Birmingham, England, B4 6WR]..

Yours faithfully,

.....
for and on behalf of

[Chargor]

To: Butterfly (Finance) Limited

11th Floor Two Snowhill, Birmingham, West Midlands, England, B4 6WR

Date: [•]

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 [Counterparty]

By:

SCHEDULE 7

Form of Legal Mortgage

DATED []

[INSERT NAME OF COMPANY]

and

BUTTERFLY (FINANCE) LIMITED

MORTGAGE

THIS DEED is dated []

BETWEEN:

- (1) **[INSERT NAME OF COMPANY]** registered in England and Wales with company number [•]
(the "Chargor"); and
- (2) **BUTTERFLY (FINANCE) LIMITED** as security agent for the Secured Parties on the terms and conditions set out in the Security Trust Deed (the "**Security Agent**", which expression shall include any person for the time being appointed as security agent, trustee or as an additional trustee for the purpose of, and in accordance with the Security Trust Deed).

BACKGROUND:

It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1 DEFINITIONS

Terms defined in the Facilities Agreement shall, unless otherwise defined in the Debenture or this Mortgage, have the same meaning in this Mortgage and in addition:

Debenture means the debenture dated [•] 2018 between, inter alia, the Chargor and the Security Agent.

Facilities Agreement means the facilities agreement originally dated 14 October 2013 (as amended and restated on 17 October 2014) originally made between, amongst others, (1) Executive Care Group Limited as parent (2) Crossco (1332) Limited as company (3) the Borrowers (as defined therein) and (4) HSBC Bank plc as lender;

Mortgaged Property means:

- (a) the property specified in the schedule (*Details of Mortgaged Property*); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property,

and includes all Related Rights.

Permitted Security means any security granted in favour of the Security Agent from time to time.

Related Rights means, 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, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

2 FIXED SECURITY

The Chargor hereby charges with full title guarantee in favour of the Security Agent as security for the payment and discharge of the Secured Obligations, by way of legal mortgage all the Chargor's right, title and interest from time to time in the Mortgaged Property.

3 IMPLIED COVENANTS FOR TITLE

- 3.1 The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to clause 2 (*Fixed Security*).
- 3.2 It shall be implied in respect of clause 2 (*Fixed Security*) that the Chargor is disposing of the Mortgaged Property free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

4 APPLICATION TO THE CHIEF LAND REGISTRAR

The Chargor hereby consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"No [disposition or specify type of disposition] of the registered estate [other than a charge] by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of Butterfly (Finance) Limited of [insert address of lender]] referred to in the Charges Register [or [their conveyancer or specify appropriate details]] ."

5 FURTHER ADVANCES

- 5.1 Each Lender is under an obligation to make further advances to the Chargor and that obligation will be deemed to be incorporated into this Mortgage as if set out in this Mortgage.
- 5.2 The Chargor hereby consents to an application being made to the Chief Land Registrar to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

6 RELEASE OF SECURITY

6.1 Redemption of security

Upon the Secured Obligations being discharged in full and none of the Secured Parties being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor, an Obligor or any other person under any agreement between the Security Agent and the Chargor, the Security Agent shall, at the request and cost of the Chargor, release and cancel the security constituted by this Mortgage and procure the reassignment to the Chargor of the property and assets assigned to the Security Agent pursuant to this Mortgage, in each case subject to clause 23.3 (*Avoidance of payments*) of the Debenture and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

6.2 Avoidance of payments

If the Security Agent reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under, and the security constituted by, this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

7 THIRD PARTY RIGHTS

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

8 GOVERNING LAW

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

9 COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which shall be deemed an original and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Any party may enter into this Mortgage by signing any such counterpart.

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

SCHEDULE

Details of Mortgaged Property

County and District/London Borough	Description of Property	Title Number
[]	[]	[]

SCHEDULE 8

Form of Notice of Charge

To: [Landlord]

Date: [•]

PURSUANT TO the lease of which particulars appear in paragraph 1 below, NOTICE IS HEREBY GIVEN that the disposition, of which particulars appear in paragraph 2 below, has taken place.

1	LEASE	
1.1	Date:	
1.2	Term:	
1.3	Parties: (1) (2)	
1.4	Demised Premises:	
2	DISPOSITION	Charge contained in a Debenture
2.1	Date:	[]
2.2	Parties: (1) (2)	[Chargor] as the Chargor Butterfly (Finance) Limited as the Security Agent
2.3	Name and Address of the Security Agent:	Butterfly (Finance) Limited 11th Floor Two Snowhill, Birmingham, West Midlands, England, B4 6WR

- NOTES:
- [1. The registration fee is enclosed.]
 2. It is requested that notice be given to the Security Agent of any breach of covenant by the tenant under the Lease.
 3. This Notice is sent in duplicate and it is requested that one copy is signed as provided below and returned to the Security Agent.

Signed

[Chargor]

RECEIVED a notice of which this is a duplicate

Signed

[Landlord]

Date:

SCHEDULE 9

Form of Notice of Charge of Account

To: [Account Bank]

Date: [•]

Dear Sirs

We hereby give you notice that we have charged to Butterfly (Finance) Limited (the "**Security Agent**") pursuant to a debenture entered into by us in favour of the Security Agent dated [•] 2018 all of our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts in our name with you together with all interest credited thereto and the debts represented by those sums:

[Insert details of Accounts] (together the "**Accounts**").

We hereby irrevocably instruct and authorise you:

- 1 to credit to each Account all interest from time to time earned on the sums of money held in that Account;
- 2 to disclose to the Security Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Security Agent may, at any time and from time to time, request you to disclose to it, and following receipt by you of a written notice from the Security Agent of the occurrence of an Event of Default which is continuing:
 - (a) to hold all sums from time to time standing to the credit of each Account in our name with you to the order of the Security Agent;
 - (b) to pay or release all or any part of the sums from time to time standing to the credit of each Account in our name with you only in accordance with the written instructions of the Security Agent at any time and from time to time; and
 - (c) to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which

you may receive at any time from the Security Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions.

By counter-signing this notice, the Security Agent confirms that we may make withdrawals from the Accounts in accordance with the terms of the Finance Documents until such time as the Security Agent shall notify you in writing that an Event of Default which is continuing has occurred and further confirming that our permission is withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Security Agent.

These instructions cannot be revoked or varied without the prior written consent of the Security Agent.

This notice and all matters, including non-contractual obligations, arising out of or in connection with it are governed by English law.

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Agent at 11th Floor Two Snowhill, Birmingham, West Midlands, England, B4 6WR with a copy to ourselves.

Yours faithfully

For and on behalf of

[Chargor]

To: **Butterfly (Finance) Limited**
11th Floor Two Snowhill, Birmingham, West Midlands, England, B4 6WR

Date: [●]

Dear Sirs

We confirm receipt of a notice dated [●] (the Notice) from [●] (the Company) of a charge, upon the terms of a Debenture dated [●] 2018, over all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in the following accounts with us in the name of the Company together with interest relating thereto:

[Insert details of Accounts] (together the "Accounts").

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with its terms;
- 2 we have not received notice of the interest of any third party in any Account or in the sums of money held in any Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest;
- 3 we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off or combination or counterclaim or other right in respect of any Account, the sums of money held in any Account or the debts represented by those sums;
- 4 until you notify us in writing of the occurrence of an Event of Default which is continuing and further confirming that withdrawals by the Company are prohibited the Company may make withdrawals from the Accounts; upon receipt of such notice we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories; and
- 5 we will not seek to modify, vary or amend the terms upon which sums are deposited in the Accounts without your prior written consent.
- 6 This letter and all matters, including non-contractual obligations, arising out of or in connection with it are governed by English law.

Yours faithfully

By:

For and on behalf of

[Account Bank]

SCHEDULE 10

Form of Deed of Accession

DATED [•] 20[•]

[INSERT NAME OF COMPANY]

and

[BUTTERFLY (FINANCE) LIMITED]

DEED OF ACCESSION

- (a) will become a party to the Debenture as a Chargor; and
- (b) will be bound by all the terms of the Debenture which are expressed to be binding on a Chargor.

2.2 The Additional Chargor hereby covenants with the Security Agent (as trustee for the Secured Parties) that it shall discharge all obligations, as and when they fall due in accordance with their terms, which the Chargors may at any time have to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including, for the avoidance of doubt, the Debenture, any Mortgage, or any document designated as a Finance Document from time to time) including any liabilities in respect of any further advances made under the Finance Documents (including, for the avoidance of doubt, or any other document designated as a Finance Document from time to time), whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). The Additional Chargor shall pay to the Security Agent when due and payable every sum at any time owing, due or incurred by the Additional Chargor to the Security Agent (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties in respect of any such liabilities, provided that neither such covenant nor the security constituted by the Debenture or any Mortgage shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

2.3 Neither the covenant to pay in clause 2.2 above nor the Security constituted by this Deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

3 GRANT OF SECURITY

3.1 Fixed Security

The Additional Chargor hereby charges with full title guarantee in favour of the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of first fixed charge (which, so far as it relates to land in England and Wales vested in a Chargor at the date of this Debenture and listed in schedule 2 (*Details of Property*) of this Deed shall be a charge by way of legal mortgage) all the Additional Chargor's right, title and interest from time to time in and to each of the following assets (subject in each

case to obtaining any necessary consent to such mortgage or fixed charge from any third party) in each case both present and future:

- (a) the Real Property;
- (b) the Tangible Moveable Property;
- (c) the Accounts;
- (d) the Charged Intellectual Property;
- (e) any goodwill and rights in relation to the uncalled capital of the Additional Chargor;
- (f) the Investments and all Related Rights;
- (g) the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise); and
- (h) all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Deed and all Related Rights.

3.2 Assignments

The Additional Chargor hereby assigns with full title guarantee to the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, subject to a proviso for re-assignment on redemption, all the Additional Chargor's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to that assignment from any third party and without prejudice to the Additional Chargor's obligations under clause 6.3 (*Consent of Third Parties*) of the Debenture, in each case both present and future:

- (a) the proceeds of any Insurance Policy;
- (b) all rights and claims in relation to any Assigned Account; and
- (c) each of the Specific Contracts,

and, in each case, all Related Rights.

3.3 Floating charge

- (a) The Additional Chargor hereby charges with full title guarantee in favour of the Security Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of the Additional Chargor, other than any asset which is situated in England and Wales and which is validly and effectively charged under the laws of England and Wales by way of fixed security created under this Deed in favour of the Security Agent as security for the Secured Obligations.
- (b) The floating charge created by this clause 3.3 shall be deferred in point of priority to all fixed security validly and effectively created by a Chargor under the Finance Documents in favour of the Security Agent as trustee for the Secured Parties as security for the Secured Obligations.
- (c) Paragraph 14 of schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this clause 3.3.

4 LAND REGISTRY RESTRICTION

The Additional Chargor consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship Register of any property which is, or is required to be, registered and which forms part of the Real Property:

"No [disposition or specify type of disposition] of the registered estate [other than a charge] by the proprietor of the registered estate [,or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [Butterfly (Finance Limited) of [insert address of lender]] referred to in the Charges Register [or [their conveyancer or specify appropriate details]]."

5 MISCELLANEOUS

5.1 Construction of Debenture

With effect from the date of this Deed the Debenture will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this Deed);

5.2 References In Debenture

With effect from the date of this Deed any reference in the Debenture to this Deed and similar phrases will include this deed and:

- (a) all references in the Debenture to schedule 2 (*Details of Real Property*) (or any part of it) will include a reference to schedule 1 (*Details of Real Property*) to this Deed (or relevant part of it);
- (b) all references in the Debenture to schedule 3 (*Details of Intellectual Property*) (or any part of it) will include a reference to schedule 2 (*Details of Intellectual Property*) to this Deed (or relevant part of it);
- (c) all references in the Debenture to schedule 4 (*Details of Shares*) (or any part of it) will include a reference to schedule 3 (*Details of Intellectual Property*) to this Deed (or relevant part of it).

6 GOVERNING LAW

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

7 JURISDICTION

7.1 English courts

The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Deed or any Mortgage (including a dispute regarding the existence, validity or termination of this Deed or any Mortgage or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed or any Mortgage) (a Dispute).

7.2 Convenient forum

The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

7.3 Exclusive Jurisdiction

This clause 7 is for the benefit of the Security Agent only. As a result and notwithstanding clause 7.1 (*English courts*), it does not prevent the Security Agent from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

8 [SERVICE OF PROCESS]

Without prejudice to any other mode of service allowed under any relevant law, the Additional Chargor:

- 8.1 irrevocably appoints [] as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed and any Finance Document; and
- 8.2 agrees that failure by a process agent to notify the Additional Chargor of the process will not invalidate the proceedings concerned.]

9 COUNTERPARTS

This Deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

In Witness whereof this Deed has been duly executed on the date first above written.

SCHEDULE 1

Details of Real Property

Part 1

Registered Land

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

Chargor	County and District/ London Borough	Description of Property	Title Number

Part 2

Unregistered Land

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

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

Chargor	County and District/ London Borough	Description of Property	Title Number

SCHEDULE 2

Details of Intellectual Property

SCHEDULE 3

Details of Shares

Chargor	Name of Company in which Shares are held	Class of Shares	Number of Shares held	Issued Share Capital
[●]	[●]	[●]	[●]	[●]

SIGNATURES TO ACCESSION DEED

The Additional Chargor

EXECUTED as a DEED

by [●]

Director

Director/Secretary

The Security Agent

EXECUTED as a DEED

by [SECURITY AGENT]

The Original Chargor

EXECUTED as a DEED

by CROSSCO (1332) LIMITED

Director:



Philip A Smith

In the presence of:

Witness signature:



Witness name:

Rhonda Williams

Witness address:

**Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU**

The Security Agent

EXECUTED as a DEED

by BUTTERFLY FINANCE LIMITED

Director:



Philip A Smith

In the presence of:

Witness signature:



Witness name:

Rhonda Williams

Witness address:

**Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU**