



Registration of a Charge

Company name: **50 HSS LIMITED**

Company number: **10537775**



X623TJ1J

Received for Electronic Filing: **13/03/2017**

Details of Charge

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

Charge code: **1053 7775 0001**

Persons entitled: **ARBUTHNOT LATHAM & CO., LIMITED**

Brief description: **THE FREEHOLD AND LEASEHOLD LAND AND BUILDINGS KNOWN AS 50 HIGH STREET, SHEFFIELD S1 1QH. REGISTERED UNDER TITLE NO(S): SK331673 AND SYK520745**

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:

BIRD & BIRD LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10537775

Charge code: 1053 7775 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd March 2017 and created by 50 HSS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th March 2017 .

Given at Companies House, Cardiff on 14th March 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Execution version

DATED 3 March 2017

50 HSS LIMITED

- and -

ARBUTHNOT LATHAM & CO., LIMITED

DEBENTURE

Form of charge filed at HM Land Registry under reference MD 756B

THIS DEBENTURE dated **3 March** 2017 is made BETWEEN

- (1) **50 HSS LIMITED** registered in England and Wales (registered number 10537775) whose registered office is Thavies Inn House, 3-4 Holborn Circus, London EC1N 2HA ("the Company"); and
- (2) **ARBUTHNOT LATHAM & CO., LIMITED** of Arbuthnot House, 7 Wilson Street, London EC2M 2SN ("the Bank" which expression shall include its successors and assignees)

1. DEFINITIONS AND INTERPRETATION

- 1.1** In this Debenture the following words and expressions shall unless the context otherwise requires have the following meanings:

'the Act' means the Law of Property Act 1925

"Accounts" means the Rent Account, Deposit Account and Disposals Account and such other accounts set up or to be set up by the Borrower under the Facility Agreement

'Assigned Agreements' means those documents details of which are set out in Schedule 2

'Authority' means any government department local or public authority or statutory undertaking

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

'Charges' means all or any of the security connected, or which at any time may be created, by or pursuant to this Debenture

'Charged Assets' means all or any of the property and assets which are from time to time the subject of this Debenture

'Default Rate' means the default rate specified in any agreement between the Bank and the Company pursuant to which this Debenture has been entered into and if none means 5% per annum above the base rate from time to time of Arbuthnot Latham & Co., Limited

"Deposit Account" has the meaning given to that term in the Facility Agreement

"Disposals Account" has the meaning given to that term in the Facility Agreement

'Encumbrance' means any mortgage charge pledge lien assignment hypothecation security interest deferred purchase title retention leasing sale-and-purchase or sale-and-leaseback arrangement preferential right trust arrangement or any right conferring a priority of payment whatsoever over or in any property assets or rights of whatsoever nature and includes any agreement for any of the same

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'Environmental laws' means the common law and all applicable local governmental or quasi-governmental laws rules regulations licences orders permits decisions or requirements concerning discharges of contaminants occupational or public health and safety or the environment and any order injunction judgment declaration notice or demand issued pursuant to any of them

'Event of Default' means any Event of Default as defined and set out in the Facility Agreement

"Facility Agreement" means the facility agreement dated on or around the date of this Debenture made between the Company and the Bank as the same may be amended, restated, substituted, varied or novated from time to time

'Insolvency Act' means the Insolvency Act 1986

'Intellectual Property' means all the property referred to in Clause 2.2.2(e) and 2.2.2(j)

'L&T (Covenants) Act' means the Landlord and Tenant (Covenants) Act 1995

'Mortgaged Property' means all freehold and leasehold property of the Company referred to in Schedule 1 (if any) and any other freehold and leasehold property of the Company now or at any time vested in it (whether or not registered at H.M. Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time and where the context requires shall mean any part or parts of the Mortgaged Property

'Occupational Leases' means the leases or underleases to which the Mortgaged Property is for the time being subject

'Period' means the period commencing on the date of this Debenture and ending on the date upon which the Bank certifies in writing to the Company that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full

'Planning Acts' means any statute for the time being in force relating to town and country planning

'Receivables' means all present and future book debts, rentals (including Rental Income), royalties, fees, cash received by the Company, VAT and all other amounts recoverable or receivable by the Company from any other person due or owing to the Company and the benefit of all rights relating thereto including, without limitation, negotiable instruments, legal or equitable charges, reservations of property rights, rights of tracing, unpaid vendors' liens and similar associated rights

'Receiver' means any receiver or receiver and manager or administrative receiver appointed by the Bank under or by virtue of this Debenture whether alone or jointly with any other person and includes any substitute for any of them appointed from time to time

"Rent Account" has the meaning given to that term in the Facility Agreement

'Rental Income' means the gross rents and licence fees and other monies receivable now or hereafter at any time by the Company in respect of or arising out of the Mortgaged Property or any agreement for lease or otherwise without limitation derived by the Company from the Mortgaged Property or otherwise paid to or received by the Company in respect of the Mortgaged Property but excluding insurance rents or service charges or the like

'Secured Liabilities' means:

- (a) all indebtedness, liabilities and obligations which are now or may at any time hereafter be due, owing or incurred in any manner whatsoever to the Bank, by the Company whether actually or contingently, and whether solely or jointly with any other person and whether as principal or surety and whether or not the Bank shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time issued or incurred by the Bank at the request of the Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under any guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commissions and any other lawful charges or expenses which the Bank may in the course of its business charge in respect of all such indebtedness liabilities and obligations
- (b) all costs and expenses incurred by the Bank in relation to this Debenture and all costs and expenses incurred by the Bank in relation to the protection and enforcement of the rights of the Bank hereunder and
- (c) interest at the date of discharge of all sums payable under all liabilities and obligations to be discharged under sub-clauses (a) and (b) above. Such interest shall be computed and compounded in accordance with the terms of any agreement or instrument (if applicable) pursuant to which that liability and obligation has arisen or otherwise as agreed between the parties from time to time or in the absence of such agreement compounded monthly and computed according to the usual practice of the Bank and shall be payable as well after as before any demand or judgment

'subsidiaries' has the meaning attributed thereto by Section 1162 of the Companies Act 2006.

1.2 In this Debenture, unless the context otherwise requires:-

- 1.2.1 words denoting the singular number only shall include the plural number also and vice versa;
- 1.2.2 words denoting the neutral gender only shall also include the masculine gender and feminine gender and vice versa;
- 1.2.3 references to Clauses and Schedules are to the clauses and schedules to this Debenture and references to sub-clauses shall unless otherwise specifically stated be constituted as references to the sub-clauses of the Clause in which the reference appears and references to this Debenture include its Schedules;

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- 1.2.4 clause headings are inserted for ease of reference only and are not to affect the interpretation of this Debenture;
- 1.2.5 except to the extent the context otherwise requires any reference in this document to 'this Debenture' and any other document referred to in it includes any document expressed to be supplemental to or collateral with or which is entered into pursuant to or in accordance herewith or therewith and shall be deemed to include any instruments amending varying supplementing novating or replacing the terms of any such documents from time to time;
- 1.2.6 references to a person are to be construed to include corporations firms companies partnerships individuals associations states and administrative and governmental and other entities whether or not a separate legal entity;
- 1.2.7 references to any person are to be construed to include references to that person's successors transferees and assigns whether direct or indirect;
- 1.2.8 references to any statutory provision are to be construed as references to that statutory provision as amended supplemented re-enacted or replaced from time to time (whether before or after the date of this Debenture) and are to include any orders regulations instruments or other subordinated legislation made under or deriving validity from that statutory provision;
- 1.2.9 the words 'other' and 'otherwise' are not to be construed ejusdem generis with any foregoing words where a wider construction is possible; and
- 1.2.10 the words 'including' and 'in particular' are to be construed as being by the way of illustration or emphasis only and are not to be construed as, nor shall they take effect as, limiting the generality of any foregoing words.
- 1.3 If the Bank reasonably considers that the amount paid by the Company or any person to the Bank in discharge of any of the Secured Liabilities is likely to be avoided or otherwise set aside on the liquidation or administration of the Company or any other person then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.
- 1.4 A reference in this Debenture to a charge or mortgage or any freehold or leasehold property includes all buildings and all the Company's fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time on such property.
- 1.5 The terms of any other deeds agreements or side letters between the parties hereto are incorporated in this Debenture to the extent required to ensure that any disposition of the Charged Assets contained in this Debenture is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.6 In the event of any conflict between the terms of the Facility Agreement and the terms of this Debenture, the terms of the Facility Agreement shall prevail.
- 2. **SECURITY**

- 2.1 The Company covenants duly and punctually to pay and discharge to the Bank forthwith on demand the Secured Liabilities at the time or times when and in the currencies which they become due for payment or discharge.
- 2.2 The Company as continuing security for the payment or discharge when due of the Secured Liabilities and all its other obligations under this Debenture hereby charges with full title guarantee in favour of the Bank:
- 2.2.1 by way of first legal mortgage the Mortgaged Property referred to in Schedule 1 (if any) and all other freehold and leasehold property now vested in the Company together with all buildings and erections and fixtures and fittings and fixed plant and machinery for the time being thereon belonging to the Company and all improvements and additions thereto subject to (but in the case of properties registered at HM Land Registry only to the extent that such are registered or protected on the Register or are overriding interests) and with the benefit of any existing leases rights right of tracing and unpaid vendor's liens and similar and associated rights;
- 2.2.2 by way of first fixed charge:
- (a) all future freehold and leasehold property of the Company together, with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery at any time thereon;
 - (b) all estates and interests not hereinbefore effectively charged now or hereafter belonging to the Company in or over land wheresoever situate or the proceeds of sale of land and all licences now or hereafter held by the Company to enter upon or use the land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all trade and tenants' fixtures, plant and machinery owned by the Company now or hereafter annexed to all freehold and leasehold property its estate or interest in which stands charged hereunder;
 - (c) all stocks, shares (including but not limited to shares in any subsidiary), debentures, loan capital, right to subscribe for, convert other securities into or otherwise acquire any stocks, shares, debentures or loan capital of any other body corporate now or at any time hereafter belonging to the Company, together with all dividends (unless such dividends are or are to be paid in satisfaction of any of the Secured Liabilities), interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;
 - (d) the goodwill of the Company and its uncalled capital now or at any time hereafter in existence and future calls (whether made by the directors of the Company or by a Receiver or a liquidator);

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- (e) all copyrights, patents and registered and unregistered designs (including applications and rights to apply therefor), inventions, rights in trademarks and service marks whether registered or not (including all registrations thereof and applications and rights to apply therefor), confidential information and know-how and fees, royalties and other rights of every kind deriving from copyright, patents or inventions or other intellectual property) throughout the world now or at any time hereafter belonging to or created by or assigned to the Company;
- (f) all plant, vehicles and machinery now or at any time hereafter belonging to the Company (excluding however plant, vehicles and machinery for the time being forming part of its stock in trade or work in progress);
- (g) all chattels now or at any time hereafter hired, leased or rented by the Company to any other person together in each case subject to and with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract;
- (h) all Receivables;
- (i) the benefit of all licences consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Charged Asset specified in any other paragraph or sub-paragraph of this Clause 2 and the right to recover and receive all compensation which may be payable to it in respect of them;
- (j) the copyright and rights in the nature of copyright vested in the Company from time to time in any plans, specifications and negatives prepared for or in connection with any development of or on the Mortgaged Property and the implied licence of the Company in any such plans, specifications and negatives, the copyright of which is not vested in the Company;
- (k) the Rental Income present or future and whether payable now or in the future;
- (l) all monies from time to time standing to the credit of the Accounts and its accounts with any bank, financial institution or other person; and
- (m) all of its rights under the Assigned Agreements.

2.2.3 by way of assignment by way, or the extent not effectively assigned, by way of first fixed equitable charge:

- (a) the benefit of each and all of the personal covenants by the lessees or underlessees under the Occupational Leases and the lease or underleases which the Mortgaged Property (or any part thereof) is held now or from time to time and each and all of the guarantees in respect of the obligations of lessees and underlessees under or pursuant to the Occupational Leases and the said leases

or underleases in any such case whether given to the Company or any predecessor in title of the Company and any existing or after acquired easements rights in the nature of easements or other rights benefitting or otherwise affecting the Mortgaged Property from time to time;

- (b) the benefit of (i) contractual representations made to the Company in relation to the Mortgaged Property and its acquisition and (ii) all guarantees, warranties and representations given or made by and any rights or remedies against all or any of the architects, quantity surveyors, building contractors, consulting engineers and any other such person now or at any time engaged by the Company in relation to Mortgaged Property and the manufacturers, buyers or installers of all plant machinery, fixtures, fittings and other items now or from time to time in the buildings erected or to be erected on the Mortgaged Property and any other person, firm or company now or from time to time under contract or under a duty to the Company and the benefit of all sums recovered in any proceedings against all or any of the foregoing persons and (iii) the Assigned Agreements;
- (c) all insurance policies in force from time to time in relation to the Charged Assets and all monies payable thereunder in so far as they are capable of being charged by the Company; and
- (d) without prejudice to the generality of the foregoing all and any proceeds of sale or other disposal or realisation of the Mortgaged Property payable or receivable before at or after completion of any such or other disposal or realisation whether payable to or receivable by the Company or any agent or other person or on behalf of the Commissioners of Inland Revenue or any other authority, body or person whatsoever and the benefit of any accounts set up at any time in the name or for the account of the Company into which the proceeds of any such sale or other disposition or realisation shall be deposited and all monies from time to time standing to the credit of any such account.

2.2.4 by way of first floating charge all its undertaking and all its property and assets whatsoever and wheresoever situated both present and future, including (without prejudice to the generality of the foregoing) (i) heritable property and all other property and assets in Scotland and (ii) the proceeds of collection of any Receivables, but excluding any property or assets from time to time or for the time being effectively charged by way of fixed charge under or pursuant to this Debenture and the Bank shall have the power to appoint any one or more persons the Bank thinks fit to be an administrator or to be an administrative receiver, and paragraph 14 of schedule B1 of the Insolvency Act shall apply to this floating charge.

2.3 The security created by this Debenture shall be first ranking security. The Charge created by Clause 2.2.4 shall be a first floating charge unless and until it is converted into a fixed charge pursuant to Clauses 2.4 and 2.5 or by operation of law and shall rank in priority to any Encumbrance hereafter created by the Company,

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2.4 The Bank may at any time by notice to the Company convert the floating charge created by Clause 2.2.4 into a fixed charge as regards any Charged Assets specified in such notice and the Company will forthwith execute in respect of the specified Charged Assets a mortgage charge pledge or assignment (as the case may be) of such Charged Assets in favour of the Bank and in such form as the Bank requires.

2.5 The floating charge created by Clause 2.2.4 shall automatically and without notice be converted into a fixed charge in respect of any Charged Assets subject to it:

2.5.1 if the Borrower creates or attempts to create any Encumbrance over any of its Charged Assets; or

2.5.2 if and when any person levies or notifies the Company that it intends to levy a distress execution sequestration or other process against those Charged Assets; or

2.5.3 if and when the Company shall cease to carry on business or to be a going concern; or

2.5.4 if an Event of Default is continuing; or

2.5.5 if any of the Secured Liabilities become due and outstanding prior to their stated maturity

and such conversion shall be deemed to occur the instant before such event occurs.

2.6 The Company unconditionally and irrevocably agrees that repayment of all or any part of the moneys forming part of the Charged Assets is and will be subject to and conditional upon the Company paying and discharging in full the Secured Liabilities to the satisfaction of the Bank and accordingly unless and until such time as the Secured Liabilities have been so repaid and discharged in full neither the Company nor any person claiming under through or on the Company's behalf may request demand or require the payment or repayment of and the Bank will be under no obligation to pay or repay all or any part of the monies forming part of the Charged Assets to the Company or any such other person or to release all or any part of the Charged Assets from the terms of this Debenture.

2.7 In the case of any part of the Charged Assets consisting of land for the time being registered at HM Land Registry the Company and the Bank jointly apply to the Chief Land Registrar to enter a restriction in the Proprietorship Register of the relevant title or titles in the following terms:

No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated (date) in favour of Arbuthnot Latham & Co., Limited referred to in the Charges Register.

The reference above to "the charge dated (date) in favour of Arbuthnot Latham & Co., Limited referred to in the Charges Register" will be to the entry of the charges register of the relevant title which relates to this Debenture.

2.8 In the case of any part of the Charged Assets consisting of land that is not registered under the Land Registration Acts 1925 - 2002 the Company hereby covenants with the Bank that:

2.8.1 no person shall during the continuance of this security be registered under the said Acts as proprietor of such property without the prior consent in writing of the Bank; and

2.8.2 upon any such registration the Company shall procure the simultaneous registration of this Debenture in the Charges Register of the relevant title which relates to all of or any such part of the Charged Assets consisting of land and the Company shall forthwith deliver to the Bank an official copy of the register showing the entries that exist on the register on completion of such registration together with the Title Information Document confirming completion of the registration.

2.9 Upon the Bank being satisfied that the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and following a written request from the Company the Bank shall release and where appropriate reassign the security created by this Debenture.

2.10 The Bank's certificate of the amount of the Secured Liabilities outstanding at any time shall in the absence of manifest error be conclusive for all purposes as against the Company.

3. UNDERTAKINGS IN RESPECT OF THE MORTGAGED PROPERTY

3.1 **Negative Undertakings** The Company shall not during the Period:

3.1.1 without the prior consent in writing of the Bank or otherwise than in accordance with the terms of the Facility Agreement, change or permit or suffer to be changed the present use of the Mortgaged Property;

3.1.2 do permit or suffer to be done in or upon the Mortgaged Property any waste spoil or destruction and not make permit or suffer to be made any alteration or addition to the Mortgaged Property without the prior consent in writing of the Bank not to be unreasonably withheld. In the event of the Bank giving consent to commence and proceed with the works the Company shall, without delay carry out those works to the Bank's reasonable satisfaction in accordance and within the provisions and conditions of the consent. The Company shall not sever unfix or remove any of the fixtures or plant or machinery on the Mortgaged Property except for the purposes of effecting any necessary repairs, or of replacing the same with new and improved models or in order to carry out development and/or alterations with the written consent of the Bank not to be unreasonably withheld;

3.1.3 create any Encumbrance upon the Mortgaged Property or any part of it nor convey assign or transfer the whole or declare a trust in respect of the whole or any part of the Mortgaged Property without the prior written consent of the Bank; or

3.1.4 grant any new or further lease agreements leases underleases tenancy agreements or licences in relation to the Mortgaged Property without the prior written consent of the Bank which shall not be unreasonably withheld or delayed.

3.2 Positive Undertakings The Company covenants with the Bank during the Period:

- 3.2.1 to observe and perform all restrictive and other covenants and stipulations (if any) for the time being affecting the Mortgaged Property or any part of it;
 - 3.2.2 to pay and discharge (or procure that an occupier of the whole or a part of the Mortgaged Property pays or discharges) all existing and future rates taxes charges assessments impositions and outgoings whatsoever (whether Parliamentary municipal parochial or otherwise) which now are or at any time after the date of this Debenture may be payable charged or assessed on or in respect of the Mortgaged Property or any part of it or the owner or occupier of it;
 - 3.2.3 to keep (or procure that an occupier of the whole or part of the Mortgaged Property keeps) the Mortgaged Property in good and substantial repair and condition and, when necessary, rebuilt and renewed and to permit the Bank and any person authorised by it to enter the Mortgaged Property at any time to view its state and condition and to test any work being carried out. In the event that the Company fails to keep the Mortgaged Property in good and substantial repair and condition as aforesaid, the Bank and any person authorised by it may enter the Mortgaged Property for the purpose of carrying out any works, repairs or rebuilding (at the expense of the Company) and shall not in doing so be treated as a mortgagee in possession;
 - 3.2.4 to give notice to the Bank as soon as possible after becoming aware of any loss damage or destruction to or of the Mortgaged Property or any part thereof;
 - 3.2.5 observe and perform the obligations contained in any agreement in contemplation of which a fixed charge over the Mortgaged Property has been created; and
 - 3.2.6 to manage the Mortgaged Property with all due diligence in accordance with the principles of good estate management and in such manner as will not diminish the value thereof otherwise as agreed by the Bank.
- 3.3 **Insurance** The Company shall during the Period effect and maintain adequate insurances in relation to the Charged Assets in accordance with the terms of the Facility Agreement.

3.4 Planning The Company shall during the Period:

- 3.4.1 not without the prior consent in writing of the Bank or in accordance with the terms of the Facility Agreement, make any application for planning permission or enter into any agreement under the Planning Acts in respect of the Mortgaged Property or any part of it. In the event of planning permission being obtained by the Company, the Company will produce that permission to the Bank within seven days of receipt of it;
- 3.4.2 not implement any planning permission received by it until it has been acknowledged by the Bank to be acceptable to it (such acknowledgement not to be unreasonably withheld);

- 3.4.3 observe, perform, comply with and cause observance, performance and compliance with the provisions of all statutes in force including the requirements of any competent Authority relating to the Mortgaged Property or anything done on it by the Company, in particular, (but without prejudice to the generality of the foregoing) the provisions and requirements of the Planning Acts;
 - 3.4.4 give full particulars to the Bank within seven days of receipt of it by the Company (or sooner, if necessary having regard to the contents of the same) of any notice, order, direction, proposal for a notice or order or other matter relating to or likely to affect the Mortgaged Property or any part thereof made given or issued to the Company by any Planning Authority or other public body or authority (the "Notice"). If reasonably required by the Bank, the Company shall produce the Notice to the Bank and, without delay take all reasonable and necessary steps to comply with the same. The Company will join with the Bank, (if reasonably required by the Bank so to do) (at the cost of the Company) in making any representations or appeals as the Bank (acting reasonably) may deem fit in respect of the Notice;
 - 3.4.5 without prejudice to the generality of clause 3.4.4 give to the Bank such information as the Bank shall reasonably require as to all matters relating to the Mortgaged Property; and
 - 3.4.6 not without the prior consent in writing of the Bank (not to be unreasonably withheld or delayed), enter into any negotiations concerning matters contained in the Notice with an Authority with regard to or to consent to the acquisition of the Mortgaged Property or any part of it. If reasonably requested by the Bank, the Company shall permit the Bank or its servants or agents to conduct such negotiations or to give any such consent on the Company's behalf.
- 3.5 **Leasing** The Company shall throughout the Period with respect to the Occupational Leases:
- 3.5.1 observe and perform the covenants and conditions on the part of the lessor contained in those leases;
 - 3.5.2 enforce against the lessees the covenants and conditions to be observed by the lessee;
 - 3.5.3 not to vary the terms of such leases without the prior consent in writing of the Bank (such consent not to be unreasonably withheld or delayed);
 - 3.5.4 not agree the amount of any reviewed rent without the prior consent in writing of the Bank (such consent not to be unreasonably withheld or delayed). In the event of such rent being determined by a third party the Company will procure that any representations made by the Bank are made to the third party to the reasonable satisfaction of the Bank;
 - 3.5.5 not without the prior consent in writing of the Bank (such consent not to be unreasonably withheld or delayed) to agree the terms of any renewed lease or the amount of any interim rent payable under section 24 A of the Landlord and Tenant Act 1954. In the event that the terms of such renewed lease are determined by the courts,

the Company shall procure that any reasonable representations made by the Bank are put before the court to the reasonable satisfaction of the Bank;

- 3.5.6 immediately notify the Bank of any matter or event by reason of which the Occupational Leases have and may become subject to determination or forfeiture and join in the Bank (if reasonably required by it) in bringing proceedings against the relevant lessee under the Occupational Leases for forfeiture, determination or otherwise and/or defending any proceedings brought by such lessee or any other material fact or circumstance arising in relation to the Occupational Leases;
- 3.5.7 not without the prior consent in writing of the Bank (such consent not to be unreasonably withheld or delayed) grant any consent under the Occupational Leases;
- 3.5.8 not take or omit to take any action the taking or omission of which might result in the impairment of any of the rights created by the Occupational Leases or this security;
- 3.5.9 not agree any assignment of the Occupational Leases or grant any further derivative interest whether by way of lease or licence without the prior written consent of the Bank (such consent not to be unreasonably withheld or delayed);
- 3.5.10 not agree or purport to agree any transfer or charge of the right to current or future rental income;
- 3.5.11 by any action or omission waive release or modify any guarantee of the obligations of any lessee without the prior written consent of the Bank (such consent not to be unreasonably withheld or delayed);
- 3.5.11 cause or permit any of its claims for Rental Income to be compromised compounded discharged postponed released or subordinated (except in favour of the Bank under this Debenture) or any of its rights in connection therewith to be waived or anything to be done or omitted to be done which might delay or prejudice the full recovery thereof; and
- 3.5.12 without prejudice to any other provision in this Debenture, if and whenever required in writing by the Bank, at its own cost forthwith to execute in such form as the Bank may require:
 - 3.5.12.1 a fixed charge of the benefit of the Occupational Leases (or such of them as the Bank may specify);
 - 3.5.12.2 an assignment of the Company's entitlement to the Rental Income;
 - 3.5.12.3 from time to time and at all times after this Debenture shall become enforceable to execute all further assurances, deeds and things and perform all such acts and give all such notices, orders and directions as the Bank may require for facilitating the realisation of its assets and the exercise by the Bank or any Receiver of all the powers, authorities and discretions conferred under this Debenture or any other security

documents in being for the time being in respect of the Secured Liabilities on the Bank or such Receiver; and

3.5.12.4 without prejudice to the foregoing at the request of the Bank given on or following an Event of Default which is continuing to serve notice on each of the lessees under the Occupational Leases in the form attached at Annex 1, Part 1 and to use reasonable endeavours to procure an acknowledgment from each of those lessees in the form attached at Annex 1, Part 2, and/or require the lessees under the Occupational Leases (or such of them as the Bank shall direct) to forthwith remit all Rental Income to the Bank which shall apply the same in reduction of the Secured Liabilities.

3.6 **L&T (Covenants) Act** With reference to the Mortgaged Property the Company covenants and agrees as follows:

3.6.1 not to consent to the assignment of any New Tenancy (as defined in the L&T (Covenants) Act) unless the existing tenant under such New Tenancy duly executes in favour of the Company an authorised guarantee agreement in a form and substance which is satisfactory to the Bank (acting reasonably);

3.6.2 not to effect any relevant variation to any New Tenancy which would restrict the liability of a former tenant or his guarantor pursuant to Section 18 of the L&T (Covenants) Act unless the Bank has expressly consented in writing to such restriction in liability and to the relevant variation such consent not to be unreasonably withheld or delayed;

3.6.3 as soon as reasonably practicable to serve upon any former tenant or guarantor any notice which is required pursuant to Section 17 of the L&T (Covenants) Act in order to recover any rent, service charge or liquidated sum from the former tenant or guarantor (such notice to be in a form and to be served within the period prescribed by Section 17 of the L&T (Covenants) Act); and

3.6.4 as soon as reasonably practicable to provide the Bank with a copy of any notice served under Clause 3.6.3 any request for an overriding lease and any completed overriding lease and such other information as the Bank may from time to time in good faith request in relation to any matter arising under the L&T (Covenants) Act.

For the purposes of Clauses 3.6.1 to 3.6.4 (inclusive) the expressions "authorised guarantee agreement", "former tenant", "guarantor", "overriding lease" and "relevant variation" shall have the meanings respectively ascribed to them by Section 17 of the L&T (Covenants) Act.

4. **MISCELLANEOUS COVENANTS**

4.1 **Negative covenants** The Company shall not throughout the Period:

4.1.1 without the prior consent in writing of the Bank create, grant, extend or permit to subsist any Encumbrance on or over any of its undertaking or assets or any part of it or agree to do any such thing;

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- 4.1.2 sell, transfer or otherwise dispose of (or agree to so deal with) its undertaking and the Charged Assets or any part of them, except by getting in and realising them in the ordinary and proper course of its business or in accordance with the terms of the Facility Agreement;
- 4.1.3 save with the prior consent in writing of the Bank deal with its book or other debts or securities for money except by getting in and realising them in the ordinary and proper course of its business save that this exception shall not permit the realisation of debts by means of block discounting or factoring; and
- 4.1.4 without the prior consent in writing of the Bank change the nature of its business from that carried on at the date of this Debenture.

4.2 Positive covenants The Company shall throughout the Period:

- 4.2.1 (without prejudice to the specific covenants in relation to the Mortgaged Property) keep all other buildings and all plant, machinery, fixtures, fittings and other effects in good repair and working order. If the Company fails to effect any repairs the Bank may (but shall not be obliged to do so) take such action as it may deem appropriate to remedy such failure and recover the costs so incurred from the Company on demand;
- 4.2.2 promptly notify the Bank of any meeting to discuss any proposal or application for the appointment of an administrator, receiver (or an administrative receiver and/or manager), liquidator or similar official in respect of the Company or any of its assets and, if any such official is appointed, of his appointment;
- 4.2.3 make all registrations and pay all fees, taxes and similar amounts as are necessary to keep its Intellectual Property in force and not permit such registration of any Intellectual Property to be abandoned, cancelled or to lapse or become liable to any claim of abandonment for non-use;
- 4.2.4 take such steps as are necessary (including, without limitation to the introduction of legal proceedings) to prevent any third party infringing its Intellectual Property rights and (without prejudice to Clause 4.2.3 above) take all other steps as are reasonably practicable to maintain and preserve its interest in the Intellectual Property;
- 4.2.5 conduct and maintain its business, operations and property so as to comply in all material respects with all applicable Environmental Laws and notify the Bank promptly and in full detail on receipt of any claim notice or communication, or if it becomes aware of any violation or potential violation by it of any Environmental Laws setting out the action which is to be taken with respect to that matter;
- 4.2.6 maintain continuous environmental surveillance of its property and business operations and shall monitor all its procedures to prevent contravention of Environmental Laws;
- 4.2.7 subject to the right of any prior chargee pay into such account as the Bank shall from time to time direct all monies which it may receive in respect of realisation of the

Receivables and not without the prior written consent of the Bank in writing purport to charge or assign the same in favour of any other person and shall if called upon to do so by the Bank execute a legal assignment of such of the Receivables as the Bank may require from time to time to the Bank;

- 4.2.8 in addition to the insurances effected pursuant to the sub- clauses of Clause 3.3 maintain and procure that both the Company and its subsidiaries maintain such other insurance as the Bank determines in its absolute discretion should be maintained by prudent companies carrying on similar business including but without generality to the foregoing insurance against loss of records and liability to third parties and employees keymen or similar insurances and duly pay or procure that its subsidiaries pay all necessary premiums and other monies necessary for effecting and keeping up such insurances;
- 4.2.9 do permit or suffer to be done anything which may in any way depreciate jeopardize or otherwise prejudice the value of the security created under this Debenture;
- 4.2.10 forthwith notify the Bank, in writing, upon becoming aware of the occurrence of an Event of Default or other event which with the giving of notice and/or lapse of time and/or upon the Bank making a relevant determination would constitute an Event of Default or upon the happening of any other event which with the giving of time fulfilment of a condition or giving of notice would constitute a breach of the covenants and warranties on the part of the Company contained in this Debenture;
- 4.2.11 indemnify and keep indemnified the Bank from and against all actions, proceedings, damages, costs, claims and demands occasioned by any breach of any of the covenants, conditions and warranties on the part of the Company contained in this Debenture upon the written request of the Bank to execute in favour of the Bank fixed charges of such part of the Charged Property presently comprised in equitable or floating charges hereunder (and to the extent that such property can then be comprised in a fixed charge) such charge or charges to be in such form as the Bank shall require and in particular shall contain all the powers and provisions of this Debenture as shall be applicable;
- 4.2.12 If the Bank so requires to deposit with the Bank or as the Bank may direct all certificates and other documents of title or evidence of ownership in relation to the shares, stocks, bonds, debentures and other securities referred to in Clause 2.2.2(c) and to the copyrights, patents and rights referred to in Clause 2.2.2(e), (i) and (j) and the covenants, warranties, contractual representations and other matters referred to in Clause 2.2.3(a) and (b) above and to execute and deliver to the Bank all such transfers and other documents as may be necessary to enable the Bank or its nominees to be registered as the owner or otherwise obtain a legal title to the same;
- 4.2.13 not to reduce, increase or in any way change the structure of the share capital of the Company without the prior consent in writing of the Bank (such consent not to be unreasonably withheld where any such action does not operate in the reasonable opinion of the Bank to inhibit the ability of the Company to meet its obligations under this Debenture);

- 4.2.14 to conduct and carry on its business and to procure that its Subsidiaries conduct and carry on their businesses in a proper and efficient manner and keep or cause to be kept proper books of account relating to such business and not make any material alteration in the nature of such business which would constitute a change from that carried on at the date of this Debenture;
 - 4.2.15 if the Bank so requires to deposit with the Bank all deeds and documents of title including Title Information Documents and all local land charge and land registry search certificates, planning consents and the like relating to the Mortgaged Property and the insurance policies relating to and all certificates and other documents of title or evidence of ownership in relation to the Intellectual Property and shall execute and deliver to the Bank all such transfers and other documents as may be necessary to enable the Bank to be registered as the owner thereof or otherwise obtain legal title thereto and all other such documents relating to the Charged Assets as they Bank may require;
 - 4.2.16 to permit the Bank, if it shall so require, to provide for the safe custody by third parties of all certificates and documents of title relating to the Charged Assets and the Company hereby shall not be responsible for any loss or damage occurring to or in respect thereof;
 - 4.2.17 upon the written request of the Bank to execute in favour of the Bank fixed charges of such part of the Charged Assets presently comprised in equitable or floating charges hereunder (and to the extent that such property can then be comprised in a fixed charge) such charge or charges to be in such form as the Bank shall require and in particular shall contain all the powers and provisions of this Debenture as shall be applicable; and
 - 4.2.18 without prejudice to the foregoing at the request of the Bank given on or following an Event of Default which is continuing serve notice on the counterparties to the Collateral Warranties (detailed in Schedule 2 to this deed) in the form of notice attached at Annex 2, Part 1, and use reasonable endeavours to procure an acknowledgement from each counterparty in the form attached at Annex 2, Part 2.
- 4.3 Each of the provisions in this Clause 4 and in Clause 3 as with all other provisions in this Debenture are cumulative with all other covenants and obligations of the Company to the Bank (whether hereunder or under any other deed or document) notwithstanding any repetition or similarity to any such other covenants and obligations.
5. **ENFORCEMENT**
- 5.1 The security created by this Debenture will become enforceable following the occurrence of an Event of Default which is continuing.
 - 5.2 The power of sale and other powers conferred on a mortgagee by the Act as varied or amended by this Debenture shall arise on the execution of this Debenture and shall become exercisable by the Bank at any time in relation to any part of the Charged Assets on the occurrence of an

Event of Default which is continuing. The Bank may exercise whether or not it shall have appointed a Receiver all the powers conferred on mortgagees by the Act as hereby varied or extended and all the powers and discretions hereby conferred either expressly or by reference to a Receiver appointed hereunder. Any demand for payment shall be valid and effective for the purposes of this Clause 5 notwithstanding that the demand may contain an inaccurate or incomplete statement of the Secured Liabilities.

- 5.3 Section 93 of the Act (restricting the right of consolidation) and section 103 of the same Act (restricting the power of sale) shall not apply to this Debenture. The statutory powers of leasing conferred on the Bank shall be extended so as to authorise the Bank to lease make agreements for leases accept surrenders of leases and grant options as the Bank thinks fit and whether or not the Bank shall then be in possession of the Mortgaged Property proposed to be leased and without the need to comply with any of the provisions of sections 99 and 100 of the Act and so as to authorise the Bank (inter alia) to make a lease or agreement for lease at a premium and for any length of term generally without any restriction on the kinds of leases and agreements for lease that the Bank may make and so that for the purposes of section 99(2) of the Act the expression "mortgagor" shall include an encumbrancer deriving title under the Company.
- 5.4 Neither the Bank nor its agents managers officers employees delegates and advisers will be liable for any claim demand liability loss damage cost or expense incurred or arising in connection with the exercise or purported exercise of any rights powers and discretions under this Debenture in the absence of gross negligence or wilful misconduct.
- 5.5 All moneys received by the Bank pursuant to this Debenture shall after payment of any claims having priority to the security created hereunder be paid or applied in the following order of priority (but without prejudice to the right of the Bank to recover any shortfall from the Company):
- 5.5.1 in satisfaction of all costs charges and expenses incurred or payments made by the Bank or any Receiver in connection with this Debenture;
- 5.5.2 in or towards satisfaction of the Secured Liabilities (and in such order as the Bank may decide); and
- 5.5.3 as to the surplus (if any) to the person or persons entitled to such moneys.
- 5.6 No purchaser from the Bank or any Receiver or other person will be entitled or required to enquire or be affected by notice as to whether demand under this Debenture has or has not been made or whether any power exercised under this Debenture has become exercisable or whether any of the Secured Liabilities are outstanding.
- 5.7 Neither the Bank nor any Receiver will by reason of the taking of possession of the whole or any part of the Charged Assets by any of them be liable to account as mortgagee-in-possession or for anything except actual receipts or be liable for any loss upon realisation or for any default or omission for which a mortgagee-in-possession might be liable.
- 5.8 At any time after the security constituted in this Debenture has become enforceable the Bank may redeem any prior security interest against the Charged Assets or procure the transfer of the

Charged Assets to itself and may settle or pass the accounts of any holder of such security interest and any accounts so settled and passed will be conclusive and binding on the Company.

- 5.9 Notwithstanding anything to the contrary contained in this Debenture the Company will remain liable to observe and perform all of the conditions and obligations relating to the Charged Assets and neither the Bank nor any Receiver will be under any obligation or liability with respect to the Charged Assets by reason of or arising out of this Debenture. Neither the Bank nor any Receiver will be required in any manner to perform or fulfil any obligations of the Company in respect of the Charged Assets or to make any payment or to make any enquiry as to the nature or sufficiency of any payment received by it or to present or file any claim or take any other action to collect or enforce any of the Charged Assets.

- 5.10 5.10.1 The Company will permit the Bank its agents and contractors at reasonable times and upon reasonable notice to enter into or upon the Mortgaged Property or at any time if an Event of Default is continuing and has not been waived by the Bank:

- (a) to view the state and condition thereof or of any of the tangible Charged Assets without becoming liable as mortgagee in possession;
- (b) to comply with or object to any direction or notice or other matter served on the Company; and
- (c) to carry out at the expense of the Company any repairs or take any action which the Bank shall consider necessary or desirable in connection with the Charged Assets to procure compliance with any covenant or obligation in this Debenture.

5.10.2 If the Company fails to fulfil any of the obligations as to insurance contained in this Debenture, the Bank may, but shall not be obliged to, take out renew or maintain such insurances in such sums the Bank may think expedient.

5.10.3 The Company shall on demand indemnify the Bank on a full indemnity basis in respect of any costs, damages and expenses incurred by the Bank pursuant to this Clause together with interest at the Default Rate from the date of payment by the Bank until repayment whether before or after judgment and any such cost, damages and expenses and the interest thereon shall be charged on the Charged Assets.

- 5.11 The Bank may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers authorities and discretions which are for the time being exercisable by the Bank under this Debenture in relation to the Charged Assets or any part of them. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Bank may think fit. The Bank shall not be in any way liable or responsible to the Borrower for any loss or damage arising from any act default omission or misconduct on the part of any such delegate or sub-delegate. No such delegation shall preclude the subsequent delegation by the Bank of any other person; and any such delegation may be revoked by the Bank at any time.

6. RECEIVER

- 6.1 At any time after this security becomes enforceable or at the request of the Company the Bank may without further notice appoint any one or more persons to be a Receiver of all or any part of the Charged Assets.
- 6.2 Every Receiver appointed in accordance with Clause 6.1 will have and be entitled to exercise:
- 6.2.1 all powers conferred by the Act as if such Receiver had been duly appointed under that Act together with all powers equivalent to those now referred to in Schedule 1 to the Insolvency Act in so far as the same relate to the assets over which the Receiver is appointed;
 - 6.2.2 power to acquire additional land or interest therein and/or easements for the benefit of the Charged Assets and power to grant easements or rights over the Mortgaged Property;
 - 6.2.3 power to perform all contracts agreements rights securities covenants guarantees bonds and indemnities of any nature assigned by the Company to the Bank under this Debenture;
 - 6.2.4 power to use the Company's name for registration and to effect any necessary election for tax or other purposes;
 - 6.2.5 power to take possession of collect and get in the Charged Assets which unless stipulated by the Receiver to the contrary in writing shall be as agent of the Company;
 - 6.2.6 power to demolish construct alter improve develop complete or repair the Charged Assets including power to lay out build construct repair and maintain or reconstruct any roads drains or other services;
 - 6.2.7 power to dispose of the Charged Assets in any manner for any consideration and on any terms;
 - 6.2.8 power to apply for and obtain any planning building regulation bye-law or other permissions consents or licences;
 - 6.2.9 power to take continue or defend any proceedings and enter into any arrangement or compromise of claims as the Receiver thinks fit;
 - 6.2.10 power to effect maintain renew and deal with all kinds of insurances and to obtain bonds and give indemnities and securities to bondsmen;
 - 6.2.11 power to employ accountants lawyers architects surveyors engineers quantity surveyors contractors builders workmen and others and the power to purchase or hire materials tools equipment or supplies;
 - 6.2.12 power to raise or borrow money whether from the Bank or any other lender and whether or not in priority to the security constituted by or pursuant to this Debenture and with or without a mortgage or charge on the Charged Assets; and

6.2.13 power to do any other act or thing which the Receiver considers to be incidental or conducive to the exercise of any other right exercisable by him.

6.3 In making any sale or other disposal in the exercise of their respective powers, the Receiver or the Bank may accept as and by way of consideration for such sale or other disposal, cash, shares, own capital or other obligation including, without limitation, consideration fluctuating according to or dependent upon profit or turnover and in consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver or the Bank as the case may be, shall ipso facto be and become charged with the payment of the Secured Liabilities. Any contract for any such sale or other disposal by the Receiver or the Bank may contain conditions excluding or restricting the personal liability of the Receiver.

6.4 Any Receiver appointed pursuant to this Debenture will be the agent of (so far as the law permits) the Company (and notwithstanding the liquidation of such Company any Receiver will not be the agent of the Bank). The Company will be solely liable for such Receiver's costs defaults and remuneration and will be liable on any contracts and engagements made or entered into by such Receiver except the Bank may from time to time remove any Receiver appointed by it and may whenever it may deem it expedient appoint another person of equivalent standing as a new receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it.

6.5 All or any of the powers authorities and discretions which are conferred by this Debenture (either expressly or impliedly) upon a Receiver of the Charged Assets may be exercised after the security created by this Debenture becomes enforceable by the Bank in relation to the Charged Assets without first appointing a Receiver or notwithstanding the appointment of a Receiver.

6.6 Subject to the prior written consent of the Bank a Receiver may delegate to any person or persons any of the rights (including the discretions) conferred on him by Clause 6.2 and may do so on terms authorising successive sub-delegations.

6.7 In the case of joint Receivers any of the rights (including the discretions) conferred by this Clause 6 may be exercised by any one or more of them unless their appointment specifically states the contrary.

7. NEW ACCOUNTS

7.1 If from time to time the Bank receives notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Charged Assets the Bank may open a new account or accounts with the Company. If the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by the Company to the Bank shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Company to the Bank at the time when it received notice as aforesaid.

- 7.2 All monies received recovered or realised by the Bank under this Debenture may in the discretion of the Bank be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Bank reasonably thinks fit pending their application from time to time (as the Bank shall be entitled to do in its reasonable discretion) in or towards the discharge of any of the Secured Liabilities.

8. ATTORNEY

- 8.1 The Company hereby irrevocably appoints the Bank and its agents its true and lawful attorney with full power and in its name and on its behalf and as its act and deed to execute and do any assurance agreement instrument act or thing which it ought to execute and do under the covenants undertakings and provisions herein contained or which may be required or deemed proper for any of the purposes of this security Provided Always:-

8.1.1 that the Bank and its agents shall not (save in the case of gross negligence or wilful default) be responsible to the Company for any loss thereby incurred; and

8.1.2 notwithstanding the terms of Clause 8.1.1 third parties shall not be bound to see or enquire whether the right of the Bank to exercise the powers hereby conferred has arisen.

- 8.2 The Company hereby ratifies and confirms and agrees to ratify all acts of any such attorney as is mentioned in Clause 8.1 in the exercise of all or any of the powers, authorities and discretions referred to therein.

- 8.3 The power of attorney hereby granted is as regards the Bank and its delegates (and as the Company hereby acknowledges) granted irrevocably and for value as part of the security constituted by this Deed to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

9. INDEMNITY

- 9.1 The Bank and every Receiver attorney agent or other person appointed by the Bank hereunder shall be entitled to be indemnified out of the Charged Assets in respect of all liabilities and expenses incurred directly or indirectly by any of them in the execution or purported execution of any of the powers authorities or discretions vested in them or him hereunder and against all actions proceedings costs claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Assets and the Bank and any such Receiver attorney agent or other person may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

- 9.2 If under any applicable law or regulation or pursuant to a judgment or order being made or registered against the Company or the liquidation of the Company or without limitation for any other reason any payment under or in connection with this Debenture is made or fails to be satisfied in a currency (the 'payment currency') other than the currency in which such payment is expressed to be due under or in connection with this Debenture (the 'contractual currency') then to the extent that the amount of such payment actually received by the Bank when converted into the contractual currency at the rate of exchange falls short of the amount due

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under or in connection with this Debenture the Company as a separate and independent obligation shall indemnify and hold harmless the Bank against the amount of such shortfall. For the purposes of this clause 'rate of exchange' means the rate at which the Bank is able on or about the date of such payment to purchase, in accordance with its normal practice, the contractual currency with the payment currency and shall take into account (and the Company shall be liable for) any premium and other costs of exchange including any taxes or duties incurred by reason of any such exchange.

10. NOTICES

- 10.1 Every notice demand or other communication under this Debenture shall be in writing and may be delivered personally or by letter or facsimile transmission dispatched as follows:

10.1.1 if to the Bank to its address specified at the head of this Debenture or to the facsimile number for the time being at such address;

10.1.2 if to the Company to its address specified at the head of this Debenture or its registered or principal office for the time being or to the facsimile number set out in Schedule 3,

or to such other address or facsimile number in England as may be notified in writing in accordance with this clause by the relevant party to the other party for such purpose Provided that if it is sent by facsimile the hard copy shall also be posted first class postage prepaid on the date of transmission.

- 10.2 The Company irrevocably (i) appoints Telfon Capital LLP as its agent for service of process to accept service of all notices proceedings or other documents to be served on the Company hereunder, and (ii) agrees that failure by a process agent to notify the Company of the process will not invalidate the proceedings concerned.

- 10.3 Every notice demand or other communication shall be deemed to have been received (if sent by post) 24 hours after being posted first class postage prepaid (if posted from and to an address within the United Kingdom) or 5 working days after being posted prepaid airmail (if posted from or to an address outside the United Kingdom) and (if delivered personally or by facsimile transmission) at the time of delivery or dispatch if during normal business hours on a working day in the place of intended receipt and otherwise at the opening of business in that place on the next succeeding such working day.

- 10.4 The Bank and any Receiver may but shall not be obliged to rely upon and act in accordance with any communication which may be or purport to be given by telephone or facsimile transmission on behalf of the Company by any person notified to the Bank by the Company as being authorised to give such communication without enquiry as to the authority and identity of the person making or purporting to make such communication. The Company shall indemnify and keep the Bank or any Receiver indemnified on a full indemnity basis against all losses claims actions proceedings damages costs and expenses incurred or sustained by the Bank as a result of relying upon or acting in accordance with any such communication.

- 10.5 All notices demands or other communications under or in connection with this Debenture shall be in English.

- 10.6 All notices to the Bank shall be deemed to have been given only on actual receipt by the Bank.

11. WARRANTIES AND REPRESENTATIONS

- 11.1 The representations and warranties set out in the Facility Agreement shall apply *mutatis mutandis* to this Debenture, as if they were set out in full, including the Repeating Representations (as such term defined in the Facility Agreement).

12. POSSESSION

If the Bank shall enter into possession of any part or parts of the Charged Assets it may from time to time at pleasure go out of such possession and shall not be liable to account as mortgagee in possession while in or out of such possession and the Bank shall not nor shall any receiver appointed by it be liable by reason of any such entry into possession to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

13. MEMORANDUM AND ARTICLES OF ASSOCIATION

It is hereby certified that neither the execution of this Debenture nor the creation of any security hereunder or pursuant hereto does or will contravene any of the provisions of the Memorandum or Articles of Association of the Company.

14. CONTINUATION

This Debenture shall remain in effect and binding on the Company notwithstanding any amalgamation or merger that may be effected by the Bank with any other company notwithstanding any reconstruction by the Bank involving the formation of and transfer of the whole or any of the Bank's undertaking and assets to a new company and notwithstanding the sale or transfer of all or any part of the Bank's undertaking and assets to another company whether the company with which the Bank amalgamates or merges or the company to which the Bank transfers all or any part of its undertaking and assets either on a reconstruction or sale or transfer as aforesaid shall or shall not differ from the Bank in its objects character or constitution it being the intent of the Company that the security hereby evidenced and the provisions herein contained shall remain valid and effectual in all respects in favour of against and with reference to and that the benefit thereof and all rights conferred upon the Bank thereby may be assigned to and enforced by any such company and proceeded on in the same manner to all intents and purposes as if such company had been named herein instead of or in addition to the Bank.

15. GENERAL

- 15.1 The security constituted by this Debenture:

15.1.1 shall be a continuing security and shall not be considered satisfied by an intermediate payment or settlement of account or otherwise but shall remain in force until all the Secured Liabilities have been paid or discharged in full;

- 15.1.2 shall not prejudice or be prejudiced by any other security held by the Bank at any time nor any right the Bank might have against any other person in respect of the Secured Liabilities or any part thereof; and
- 15.1.3 shall not be affected by any act omission or circumstance which but for this Clause might affect or diminish its effectiveness and without prejudice to the generality of the foregoing the Bank shall be entitled from time to time and without in any way impairing the Company's obligations and liabilities hereunder:
- (a) to release or grant any time or any other indulgence whatsoever to the Company or any other person firm or corporation and also to enter into any compromise or arrangement and any other transaction of any kind with or in relation to the Company or any other person firm or corporation or to agree to vary any existing arrangement or agreement; and
 - (b) to take accept vary deal with enforce abstain from enforcing surrender and/or release any other security and to claim or prove for and accept or transfer any property or payment in respect of the liabilities of the Company in any composition by or winding up of the Company or any other person firm or corporation or to abstain from so claiming or proving or from accepting any such property or payment.
- 15.2 The provisions of this Debenture shall be in addition and without prejudice to any rights which the Bank may have under any applicable rule of law or by contract or otherwise. The rights and remedies herein provided are cumulative and no failure on the part of the Bank to exercise and no delay in exercising any right power or remedy available to it shall operate as a waiver thereof nor shall any single or partial exercise of any right power or remedy preclude the further exercise thereof or the exercise of any other right power or remedy.
- 15.3 In addition to and not in substitution of any other right of set off provided to the Bank under contract or at general law the Bank shall have the right at any time or times without notice to the Company to combine or consolidate all or any sums of money now or hereafter standing to the credit of the then existing accounts (whether time overdraft or otherwise) of the Company with the Bank (in whatever currency such accounts may be denominated) with the liabilities to the Bank of the Company and/or to set-off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities to the Bank of the Company on any other account or in any other respect whether such liabilities be actual contingent primary collateral several or joint. If the liability in respect of which the Bank is exercising its rights of set-off is contingent or not yet payable it shall automatically be accelerated and shall accordingly be due and payable before and as at the time of such set off.
- 15.4 On demand in writing by the Bank and at the cost of the Company, the Company will execute such documents and such further or other legal or other mortgages charges assignments or other assurances in such form and on such terms as the Bank may require in respect of the Charged Assets or any of the rights or income deriving therefrom in any way and to do such other acts matters or things as the Bank may require in order to perfect or protect the security

hereby created or any of it or to facilitate its realisation and the exercise of all powers authorities and discretions vested in the Bank or any Receiver or any delegate of either of them.

- 15.5 No assurance, security or payment which may be avoided under any law relating to bankruptcy, insolvency or winding-up (including Sections 238, 239, 244 or 245 of the Insolvency Act) and no release, settlement or discharge given or made by the Bank on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Bank to enforce the security created by or pursuant to this Debenture to the full extent of the Secured Liabilities. The Bank may in its absolute discretion retain the security so created for a period of 2 Business Days plus such statutory period within which any security or payment given or made pursuant to this Debenture can be avoided or invalidated after all facilities from time to time made available to the Company by the Bank shall have ceased to be available and the Secured Liabilities shall have been paid in full, notwithstanding any release, settlement, discharge or arrangement given or made by the Bank on, or as a consequence of such termination of liability. If at any time within such period after such termination a petition shall be presented to a competent court for an Order for the bankruptcy, insolvency or winding-up of the Company or the Company should be wound up voluntarily, or an application for an administration order shall be made by a competent court in respect of the Company, the Bank may, notwithstanding as aforementioned, continue to retain such security or any part thereof for and during such further period as the Bank in its absolute discretion shall determine. The Company agrees that such security shall be deemed to have remained held by the Bank as and by way of security.
- 15.6 Every provision contained in this Debenture shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining such provisions shall not in any way be effected thereby.
- 15.7 If the Company fails to perform any of the undertakings contained in this Debenture the Bank in its absolute discretion may remedy such failure at the Company's expense either itself or through any other person and on such terms as the Bank considers appropriate without in any event becoming liable to account as a mortgagee in possession or otherwise except as provided in Clause 5.7 of this Debenture.
- 15.8 Any liberty or power which may be exercised or any determination which may be made hereunder by the Bank as against the Company may be exercised or made (unless otherwise expressly provided in this Debenture) in the absolute and unfettered discretion of the Bank which shall not be under any obligation to give reasons therefore.
- 15.9 In this Debenture where any matter fact or opinion is qualified by the words "reasonable" or "material" or any variations thereof the determination by the Bank of what is reasonable or material shall be binding on the Company unless the Company shows that such determination is unreasonable.
- 15.10 The Bank shall have the full and unfettered right to assign the whole (but not part) of the benefit of this Deed to any person to whom they have the right to assign their interest (or part thereof) in any agreement between the Bank and the Company pursuant to which this Debenture has been entered into.

Execution version

16. GOVERNING LAW

- 16.1 This Debenture is governed by and shall be construed in accordance with English law.
- 16.2 The Company irrevocably agrees for the exclusive benefit of the Bank that the courts of England shall have jurisdiction to hear and determine any suit action or proceeding and to settle any dispute which may arise out of or in connection with this Debenture and for such purposes irrevocably submits to the jurisdiction of such courts.
- 16.3 Nothing contained in this Clause shall limit the right of the Bank to take proceedings against the Company in any other court of competent jurisdiction nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not (unless precluded by applicable law).
- 16.4 The Company irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this Clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.

IN WITNESS whereof this Debenture has been executed as a deed by the parties the day and year first before written.

SCHEDULE 1

The freehold and leasehold land and buildings known as 50 High Street, Sheffield S1 1QH.

Registered under title no(s): SK331673 and SYK520745

SCHEDULE 2

- (a) The property management agreement dated 21 February 2017 made between (1) the Company and (2) Mason Owen & Partners Limited in respect of the management of the Mortgaged Property.
- (b) A Contractor's Deed of Warranty dated 12 January 2015 in favour of a purchaser of a development at 50 High Street, Sheffield (in relation to a building contract dated 16 August 2013) dated 12 January 2015 and made between (1) J Mills (Contractors) Limited and (2) Kames Capital UK Active Value Nominee 1 Limited and Kames Capital UK Active Value Nominee 2 Limited, as assigned to the Company on the date of this Debenture.
- (c) A Contractor's Deed of Warranty dated 12 January 2015 in favour of a purchaser of a development at 50 High Street, Sheffield (in relation to a minor works contract dated 5 June 2013) dated 12 January 2015 and made between (1) J Mills (Contractors) Limited and (2) Kames Capital UK Active Value Nominee 1 Limited and Kames Capital UK Active Value Nominee 2 Limited, as assigned to the Company on the date of this Debenture.

- (d) A Consultant's Deed of Warranty dated 12 January 2015 in favour of a purchaser of a development at 50 High Street, Sheffield dated 12 January 2015 and made between (1) Paul Murray trading as Northern Safety Solutions and (2) Kames Capital UK Active Value Nominee 1 Limited and Kames Capital UK Active Value Nominee 2 Limited, as assigned to the Company on the date of this Debenture.
- (e) A Consultant's Deed of Warranty in favour of a purchaser of a development at 50 High Street, Sheffield dated 12 January 2015 and made between (1) K. J. Tait Engineers Limited and (2) Kames Capital UK Active Value Nominee 1 Limited and Kames Capital UK Active Value Nominee 2 Limited, as assigned to the Company on the date of this Debenture.
- (f) A Consultant's Deed of Warranty in favour of a purchaser of a development at 50 High Street, Sheffield dated 12 January 2015 and made between (1) Acres Group LLP and (2) Kames Capital UK Active Value Nominee 1 Limited and Kames Capital UK Active Value Nominee 2 Limited, as assigned to the Company on the date of this Debenture.

(documents (b) to (f) together the "Collateral Warranties")

SCHEDULE 3

Facsimile Number - N/A

Execution version

Annex 1

Notice of Assignment

To: [Name of occupational tenant and address]

Date: _____ 2017

Dear Sirs,

We give you notice that, by a debenture dated _____ 2017 (the "Security Agreement") we assigned to Arbuthnot Latham & Co., Limited (the "Lender") all our rights, interests and benefits in, to and under the [describe occupational lease][dated [●] between [●] relating to [●] (including all monies payable thereunder and the proceeds of all claims and judgements for breach of covenant) (the "Assigned Document").

We will remain liable to perform all our obligations under or in connection with the Assigned Document and the Lender is under no obligation of any kind whatsoever under or in connection with the Assigned Document nor under any liability whatsoever in the event of any failure by us to perform our obligations under or in connection with the Assigned Document.

We have agreed with the Lender not to terminate, amend, agree any waiver in relation to or otherwise deal with the Assigned Document without the prior written consent of the Lender.

Please note that:

1. all remedies provided for under or in connection with the Assigned Document or available at law or in equity are exercisable by the Lender;
2. all rights to compel performance of or exercise rights in relation to the Assigned Document are exercisable by the Lender; and
3. all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under or in connection with the Assigned Document belong to the Lender,

in accordance with the terms of the Security Agreement.

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

Yours faithfully

Director
for and on behalf of
50 HSS LIMITED
cc Lender

Execution version

Acknowledgement of Assignment

To: Arbuthnot Latham & Co., Limited
Attention: Mark Cotter
Address: Arbuthnot House, 7 Wilson Street, London EC2M 2SN
Date: _____ 2017

Dear Sirs

We confirm receipt from SO HSS Limited (the "Chargor") of a notice dated _____ 2017 of an assignment upon the terms of a debenture dated _____ 2017 (the "Security Agreement") to yourselves (the "Lender") of all the Chargor's rights, interests and benefit in, to and under the Assigned Document (as specified in that notice) to which we are a party.

We further confirm that:

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

We confirm that, we have not received notice of any assignment or charge of or over any of the rights, interests and benefits specified in such notice.

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

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

Yours faithfully
[Name of occupational tenant]
CC: SO HSS Limited

Execution version

Annex 2
Part A - Notice of Assignment

To: []

Date: _____ 2017

Dear Sirs,

We give you notice that, by a security agreement dated _____ (the "Security Agreement") we assigned to Arbutnot Latham & Co., Limited (the "Bank") all our rights, title, interests and benefits in, to and under the collateral warranty dated [] made between [] (including all monies payable thereunder and the proceeds of all claims and judgements for breach of covenant) (the "Assigned Document").

We will remain liable to perform all our obligations under or in connection with the Assigned Document and the Bank is under no obligation of any kind whatsoever under or in connection with the Assigned Document nor under any liability whatsoever in the event of any failure by us to perform our obligations under or in connection with the Assigned Document.

We have agreed with the Bank not to terminate, amend, agree any waiver in relation to or otherwise deal with the Assigned Document without the prior written consent of the Bank.

We irrevocably instruct and authorise you to pay all payments under or arising under or in connection with the Assigned Document to the account in the name of Arbutnot Latham & Co., Limited account number _____ sort code _____. It is very important that you make immediate arrangements for all sums payable by you under the Assigned Document to be paid to this account.

Please note that:

4. all remedies provided for under or in connection with the Assigned Document or available at law or in equity are exercisable by the Bank;
5. all rights to compel performance of or exercise rights in relation to the Assigned Document are exercisable by the Bank; and
6. all rights, title, interests and benefits whatsoever accruing to or for the benefit of ourselves arising under or in connection with the Assigned Document belong to the Bank,

in accordance with the Security Agreement.

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

Yours faithfully

.....
Director

Execution version

for and on behalf of
50 HSS LIMITED

cc Bank

Part B - Acknowledgement of Assignment

To: **Arbuthnot Latham & Co., Limited**

Address: **Arbuthnot House, 7 Wilson Street, London, EC2M 2SN**

Date: _____

Dear Sirs

We confirm receipt from 50 HSS Limited (the "Chargor") of a notice dated _____ of a charge and assignment upon the terms of a security agreement dated _____ (the "Security Agreement") to yourselves (the "Bank") of all the Chargor's rights, title, interests and benefit in, to and under the Assigned Document (as specified in that notice) to which we are a party.

We further confirm that:

5. no amendment, waiver or release of any such rights, title, interests and benefits will be effective without the prior written consent of the Security Agent;
6. no termination of such rights, title, interest and benefits will be effective unless we have given the Security Agent 21 days' written notice of the proposed termination and specifying the action necessary to avoid such termination;
7. the Chargor will remain liable to perform all its obligations under or in connection with the Assigned Document and the Bank is under no obligation of any kind whatsoever, under or in connection with the Assigned Document nor under any liability whatsoever in the event of any failure by the Borrower to perform its obligations under or in connection with the Assigned Document; and
8. no breach or default on the part of the Chargor of any of the terms of or relating to such Assigned Document will be deemed to have occurred unless we have given notice of such breach to the Bank specifying how to make good such breach.

We confirm that we have made all necessary arrangements for all future payments payable under or in connection with such Assigned Document to be made into the account specified in the notice.

We confirm that, we have not received notice of any assignment or charge of or over any of the rights, interests and benefits specified in such notice.

Execution version

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

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

Yours faithfully

[]

CC: 50 HSS Limited

Execution version

THE CHARGOR

EXECUTED as a DEED by 50 HSS LIMITED
acting by a director in the presence of:

)
)
)

Director

.....
Witness signature

.....
Witness name

.....
.....
.....
Witness address

.....
Witness occupation

THE BANK

[REDACTED]

by Arbuthnot Latham & Co., Limited

Execution version

THE CHARGOR

EXECUTED as a DEED by 50 HSS LIMITED
acting by a director in the presence of:

Director

Witness signature

Witness name

JANINE STAFFORD-HARRETT

Witness address

82 HAINWALT RD, ESSEX RM66BJ

Witness occupation

EXECUTIVE ASSISTANT.

THE BANK

by Arbuthnot Latham & Co., Limited

