



**Registration of a Charge**

Company name: **MONNOW VALLEY CHP PLC**

Company number: **09278625**



X5XILQ1C

Received for Electronic Filing: **06/01/2017**

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**Details of Charge**

Date of creation: **22/12/2016**

Charge code: **0927 8625 0001**

Persons entitled: **ABUNDANCE SECURITY TRUSTEE LIMITED**

Brief description: **LEASEHOLD PROPERTY KNOWN AS PROPERTY AT UNIT 1, SIGERIC BUSINESS PARK, HOLME LACY ROAD, ROTHERWAS, HEREFORD, HR2 6BQ AND ALL OTHER ESTATES AND INTERESTS IN FREEHOLD, LEASEHOLD AND OTHER IMMOVABLE PROPERTY (WHEREVER SITUATED) NOW OR IN FUTURE BELONGING TO THE COMPANY, OR IN WHICH THE COMPANY HAS AN INTEREST AT ANY TIME, TOGETHER WITH ALL BUILDINGS AND FIXTURES (INCLUDING TRADE FIXTURES) AND FIXED PLANT AND MACHINERY AT ANY TIME THEREON. ALL LEGAL AND/OR EQUITABLE INTERESTS (INCLUDING, WITHOUT LIMITATION, THE BENEFIT OF ALL LICENCES IN ANY PART OF THE WORLD) OF THE COMPANY IN, OR RELATING TO ANY PATENTS, TRADE MARKS, SERVICE MARKS, DESIGNS, BUSINESS NAMES, COPYRIGHTS, DATABASE RIGHTS, DESIGN RIGHTS, DOMAIN NAMES, MORAL RIGHTS, INVENTIONS, CONFIDENTIAL INFORMATION, KNOW-HOW AND OTHER INTELLECTUAL PROPERTY RIGHTS AND INTERESTS (WHICH MAY NOW OR IN THE FUTURE SUBSIST), WHETHER REGISTERED OR UNREGISTERED AND THE BENEFIT OF ALL APPLICATIONS AND RIGHTS TO USE SUCH ASSETS OF THE COMPANY (WHICH MAY NOW OR IN THE FUTURE SUBSIST). FOR MORE DETAILS PLEASE REFER TO THE CHARGING INSTRUMENT.**

**Contains fixed charge(s).**

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

## Authentication of Form

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

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## 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: **CHESSIE DA PARMA TLT LLP**



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

Company number: 9278625

Charge code: 0927 8625 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2016 and created by MONNOW VALLEY CHP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th January 2017 .

Given at Companies House, Cardiff on 9th January 2017

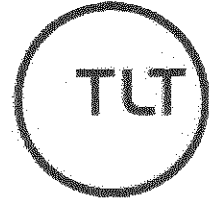
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



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



## Security Agreement

- (1) Monnow Valley CHP PLC as Chargor
- (2) Abundance Security Trustee Limited as Security Trustee

Dated 22<sup>nd</sup> December 2016

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This Deed is made the 22<sup>nd</sup> day of December 2016

Between:

- (1) **Monnow Valley CHP PLC**, a company incorporated in England and Wales registered with company number 09278625 and whose registered office is at Severn House, Hazell Drive, Newport, NP10 8FY (the **Chargor**); and
- (2) **Abundance Security Trustee Limited**, a company limited in guarantee incorporated in England and Wales with registered number 09864672 and having its registered office at 16 Linen House, 253 Kilburn Lane, London, W10 4BQ (as security trustee for the Secured Parties (as defined below)) (in such capacity, the **Security Trustee**).

It is agreed as follows:

## 1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed terms defined in, or construed for the purposes of, the Debenture Deed (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed) and at all times the following terms have the following meanings:

|                            |  |
|----------------------------|--|
| <b>Account Bank</b>        | means Barclays Bank plc or such other bank with which any Account is maintained from time to time in accordance with the terms of this Deed and the Debenture Deed   |
| <b>Account Proceeds</b>    | means all amounts (including interest) from time to time standing to the credit of the Project Accounts  |
| <b>Act</b>                 | means the Law of Property Act 1925   |
| <b>Agent</b>               | means Abundance Investment Limited, a company incorporated in England and Wales with registered number 07049166 and having its registered office at 16 Linen House, 253 Kilburn Lane, London, W10 4BQ  |
| <b>Assigned Assets</b>     | means the Security Assets expressed to be assigned pursuant to clause 4.2 ( <i>Security assignments</i> )  |
| <b>Beneficiaries</b>       | has the meaning given to it in the Debenture Deed  |
| <b>Charged Accounts</b>    | means each: <ol style="list-style-type: none"><li>(a) the Project Account; and</li><li>(b) any other account charged by or pursuant to this Deed</li></ol>   |
| <b>Charged Investments</b> | means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities  |
| <b>Charged Securities</b>  | means: <ol style="list-style-type: none"><li>(a) the securities, if any, specified in Part 2 of Schedule 1 (<i>Details of Security Assets</i>); and</li><li>(b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or</li></ol> |

"investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by the Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Chargor has an interest at any time

**Debenture Deed**

means the sterling facilities agreement dated on or around the date of this Deed and made between (1) the Chargor (as issuer) (2) the Agent (as agent) (3) the Security Trustee (as security trustee)

**Default Rate**

means the rates of interest determined in accordance with clause 10. of the Debenture Deed

**Delegate**

means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Trustee or by a Receiver

**Enforcement Date**

means the date on which the Agent sends a notice to the Borrower under clause 14.3.1 of the Debenture Deed

**Event of Default**

has the meaning given in the Debenture Deed and any such event of default in such other loan facility agreement made between the Chargor and the Security Trustee from time to time

**Insurances**

means all policies of insurance (and all cover notes) which are at any time held by or written in favour of the Chargor, or in which the Chargor from time to time has an interest (including, without limitation) the policies of insurance (if any) specified in Part 5 of Schedule 1 (*Details of Security Assets*) excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties

**Intellectual Property**

means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Chargor in, or relating to:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of the Chargor (which may now or in the future subsist)

**Material Contract**

means the contracts (if any) specified in Part 4 of Schedule 1 (*Details of Security Assets*) together with each other agreement supplementing or amending or novating or replacing the same

**Party**

means a party to this Deed

**Planning Acts**

means:

- (a) the Town and Country Planning Act 1990;
- (b) the Planning (Listed Buildings and Conservation Areas) Act 1990;
- (c) the Planning (Hazardous Substances) Act 1990;
- (d) the Planning (Consequential Provisions) Act 1990;
- (e) the Planning and Compensation Act 1991;
- (f) any regulations made pursuant to any of the foregoing; and
- (g) any other legislation of a similar nature

**Project Account**

means the account listed in Part 3 of Schedule 1

**Real Property**

means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Chargor, or in which the Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in Part 1 of Schedule 1 (*Details of Security Assets*)), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof; and
- (c) the benefit of all covenants given in respect thereof

**Receivables**

means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing

**Receiver**

means a receiver, receiver and manager or administrative receiver of the whole or any part of the



|                                    |  |
|------------------------------------|--|
|                                    | Security Assets appointed by the Security Trustee under this Deed  |
| <b>Related Rights</b>              | means, in relation to any Charged Security: <ul style="list-style-type: none"> <li>(a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and</li> <li>(b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise</li> </ul> |
| <b>Security Agreement Security</b> | means the Security created or evidenced by or pursuant to this Deed  |
| <b>Secured Obligations</b>         | means all present and future obligations and liabilities of any kind (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of the Chargor to the Security Trustee and/or the other Secured Parties (or any of them) (including all monies covenanted to be paid under this Deed)   |
| <b>Secured Parties</b>             | Security Trustee, the Agent and the Beneficiaries and any Receiver or Delegate   |
| <b>Security Assets</b>             | means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed   |
| <b>Security Period</b>             | means the period beginning on the date of this Deed and ending on the date on which: <ul style="list-style-type: none"> <li>(a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and</li> <li>(b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents</li> </ul>   |

## 1.2 Interpretation

- 1.2.1 Unless a contrary indication appears, in this Deed, the provisions of clause 1.2 of the Debenture Deed apply to this Deed as though they were set out in full in this Deed, except that references to "this Agreement" will be construed as references to this Deed.
- 1.2.2 Unless a contrary indication appears, any reference in this Deed to:
- (a) the **Chargor**, the **Security Trustee** or any other **Secured Party** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Trustee, any person for the time being appointed as Security Trustee in accordance with the Debenture Deed;

(b) this Deed, the Debenture Deed any other Finance Document or any other agreement or instrument is a reference to this Deed, the Debenture Deed, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally); and

(c) **Secured Obligations** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Chargor.

1.2.3 Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:

(a) must be complied with at all times during the Security Period; and

(b) is given by the Chargor for the benefit of the Security Trustee and each other Secured Party.

1.2.4 The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.2.5 If the Security Trustee reasonably considers that an amount paid by the Chargor to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.2.6 The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

### 1.3 Trust

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Trustee are made, created and entered into in favour of the Security Trustee as trustee for the Secured Parties from time to time. The perpetuity period for any trusts in this Deed is 125 years.

### 1.4 Third party rights

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

## 2 COVENANT TO PAY

### 2.1 Covenant to pay

2.1.1 The Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Trustee that it will pay and discharge the Secured Obligations from time to time when they fall due.

2.1.2 Every payment by the Chargor of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1.1.

## **2.2 Default interest**

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the Default Rate and in the manner determined under the Debenture Deed from time to time.

## **3 GRANT OF SECURITY**

### **3.1 Nature of security**

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- 3.1.1 in favour of the Security Trustee;
- 3.1.2 with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- 3.1.3 as continuing security for payment of the Secured Obligations.

### **3.2 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

## **4 FIXED SECURITY**

### **4.1 Fixed charges**

The Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- 4.1.1 by way of first legal mortgage:
  - (a) the Real Property (if any) specified in Part 1 of Schedule 1 (*Details of Security Assets*); and
  - (b) all other Real Property (if any) at the date of this Deed vested in, or charged to, such Chargor (not charged by clause 4.1.1(a));
- 4.1.2 by way of first fixed charge:
  - (a) all other Real Property and all interests in Real Property (not charged by clause 4.1.1;
  - (b) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
  - (c) the proceeds of sale of all Real Property;
- 4.1.3 by way of first fixed charge all plant and machinery (not charged by clause 4.1.1 or 4.1.2) and the benefit of all contracts, licences and warranties relating to the same;
- 4.1.4 by way of first fixed charge:

- (a) all vehicles, office equipment and other equipment (not charged by clause 4.1.3); and
  - (b) the benefit of all contracts, licences and warranties relating to the same;
- 4.1.5 by way of first fixed charge:
- (a) the Charged Securities referred to in Part 2 of Schedule 1 (*Details of Security Assets*); and
  - (b) all other Charged Securities (not charged by clause 4.1.5(a)),
- in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- 4.1.6 by way of first fixed charge:
- (a) all Account Proceeds; and
  - (b) all accounts of such Chargor with any bank, financial institution or other person at any time (not charged by (a)) and all monies at any time standing to the credit of such accounts,
- in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- 4.1.7 by way of first fixed charge all Intellectual Property;
- 4.1.8 to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- 4.1.9 by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
- (a) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Chargor or the use of any of its assets; and
  - (b) any letter of credit issued in favour of the Chargor and all bills of exchange and other negotiable instruments held by it; and
- 4.1.10 by way of first fixed charge all of the goodwill and uncalled capital of such Chargor.

## 4.2 Security assignments

The Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- 4.2.1 the Material Contracts, all rights and remedies in connection with the Material Contracts and all proceeds and claims arising from them and the benefit of all other agreements, instruments and rights relating to the Secured Assets;
- 4.2.2 each of the following:
  - (a) all Insurances specified in Part 5 of Schedule 1 (*Details of Security Assets*); and

- (b) all other Insurances (not assigned by clauses 4.2.1 or (a)),
- (c) and all claims under the Insurances and all proceeds of the Insurances;  
and

4.2.3 all other Receivables (not assigned under clauses 4.2.1 or 4.2.2).

To the extent that any Assigned Asset is not assignable, the assignment which that clause purports to effect shall operate instead as an assignment of all present and future rights and claims of such Chargor to any proceeds of such Insurances, Receivables or Material Contracts.

#### 4.3 Notice of assignment and/or charge - immediate notice

The Chargor shall:

- 4.3.1 in respect of each of its Insurances, deliver a duly completed notice of assignment to each other party to that Insurance upon executing this Deed and as soon as reasonably practicable upon obtaining any Insurance, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Security Trustee an acknowledgement, in each case in the respective forms set out in Schedule 4 (*Form of notice to and acknowledgement by insurers*);
  - 4.3.2 in respect of each Material Contract in respect of which a Direct Agreement has not been entered into, to the extent that the Chargor is a party to the relevant document:
    - (a) upon execution of this Deed (and promptly upon the execution of any Hedging Agreement after the date of this Deed to the extent that the Hedging Counterparty has not already acknowledged as much in the Intercreditor Agreement) deliver a duly completed notice of assignment to each other party to that document; and
    - (b) upon any Material Contract being replaced, promptly deliver a duly completed notice of assignment to each other party to the relevant Material Contract,

and in each case use its reasonable endeavours to procure that each such party executes and delivers to the Security Trustee an acknowledgement, in each case in the respective forms set out in Schedule 3 (*Form of notice to and acknowledgement by party to Material Contract*); and
  - 4.3.3 in respect of any Charged Accounts in place as at the date hereof (if any) (and promptly upon any Charged Account being opened) promptly deliver a duly completed notice to the Account Bank and use its reasonable endeavours to procure that the Account Bank executes and delivers to the Security Trustee an acknowledgement, in each case in the respective forms set out in Schedule 2 (*Form of notice to and acknowledgement from Account Bank*),
- or, in each case, in such other form as the Security Trustee shall agree.

#### 4.4 Assigned Assets

The Security Trustee is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Material Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

#### 4.5 Leasehold interests containing prohibition on charging

4.5.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by clause 4.1 (*Fixed charges*) (and the further assurance provisions set out in clause 21 (*Further Assurances*)) any leasehold property held by the Chargor under a lease and any other property where the freehold is not owned where the terms of such lease or other arrangement either preclude absolutely the Chargor from creating any charge over its leasehold or other interest in such property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an **Excluded Property**).

4.5.2 With regard to each Excluded Property in respect of which the Chargor's title is or would be required to be registered at HM Land Registry, the Chargor hereby undertakes within 14 days of receipt of a written request from the Security Trustee to make application for the consent of the third party from whom consent is required and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations with such third parties.

4.5.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Property shall thereupon be charged to the Security Trustee pursuant to the terms of clause 4.1 (*Fixed charges*) (or, as the case may be, clause 5 (*Floating charge*)). If required by the Security Trustee in respect of any Excluded Property, at any time following receipt of such consent the Chargor will execute a fixed charge in favour of, and in such form as is required by, the Security Trustee, subject only to the same containing terms and conditions which are no more onerous than those contained herein.

## 5 FLOATING CHARGE

The Chargor charges and agrees to charge by way of first floating charge all of its present and future:

5.1.1 assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and

5.1.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## 6 CONVERSION OF FLOATING CHARGE

### 6.1 Conversion by notice

The Security Trustee may, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of the Chargor specified in the notice if:

6.1.1 an Event of Default has occurred and is continuing; or

6.1.2 the Security Trustee (acting reasonably) considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy (in which case such conversion shall take effect in respect of the affected Security Assets only).

## **6.2 Small companies**

The floating charge created under this Deed by the Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

## **6.3 Automatic conversion**

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

6.3.1 in relation to any Security Asset which is subject to a floating charge if:

- (a) the Chargor creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Trustee; or
- (b) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and

6.3.2 over all Security Assets of the Chargor which are subject to a floating charge if an administrator is appointed in respect of the Chargor or the Security Trustee receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

## **6.4 Scottish property**

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

## **6.5 Partial conversion**

The giving of a notice by the Security Trustee pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any other right of the Security Trustee and/or the other Secured Parties.

# **7 CONTINUING SECURITY**

## **7.1 Continuing security**

The Security constituted by this Deed is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

## **7.2 Additional and separate security**

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Trustee and/or any other Secured Party may at any time hold for any Secured Obligation.

## **7.3 Right to enforce**

This Deed may be enforced against the Chargor without the Security Trustee and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

## **8 LIABILITY OF CHARGOR RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in this Deed or implied to the contrary, the Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Trustee is under no obligation to perform or fulfill any such condition or obligation or to make any payment in respect of any such condition or obligation.

## **9 ACCOUNTS**

No monies at any time standing to the credit of any account (of any type and however designated) of the Chargor with the Security Trustee and/or any other Secured Party (or any of them) or in which the Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party.

## **10 REPRESENTATIONS**

### **10.1 General**

The Chargor makes the representations and warranties set out in this clause 10 to the Security Trustee and to each other Secured Party.

### **10.2 Charged Securities**

The Charged Securities listed in Part 2 of Schedule 1 (*Details of Security Assets*) are fully paid and constitute the entire share capital owned by the Chargor in the relevant company and constitute the entire share capital of each such company.

### **10.3 Real Property**

In relation to the Real Property Part 1 of Schedule 1 (*Details of Security Assets*) identifies all freehold and leasehold Real Property (if any) which is beneficially owned by the Chargor at the date of this Deed.

### **10.4 Time when representations made**

10.4.1 All the representations and warranties in this clause 10 are made by the Chargor on the date of this Deed and (except for those in clause 10.2 (*Charged Securities*) and clause 10.3 (*Real Property*)) are also deemed to be made by the Chargor each day the Debentures remain outstanding.

10.4.2 Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## **11 UNDERTAKINGS BY THE CHARGOR**

### **11.1 Negative pledge and Disposals**

The Chargor shall not do or agree to do any of the following without the prior written consent of the Security Trustee:

11.1.1 create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed and except for a Permitted Security as permitted by the Debenture Deed; or

11.1.2 sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and



whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset except as permitted by the Debenture Deed.

## **11.2 Security Assets generally**

The Chargor shall:

11.2.1 notify the Security Trustee within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Security Trustee):

- (a) immediately provide it with a copy of the same; and
- (b) either (A) comply with such notice, order, application, requirement or proposal to the extent commercially and reasonably practicable or (B) make such objections to the same as the Security Trustee may reasonably require or approve;

11.2.2 provide the Security Trustee with all information which it may reasonably request in relation to the Security Assets; and

11.2.3 not do, cause or permit to be done anything which would or would be reasonably likely to depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

## **11.3 Deposit of documents and notices**

The Chargor shall:

11.3.1 unless the Security Trustee otherwise confirms in writing (and without prejudice to clause 11.8.1), deposit with the Security Trustee :

- (a) all deeds and documents of title relating to the Security Assets; and
- (b) all local land charges, land charges and HM Land Registry search certificates and similar documents received by or on behalf of the Chargor, (each of which the Security Trustee may hold throughout the Security Period); and

11.3.2 immediately on request by the Security Trustee if an Event of Default is continuing, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by it (in a prominent position) a durable notice of this Deed (in any form required by the Security Trustee).

## **11.4 Real Property undertakings - acquisitions and notices to HM Land Registry**

11.4.1 The Chargor shall notify the Security Trustee as soon as reasonably practicable after the acquisition of any estate or interest in any freehold or leasehold property.

11.4.2 The Chargor shall, in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at HM Land Registry or the title to which is required to be so registered:

- (a) give HM Land Registry written notice of this Deed; and
- (b) procure that notice of this Deed is clearly noted in the Register to each such title.

## 11.5 Insurance

11.5.1 The Chargor shall at all times comply with its obligations as to insurance contained in the Debenture Deed.

11.5.2 If at any time the Chargor defaults in:

- (a) effecting or keeping up the insurances required under the Debenture Deed; or
- (b) producing any insurance policy or receipt to the Security Trustee within three Business Days of demand,

the Security Trustee may (without prejudice to its rights under clause 13 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Security Trustee may reasonably think expedient. All monies which are expended by the Security Trustee in doing so shall be deemed to be properly paid by the Security Trustee and shall be reimbursed by the Chargor on demand.

11.5.3 In relation to the proceeds of Insurances:

- (a) while an Event of Default is continuing, the Security Trustee shall have the sole right to settle or sue for any such claim and to give any discharge for insurance monies; and
- (b) at any time, all claims and monies received or receivable under any Insurances shall (subject to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied in relation to Insurances in accordance with the Debenture Deed or (if no requirement as to application is so imposed) in repairing, replacing, restoring or rebuilding the property damaged or destroyed or, following an Enforcement Date, in permanent reduction of the Secured Obligations in accordance with the Debenture Deed.

## 11.6 Dealings with and realisation of Receivables

11.6.1 The Chargor shall:

- (a) without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Trustee, sell, assign, charge, factor or discount or in any other manner deal with any Receivable;
- (b) collect all Receivables promptly in the ordinary course of trading as agent for the Security Trustee.

11.6.2 Whilst an Event of Default is continuing, the Chargor shall deal with the Receivables (both collected and uncollected) in accordance with any directions given in writing from time to time by the Security Trustee and, in default of and subject to such directions, in accordance with this Deed.

11.6.3 The Chargor shall deliver to the Security Trustee such information as to the amount and nature of its Receivables as the Security Trustee may from time to time reasonably require (taking into account the requirements of the Finance Documents).

## 11.7 Change of Account Bank

The Account Bank may only be changed to another bank or financial institution with the consent of the Security Trustee.

## **11.8 Charged Investments - protection of security**

- 11.8.1 The Chargor shall, immediately upon execution of this Deed or (if later) as soon as is practicable after its acquisition of any Charged Securities (and after completion of any stamping in respect of share certificates), by way of security for the Secured Obligations:
- (a) deposit with the Security Trustee (or as the Security Trustee may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights; and
  - (b) execute and deliver to the Security Trustee :
    - (i) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
    - (ii) such other documents as the Security Trustee shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).
- 11.8.2 In respect of any Charged Investment held by or on behalf of any nominee of any clearance or settlement system, the Chargor shall immediately upon execution of this Deed or (if later) immediately upon acquisition of an interest in such Charged Investment deliver to the Security Trustee duly executed stock notes or other document in the name of the Security Trustee (or as it may direct) issued by such nominee and representing or evidencing any benefit or entitlement to such Charged Investment.
- 11.8.3 The Chargor shall:
- (a) promptly give notice to any custodian of any agreement with the Chargor in respect of any Charged Investment in a form the Security Trustee may require; and
  - (b) use its reasonable endeavours to ensure that the custodian acknowledges that notice in a form the Security Trustee may require.
- 11.8.4 The Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.
- 11.8.5 The Chargor shall not nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.

## **11.9 Rights of the Parties in respect of Charged Investments**

- 11.9.1 Until an Enforcement Date occurs, the Chargor shall be entitled to:
- (a) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
  - (b) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:
    - (i) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights, in each case unless permitted by the Finance Documents; or
    - (ii) is prejudicial to the interests of the Security Trustee and/or the other Secured Parties.

- 11.9.2 At any time following the occurrence of an Enforcement Date, the Security Trustee may complete the instrument(s) of transfer for all or any Charged Securities on behalf of the Chargor in favour of itself or such other person as it may select.
- 11.9.3 At any time when any Charged Security is registered in the name of the Security Trustee or its nominee, the Security Trustee shall be under no duty to:
- (a) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
  - (b) verify that the correct amounts are paid or received; or
  - (c) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.

## **12 UNDERTAKINGS AS TO ACCOUNT PROCEEDS**

### **12.1 Account Proceeds: position before Event of Default**

Before the occurrence of an Event of Default which is continuing, the Chargor shall operate the Account in accordance with the terms of the Debenture Deed.

### **12.2 Account Proceeds: position after Event of Default**

12.2.1 After the occurrence of an Event of Default which is continuing:

- (a) no amount may be withdrawn by the Chargor, with respect to the Account except with the Security Trustee's written consent; and
- (b) the Security Trustee will be entitled (but not obliged) without prior notice to, or the consent of, the Chargor to be the sole signatory on the Account.

12.2.2 If the Security Trustee exercises its rights pursuant to clause 12.2.1(b), the Security Trustee shall notify the Borrower as soon as reasonably practicable after becoming the sole signatory to the Account.

## **13 POWER TO REMEDY**

### **13.1 Power to remedy**

If at any time the Chargor does not comply with any of its obligations under this Deed, the Security Trustee (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The Chargor irrevocably authorises the Security Trustee and its employees and agents by way of security to do all such things (including entering the property of the Chargor) which are necessary to rectify that default.

### **13.2 Mortgagee in possession**

The exercise of the powers of the Security Trustee under this clause 13 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

### **13.3 Monies expended**

The Chargor shall pay to the Security Trustee on demand any monies which are expended by the Security Trustee in exercising its powers under this clause 13, together with interest at the Default Rate from the date on which those monies were

expended by the Security Trustee (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

#### **14 WHEN SECURITY BECOMES ENFORCEABLE**

##### **14.1 When enforceable**

This Debenture Security shall become immediately enforceable upon the occurrence of an Event of Default which is continuing.

##### **14.2 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default which is continuing.

##### **14.3 Enforcement**

After the Enforcement Date, the Security Trustee may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

#### **15 ENFORCEMENT OF SECURITY**

##### **15.1 General**

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

##### **15.2 Powers of leasing**

The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with section 99 or 100 of the Act.

##### **15.3 Powers of Security Trustee**

15.3.1 At any time after the Enforcement Date (or if so requested by the Chargor by written notice at any time), the Security Trustee may without further notice (unless required by law):

- (a) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
- (b) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor; and/or
- (c) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
- (d) exercise (in the name of the Chargor and without any further consent or authority of the Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.

- 15.3.2 The Security Trustee is not entitled to appoint a Receiver in respect of any Security Assets of the Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

#### 15.4 Redemption of prior mortgages

At any time after the Enforcement Date, the Security Trustee may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on the Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Trustee on demand.

#### 15.5 Privileges

- 15.5.1 Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

- 15.5.2 To the extent that the Security Assets constitute **financial collateral** and this Deed and the obligations of the Chargor under this Deed constitute a **security financial collateral arrangement** (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Security Trustee shall have the right after the Enforcement Date to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.

- 15.5.3 For the purpose of clause 15.5.2 above, the value of the financial collateral appropriated shall be such amount as the Receiver or Security Trustee reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

#### 15.6 No liability

- 15.6.1 Neither the Security Trustee, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).

- 15.6.2 Without prejudice to the generality of clause 15.6.1, neither the Security Trustee, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

## **15.7 Protection of third parties**

No person (including a purchaser) dealing with the Security Trustee or any Receiver or Delegate will be concerned to enquire:

- 15.7.1 whether the Secured Obligations have become payable;
- 15.7.2 whether any power which the Security Trustee or the Receiver is purporting to exercise has become exercisable;
- 15.7.3 whether any money remains due under any Finance Document; or
- 15.7.4 how any money paid to the Security Trustee or to the Receiver is to be applied.

## **16 RECEIVER**

### **16.1 Removal and replacement**

The Security Trustee may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

### **16.2 Multiple Receivers**

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

### **16.3 Remuneration**

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

### **16.4 Payment by Receiver**

Only monies actually paid by a Receiver to the Security Trustee in relation to the Secured Obligations shall be capable of being applied by the Security Trustee in discharge of the Secured Obligations.

### **16.5 Agent of Chargor**

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. The Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **17 POWERS OF RECEIVER**

### **17.1 General powers**

Any Receiver shall have:

- 17.1.1 all the powers which are conferred on the Security Trustee by clause 15.3 (*Powers of Security Trustee*);
- 17.1.2 all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;

17.1.3 (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and

17.1.4 all powers which are conferred by any other law conferring power on receivers.

## 17.2 Additional powers

In addition to the powers referred to in clause 17.1 (*General powers*), a Receiver shall have the following powers:

17.2.1 to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;

17.2.2 to manage the Security Assets and the business of the Chargor as he thinks fit;

17.2.3 to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;

17.2.4 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;

(a) fixtures may be severed and sold separately from the Real Property containing them, without the consent of the Chargor;

(b) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and

(c) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;

17.2.5 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);

17.2.6 to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;

17.2.7 to take any such proceedings (in the name of any of the Chargor or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);

17.2.8 to enter into or make any such agreement, arrangement or compromise as he shall think fit;

17.2.9 to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Trustee shall direct);



- 17.2.10 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- 17.2.11 to form one or more Subsidiaries of the Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- 17.2.12 to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- 17.2.13 to:
  - (a) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
  - (b) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
  - (c) use the name of the Chargor for any of the above purposes.

## **18 APPLICATION OF MONIES RECEIVED UNDER THIS DEED**

Any monies received under the powers hereby conferred shall, subject to the repayment of any claims having priority to this Deed, be applied for the purposes and in the order of priority set out in clause 14 (*Application of proceeds*) of the Intercreditor Agreement, save that the Security Trustee may credit any monies received under this Deed to a suspense account for so long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider appropriate.

## **19 SET-OFF**

### **19.1 Set-off rights**

- 19.1.1 The Security Trustee and each other Secured Party may (but shall not be obliged to) set off any matured obligation due from the Chargor under the Finance Documents (to the extent beneficially owned by the Security Trustee or that Secured Party) against any matured obligation owed by the Security Trustee or that Secured Party to that Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- 19.1.2 At any time after the Enforcement Date (and in addition to its rights under clause 19.1.1), the Security Trustee and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Chargor under any Finance Document against any obligation (whether or not matured) owed by the Security Trustee or such other Secured Party to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- 19.1.3 If the obligations are in different currencies, the Security Trustee or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **19.2 Time deposits**

Without prejudice to clause 19.1 (Set-off), if any time deposit matures on any account which the Chargor has with the Security Trustee or any other Secured Party at a time within the Security Period when:

19.2.1 this Debenture Security has become enforceable; and

19.2.2 no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Trustee or such other Secured Party in its absolute discretion considers appropriate unless the Security Trustee or such other Secured Party otherwise agrees in writing.

## **20 DELEGATION**

Each of the Security Trustee and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## **21 FURTHER ASSURANCES**

### **21.1 Further action**

The Chargor shall at its own expense, promptly do all acts and execute all documents as the Security Trustee or a Receiver may reasonably specify (and in such form as the Security Trustee or a Receiver may reasonably require) for:

21.1.1 creating, perfecting or protecting the Security intended to be created by this Deed or any other Transaction Security Document;

21.1.2 facilitating the realisation of any Security Asset;

21.1.3 facilitating the exercise of any rights, powers and remedies exercisable by the Security Trustee, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law; or

21.1.4 creating and perfecting Security in favour of the Security Trustee or the Secured Parties over any property and assets of such Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed or any other Transaction Security Document.

### **21.2 Finance Documents**

The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Trustee or the Secured Parties by or pursuant to the Finance Documents.

## **22 POWER OF ATTORNEY**

The Chargor, by way of security, following the occurrence of an Event of Default which is continuing, irrevocably and severally appoints the Security Trustee, each Receiver and any Delegate to be its attorney to take any action which such Chargor is obliged to

take under this Deed, including under clause 21.1 (*Further assurances*). The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

## **23 CURRENCY CONVERSION**

All monies received or held by the Security Trustee or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Trustee or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Trustee's Spot Rate of Exchange. The Chargor shall indemnify the Security Trustee against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Trustee nor any Receiver shall have any liability to the Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

## **24 CHANGES TO THE PARTIES**

### **24.1 Chargor**

The Chargor may not assign any of its rights or obligations under this Deed.

### **24.2 Security Trustee**

The Security Trustee may assign or transfer all or any part of its rights under this Deed. The Chargor shall, upon being requested to do so by the Security Trustee, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

## **25 MISCELLANEOUS**

### **25.1 New accounts**

25.1.1 If the Security Trustee or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for the Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.

25.1.2 As from that time all payments made to the Security Trustee or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

### **25.2 Tacking**

25.2.1 Each Finance Party shall perform its obligations under the Debenture Deed (including any obligation to make available further advances).

25.2.2 This Deed secures advances already made and further advances to be made.

### **25.3 Land Registry**

25.3.1 The Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Security Trustee for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any

unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer."

**25.3.2 The Chargor:**

- (a) authorises the Security Trustee to make any application which the Security Trustee deems appropriate for the designation of this Deed, the Debenture Deed or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
- (b) shall use its best endeavours to assist with any such application made by or on behalf of the Security Trustee; and
- (c) shall notify the Security Trustee in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Debenture Deed or any other Finance Document following its designation as an exempt information document.

**25.3.3** No Chargor shall make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.

**25.3.4** The Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

**25.4 Protective clauses**

The Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of the Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of the Chargor (whether or not known to it or to any Secured Party).

**26 NOTICES**

The provisions as regards notices as set out in the Debenture Deed are incorporated into this Deed as if fully set out in this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Debenture Deed or this Deed.

**27 CALCULATIONS AND CERTIFICATES**

Any certificate of or determination by a Secured Party or the Security Trustee specifying the amount of any Secured Obligation due from the Chargor (including details of any relevant calculation thereof) is, in the absence of manifest error, prima facie evidence against the Chargor of the matters to which it relates.

**28 PARTIAL INVALIDITY**

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under

any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

**28. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

**29 AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if the Security Trustee and the Chargor on their behalf so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Trustee so agrees in writing. A waiver given or consent granted by the Security Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

**30 COUNTERPARTS**

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

**31 RELEASE**

**31.1 Release**

Upon the expiry of the Security Period (but not otherwise) the Security Trustee shall, at the request and cost of the Chargor, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

**31.2 Reinstatement**

Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

**32 GOVERNING LAW**

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

IN WITNESS of which this Deed has been duly executed by each Original Chargor as a deed and duly executed by the Security Trustee and has been delivered by each Original Chargor.

## Schedule 1

### Details of Security Assets

#### Part 1 Real Property

| Address  | Document | Title number |
|--|----------|--------------|
| Property at Unit 1 Sigeric Business Park, Holme Lacy Road, Rotherwas, Hereford, HR2 6BQ (as more particularly shown edged red on a plan attached to the lease) | Lease    | Awaited      |

#### Part 2 Charged Securities

| Chargor | Name of company in which shares are held | Class of shares held | Number of shares held | Issued share capital |
|---------|--|----------------------|-----------------------|----------------------|
|         |  |                      |                       |                      |
|         |  |                      |                       |                      |

#### Part 3 Account

| Project Account       |                           |                |                    |   |
|-----------------------|---------------------------|----------------|--------------------|---|
| Account Holder        | Account Name              | Account Number | Account Bank       | Account bank branch address and sort code |
| Monnow Valley CHP PLC | Monnow Valley CHP Limited |                | Barclays Bank Plc. |   |

#### Part 4 - Material Contracts

| Date of Material Contract               | Parties                                     | Details of Material Contract   |
|---|---|--|
| On or around the date of this Agreement | (1) The Chargor<br>(2) B&B Biofuels Limited | An agreement for the provision of heat energy from the Chargor to B&B Biofuels Limited                         |
| On or around the date of this Agreement | (1) The Chargor<br>(2) Sigeric Limited      | A power purchase agreement pursuant to which the Chargor as Seller sells power to Sigeric Limited as Purchaser |
| On or around the date of this Agreement | (1) The Chargor<br>(2) B&B Biofuels Limited | An agreement for the provision of woodchip by B&B Biofuels Limited to the Chargor                              |
| 22 December 2016                        | (1) The Chargor                             | An agreement for the provision of  |

| Date of Material Contract | Parties                  | Details of Material Contract |
|---------------------------|--------------------------|------------------------------|
|                           | (2) Arbor Aftersales Ltd | aftersales services          |

#### Part 5 - Insurances

| Insurer | Policy number |
|---------|---------------|
| Aviva   | 25178660 ENP  |

## Schedule 2

### Form of notice to and acknowledgement from Account Bank

To: [●insert name and address of Account Bank]

Dated: [●]

Dear Sirs

Re: Account Holder: [●] (the **Chargor**)

- 1 We give notice that, by a security agreement dated [●] (the **Debenture**), we have charged to Abundance Security Trustee Limited (the **Security Trustee**) as Security Trustee for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to all monies from time to time standing to the credit of:

| Account Name | Account Number | Sort code |
|--------------|----------------|-----------|
|              |                |           |

(the **Charged Accounts**) and to all interest from time to time accrued or accruing on the Charged Account, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you.

- 2 We advise you that, under the terms of the Debenture, we are not entitled to withdraw any monies from:
- 2.1 the Charged Accounts without first having obtained the prior written consent of the Security Trustee except to the extent that such consent is given in this notice;
- 2.2 any other Charged Accounts without first having obtained the prior written consent of the Security Trustee .
- 3 We irrevocably authorise and instruct you from time to time:
- 3.1 unless the Security Trustee so authorises you in writing, not to permit withdrawals from Project Account, or any other Charged Account except to the extent that any withdrawal is expressly permitted by this notice and such permissions have not been withdrawn;
- 3.2 to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Security Trustee ;
- 3.3 to pay all or any part of the monies standing to the credit of the Charged Accounts to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect;
- 3.4 to disclose to the Security Trustee such information relating to the Chargor and the Charged Accounts as the Security Trustee may from time to time request you to provide.
- 4 Please confirm by completing the enclosed copy of this notice and returning it to the Security Trustee (with a copy to the Chargor) that you agree to the above and that:
- 4.1 you accept the authorisations and instructions contained in this notice and you undertake to comply with this notice;



- 4.2 you have not, at the date this notice is returned to the Security Trustee, received notice of any assignment or charge of or claim to the monies standing to the credit of any Charged Account or the grant of any security or other interest over those monies or any Charged Account in favour of any third party and you will notify the Security Trustee promptly if you should do so in the future; and
- 4.3 you do not at the date of this notice and will not, except as expressly permitted by this notice, in the future exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts.
- 5 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of

[NAME OF CHARGOR]

Name:

Title:

Countersigned by

for and on behalf of

[On copy]

To: [•]

as Security Trustee

[•]

Copy to: [NAME OF THE CHARGOR]

We acknowledge receipt of the above notice. We confirm and agree:

- 1 that the matters referred to in it do not conflict with the terms which apply to any Charged Account; and
- 2 the matters set out in the above notice.

for and on behalf of

[Name of Account Bank]

Dated: [•]

### Schedule 3

#### Form of notice to and acknowledgement by party to Material Contract

To: [●Insert name and address of relevant party]

Dated: [●]

Dear Sirs

Re: [describe Material Contract] dated [●] between (1) you and (2) [●] the **Chargor**)

- 1 We give notice that, by a security agreement dated [●] (the **Debenture**), we have assigned to [●] (the **Security Trustee**) as Security Trustee for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to [insert details of Material Contract] (together with any other agreement supplementing or amending the same, the **Agreement**) including all rights and remedies in connection with the Agreement and all proceeds and claims arising from the Agreement.
- 2 We irrevocably authorise and instruct you from time to time to disclose to the Security Trustee at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Agreement as the Security Trustee may from time to time request.
- 3 After you have received notice from the Security Trustee that an Event of Default is continuing, we irrevocably authorise and instruct you from time to time:
  - 3.1 to hold all sums from time to time due and payable by you to us under the Agreement to the order of the Security Trustee ;
  - 3.2 to pay or release all or any part of the sums from time to time due and payable by you to us under the Agreement only in accordance with the written instructions given to you by the Security Trustee from time to time;
  - 3.3 to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Debenture or the Agreement or the debts represented thereby which you receive at any time from the Security Trustee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
  - 3.4 to send copies of all notices and other information given or received under the Agreement to the Security Trustee .
- 4 After you have received notice from the Security Trustee that an Event of Default is continuing, we are not permitted to receive from you, otherwise than through the Security Trustee , any amount in respect of or on account of the sums payable to us from time to time under the Agreement or to agree any amendment or supplement to, or waive any obligation under, the Agreement without the prior written consent of the Security Trustee .
- 5 This notice may only be revoked or amended with the prior written consent of the Security Trustee .
- 6 Please confirm by completing the enclosed copy of this notice and returning it to the Security Trustee (with a copy to us) that you agree to the above and that:
  - 6.1 you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;

- 6.2 you have not, at the date this notice is returned to the Security Trustee , received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Agreement or any proceeds of it and you will notify the Security Trustee promptly if you should do so in future;
- 6.3 after you have received notice from the Security Trustee that an Event of Default is continuing, you will not permit any sums to be paid to us or any other person (other than the Security Trustee ) under or pursuant to the Agreement without the prior written consent of the Security Trustee;
- 6.4 if you make any attempt to terminate or amend the Agreement (other than minor or administrative changes which do not adversely affect our funder), you will liaise with and notify the Security Trustee; and
- 6.5 after you have received notice from the Security Trustee that an Event of Default is continuing, you will not agree to terminate the Agreement or take any action to amend or supplement the Agreement without the prior written consent of the Security Trustee as the proper counterparty under the Agreement and not us.
- 7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

\_\_\_\_\_

for and on behalf of

[NAME OF CHARGOR]

[On copy]

To:

as Security Trustee

Copy to: [NAME OF CHARGOR]

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in clause [5] of the above notice.

\_\_\_\_\_

for and on behalf of

[•]

Dated: [•]

#### Schedule 4

##### Form of notice to and acknowledgement by insurers

To: [●Insert name and address of insurer]

Dated: [●]

Dear Sirs

[Describe insurance policies] dated [●] between (1) you and (2) [●] (the **Chargor**)

- 1 We give notice that, by a security agreement dated [●] (the **Debenture**), we have [assigned] to [●] (the **Security Trustee**) as Security Trustee for certain banks and others (as referred to in the Debenture) all our present and future right, title and interest in and to the Policies (together with any other agreement supplementing or amending the same, the **Policies**) including all rights and remedies in connection with the Policies and all proceeds and claims arising from the Policies.
- 2 We irrevocably authorise and instruct you from time to time to disclose to the Security Trustee at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure) such information relating to the Policies as the Security Trustee may from time to time request;
- 3 After you have received notice from the Security Trustee that an Event of Default is continuing, we irrevocably authorise and instruct you from time to time:
  - 3.1 to hold all sums from time to time due and payable by you to us under the Policies to the order of the Security Trustee;
  - 3.2 to pay or release all or any part of the sums from time to time due and payable by you to us under the Policies only in accordance with the written instructions given to you by the Security Trustee from time to time;
  - 3.3 to comply with any written notice or instructions in any way relating to (or purporting to relate to) the Debenture, the sums payable to us from time to time under the Policies or the debts represented by them which you may receive from the Security Trustee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
  - 3.4 to send copies of all notices and other information given or received under the Policies to the Security Trustee.
- 4 We irrevocably instruct you, with effect from the date of this notice, to note on the relevant Policies the Security Trustee's interest as loss payee and as first priority assignee of the Policies and the rights, remedies, proceeds and claims referred to above.
- 5 After you have received notice from the Security Trustee that an Event of Default is continuing, we are not permitted to receive from you, otherwise than through the Security Trustee, any amount in respect of or on account of the sums payable to us from time to time under the Policies or to agree any amendment or supplement to, or waive any obligation under, the Policies without the prior written consent of the Security Trustee.
- 6 This notice may only be revoked or amended with the prior written consent of the Security Trustee.
- 7 Please confirm by completing the enclosed copy of this notice and returning it to the Security Trustee (with a copy to us) that you agree to the above and that:

- 7.1 you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
- 7.2 you have not, at the date this notice is returned to the Security Trustee, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Policies or any proceeds of them or any breach of the terms of any Policy and you will notify the Security Trustee promptly if you should do so in future;
- 7.3 after you have received notice from the Security Trustee that an Event of Default is continuing, you will not permit any sums to be paid to us or any other person under or pursuant to the Policies without the prior written consent of the Security Trustee;
- 7.4 if you make any attempt to terminate or amend the Policies, you will liaise with and notify the Security Trustee; and
- 7.5 after you have received notice from the Security Trustee that an Event of Default is continuing, you will not agree to terminate the Policies or take any action to cancel, vary or waive, amend or supplement the Policies without the prior written consent of the Security Trustee.
- 8 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

\_\_\_\_\_

for and on behalf of

[Name of Chargor]

[On copy]

To:

as Security Trustee

Copy to: [NAME OF CHARGOR]

Dear Sirs

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in clause 6 in the above notice.

\_\_\_\_\_

for and on behalf of

[•]

Dated: [•]

Signature page to the Security Agreement between Monnow Valley CHP PLC and Abundance Security Trustee Limited

The Chargor

Executed as a deed by Monnow Valley  
CHP PLC acting by

)  
)  
)



in the presence of

)

Director

Witness signature:

.....

Witness name:

KAREN HELEN SMITH

Witness address:

14, NARBY PORT STREET

USK, NP15 1AB

Witness occupation:

COMPANY DIRECTOR

The Security Trustee

Executed as a deed by Abundance  
Security Trustee Limited acting by

)  
)  
)

in the presence of

)

Director

Witness signature:

.....

Witness name:

.....

Witness address:

.....

Witness occupation:

.....

Signature page to the Security Agreement between Monnow Valley CHP PLC and Abundance Security Trustee Limited

The Chargor

Executed as a deed by Monnow Valley  
CHP PLC acting by

in the presence of

Director

Witness signature:

Witness name:

Witness address:

Witness occupation:

The Security Trustee

Executed as a deed by Abundance  
Security Trustee Limited acting by

in the presence of

Director

Witness signature:

Witness name:

Witness address:

Witness occupation:

GREG STEVEN

29 LOCHABER ROAD,  
LONDON, SE 12

CHARTERED MANAGEMENT ACCOUNTANT