



Registration of a Charge

Company Name: **NATIONAL TIMBER GROUP MIDCO LIMITED**

Company Number: **10887323**



Received for filing in Electronic Format on the: **20/04/2022**

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Details of Charge

Date of creation: **08/04/2022**

Charge code: **1088 7323 0005**

Persons entitled: **ALTER DOMUS TRUSTEES (UK) LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **AKIN GUMP LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10887323

Charge code: 1088 7323 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th April 2022 and created by NATIONAL TIMBER GROUP MIDCO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th April 2022 .

Given at Companies House, Cardiff on 20th April 2022

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 8 April 2022

**NATIONAL TIMBER GROUP TOPCO LIMITED
NATIONAL TIMBER GROUP MIDCO LIMITED
THE ENTITIES LISTED IN SCHEDULE 1
as the Original Chargors and the Scottish Chargor**

and

**ALTER DOMUS TRUSTEES (UK) LIMITED
as Security Agent**

DEBENTURE

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THIS DEBENTURE (the "**Debenture**") is dated 8 April 2022 and made between:

- (1) **NATIONAL TIMBER GROUP TOPCO LIMITED**, a company incorporated in England and Wales with registration number 10887298 (the "**Parent**");
- (2) **NATIONAL TIMBER GROUP MIDCO LIMITED**, a company incorporated in England and Wales with registration number 10887323 (the "**Company**");
- (3) **THE COMPANIES** whose names and registered numbers are set out in part 1 of Schedule 1 (together with the Parent and the Company, the "**Original Chargors**");
- (4) **THE COMPANY** whose name and registered number is set out in part 2 of Schedule 1 (the "**Scottish Chargor**");
- (5) Each person that becomes a party to this Debenture as a Chargor by executing a Deed of Accession;
- (6) **ALTER DOMUS TRUSTEES (UK) LIMITED**, a company incorporated under the laws of England and Wales and with registration number 09272338 with its registered office at 18 St Swithin's Lane, London, United Kingdom, EC4N 8AD as security trustee for the Secured Parties (the "**Security Agent**"),

(each a "**Party**" and together the "**Parties**" to this Debenture).

BACKGROUND

- (A) Pursuant to the Facilities Agreement, the Secured Parties have agreed, on the terms and conditions contained therein, to make certain credit facilities available to each Borrower.
- (B) It is a condition precedent under the Facilities Agreement that the Original Chargors enter into this Debenture prior to the Closing Date (as defined therein). From time to time, other Subsidiaries of the Company may accede as Chargors pursuant to a Deed of Accession.
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Debenture, words and expressions shall (unless otherwise expressly defined in this Debenture) have the meaning given to them in the Facilities Agreement and:

"Accounts" means any accounts opened or maintained or to be opened or maintained by a Chargor with any bank or financial institution or any other person, including any Blocked Accounts (and any replacement account or subdivision or subaccount of such accounts) in England or Wales, the debt or debts represented thereby and all Related Rights.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Blocked Accounts" means any and all Accounts that may from time to time be opened by a Chargor and identified in writing as a Blocked Account by the Security Agent and a Chargor.

"Book Debts" means all actual or contingent, present and future book and other debts of any nature, and all other rights to receive money, now or in the future due, owing or payable to a Chargor and the benefit of all related negotiable instruments, rights, security, guarantees and indemnities of any kind.

"Charged Company" means each Subsidiary of a Chargor from time to time, including and/or as well as, at the date of this Debenture, each company listed in the second column of the table in Schedule 2 (*Shares*).

"Charged Property" means all the actual and contingent, present and future assets and undertaking of each Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Security Agent by or pursuant to this Debenture (and references to the Charged Property shall include references to any part of it).

"Chargor" means the Original Chargors and each person that becomes a party to this Debenture as a "Chargor" by executing a Deed of Accession.

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

"Counterparty" means any counterparty to a Specific Contract.

"Counterparty's Notice of Assignment and Charge and Acknowledgment" means a notice substantially in the form of Schedule 11 (*Counterparty's Notice of Assignment and Charge and Acknowledgement*).

"Declared Default" has the meaning given in the Facilities Agreement.

"Deed of Accession" means a deed substantially in the form of Schedule 12 (*Deed of Accession*) executed, or to be executed, by a person becoming a Chargor.

"Facilities Agreement" means the senior facilities agreement dated on or about the date hereof made between, among others, the Company, the Parent, the Security Agent and the financial institutions listed in Part 2 of Schedule 1 (*The Original Parties*) thereto as lenders.

"Final Discharge Date" has the meaning given in the Intercreditor Agreement.

"Insurance Policy" means:

- (a) any policy of insurance in which a Chargor may from time to time have an interest (including the insurance policies specified in Schedule 6 (*Details of Insurance Policies*));
- (b) all moneys payable and paid to that Chargor under or in respect of any such policy; and
- (c) all Related Rights.

"Investments" means:

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

in each case whether actual or contingent, whether present or future, whether held legally or beneficially, directly by or to the order of a Chargor or by any trustee, nominee, fiduciary or clearing system on its behalf and all Related Rights (including all rights against any such trustee, nominee, fiduciary or clearing system).

"Material Intellectual Property" has the meaning given in the Facilities Agreement and includes the Material Intellectual Property listed in Schedule 3 (*Material Intellectual Property*) and all Related Rights.

"Material Real Property" has the meaning given in the Facilities Agreement and includes any Material Real Property listed in Schedule 4 (*Material Real Property*) and all Related Rights.

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

"Related Rights" means, in relation to any asset:

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

in each case, whether actual or contingent, present or future.

"Restrictions Notice" means a "restrictions notice" as referred to in paragraph 1(2) of Schedule 1B to the Companies Act 2006.

"Scottish Charged Property" means, in respect of the Scottish Chargor, its Shares.

"Secured Obligations" has the meaning given in the Intercreditor Agreement.

"Secured Parties" has the meaning given in the Intercreditor Agreement.

"Security Period" means the period beginning on the date of this Debenture and ending on the Final Discharge Date.

"Shares" means, (i) in respect of each of the Original Chargors, the shares specified in Schedule 2 (*Shares*) opposite its name, any shares specified in a Deed of Accession or Supplemental Debenture and all other shares in a Charged Company issued to a Chargor or held by, to the order of, or on behalf of a Chargor at any time and any

Related Rights, and (ii) in respect of the Scottish Chargor, the shares specified in Schedule 2 (*Shares*) opposite its name and any Related Rights.

"**Specific Contracts**" means the contracts specified in Schedule 5 (*Specific Contracts*) and any agreement specified as such in any Supplemental Debenture or Deed of Accession by which a Chargor becomes a party to this Debenture.

"**Supplemental Debenture**" means a deed substantially in the form of Schedule 13 (*Supplemental Debenture*) executed, or to be executed, by a Chargor.

"**Tangible Moveable Property**" means any plant, machinery, office equipment, computers, vehicles and other chattels (in each case whether the relevant Chargor's right, interest or title is actual or contingent, present or future) (excluding any for the time being forming part of a Chargor's stock in trade or work in progress) and all Related Rights.

"**Warning Notice**" means a "warning notice" as referred to in paragraph 1(2) of Schedule 1B to the Companies Act 2006.

1.2 Interpretation

In this Debenture:

- (a) Unless a contrary indication appears, any reference in this Debenture to:
 - (i) the "**Security Agent**", any "**Secured Party**", any "**Chargor**", any "**Scottish Chargor**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iii) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (iv) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (v) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (vi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vii) a provision of law is a reference to that provision as amended or re-enacted; and
 - (viii) a time of day is a reference to London time.

- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any notice given under or in connection with this Debenture has the same meaning in that notice as in this Debenture.
- (d) Any reference to the security constituted by this Debenture becoming, "enforceable" shall mean that the security created under this Debenture has become enforceable under Clause 14 (*Enforcement of security*).
- (e) The term "**continuing**" shall be construed in accordance with clause 1.2(e) of the Facilities Agreement.
- (f) Any reference to "**first**" ranking security in respect of the Charged Property or Scottish Charged Property in this Debenture shall mean such security (i) as ranking prior to any Permitted Security which ranks subsequently to such security created or expressed to be created pursuant to this Debenture, and (ii) as deferred in order of priority to any prior ranking Permitted Security.

1.3 **Third party rights**

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

1.4 **Supplemental Debenture**

Each of the Parties agrees that each Supplemental Debenture shall be supplemental to this Debenture and be binding on and enure to the benefit of all the Parties to this Debenture.

1.5 **Deeds of Accession**

Each of the Parties agrees that each Deed of Accession shall be supplemental to this Debenture and be binding on and enure to the benefit of all the Parties to this Debenture.

1.6 **Disposition of Real Property**

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

1.7 **Incorporated terms**

The provisions of clause 19 (*Costs and expenses*) and clause 34 (*Notices*) of the Facilities Agreement apply to this Debenture as though they were set out in full in this Debenture except that references to the Facilities Agreement are to be construed as references to this Debenture.

1.8 **The Security Agent**

The exercise and/or performance by the Security Agent of its rights, remedies, directions, powers, duties or functions under this Debenture are subject in all respects

to the terms of, and the protections and indemnities contained in, the Intercreditor Agreement.

1.9 Conflict with Facilities Agreement and/or the Intercreditor Agreement

If there is any conflict between the provisions of this Debenture and the provisions of the Facilities Agreement and/or the Intercreditor Agreement, the provisions of the Facilities Agreement and/or the Intercreditor Agreement (as the case may be) shall prevail.

2. PAYMENT OF SECURED OBLIGATIONS

Each Chargor and the Scottish Chargor shall, on demand, pay or discharge the Secured Obligations when they become due for payment in the manner provided for in the Finance Documents.

3. FIXED SECURITY AND FLOATING CHARGE

3.1 Fixed security

(a) As continuing security for the payment and discharge of the Secured Obligations, each Chargor, with full title guarantee in favour of the Security Agent:

- (i) grants a first legal mortgage over any of its Material Real Property described in Schedule 4 (*Details of Material Real Property*), in any Supplemental Debenture or in any Deed of Accession and all other Material Real Property now vested in any Chargor;
- (ii) charges by way of first fixed equitable charge all other Material Real Property now owned by it and all Material Real Property acquired by a Chargor after the date of this Debenture;
- (iii) charges by way of first fixed charge all its rights, title and interest from time to time in and to:
 - (i) its Shares;
 - (ii) its Tangible Moveable Property;
 - (iii) the Accounts;
 - (iv) its Material Intellectual Property;
 - (v) all the present and future goodwill and rights in relation to its uncalled capital;
 - (vi) its Investments;
 - (vii) all of its Book Debts;
 - (viii) any Insurance Policy;
 - (ix) the Specific Contracts; and

- (x) to the extent not otherwise charged or assigned in this Debenture, the benefit of all licences, consents, agreements and Authorisations held or used in connection with its business or any of its assets.
- (b) As continuing security for the payment and discharge of the Secured Obligations, the Scottish Chargor, with full title and guarantee in favour of the Security Agent, charges by way of first fixed charge all its rights, title and interest from time to time in and to its Shares.

3.2 Floating charge

- (a) Each Chargor charges with full title guarantee in favour of the Security Agent as continuing security for the payment and discharge of the Secured Obligations by way of first floating charge all of its present and future assets, property, rights and undertaking of each Chargor.
- (b) The floating charge created by each Chargor under Clause 3.2(a) above shall be deferred in point of priority to all fixed security validly and effectively created by that Chargor under the Finance Documents in favour of the Security Agent as security for the Secured Obligations.
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 3.1(b) (*Floating charge*).

3.3 Crystallisation of floating charge

(a) Notice

Subject to Clause 3.5 (*Effect of moratorium on floating charge*) the Security Agent may at any time by notice in writing to a Chargor convert the floating charge created by Clause 3.1(b) (*Floating charge*) with immediate effect into a fixed charge as regards any of a Chargor's assets specified in the notice if:

- (i) a Declared Default has occurred and is continuing; or
- (ii) the Security Agent reasonably considers that any Charged Property with a value, individually or in the aggregate, in excess of £100,000 may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (iii) the Security Agent reasonably considers that it is necessary in order to protect the priority of this Security.

(b) Automatic

Subject to Clause 3.5 (*Effect of moratorium on floating charge*), the floating charge created by Clause 3.2 (*Floating charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge (or, in the case of paragraphs (i), (ii) and (v) below, over such assets as satisfy the description in paragraph (i), (ii) or (v) below (as applicable)) if:

- (i) a Chargor creates or attempts to create any Security (other than Permitted Security) over all or any of its Charged Property;

- (ii) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property;
- (iii) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of a Chargor or an administrator is appointed to a Chargor;
- (iv) any person (who is entitled to do so) gives notice of its intention to appoint an administrator to a Chargor or files such a notice with the court;
- (v) a Chargor disposes or attempts to dispose of, all or any part of the Charged Property (other than as permitted under the Facilities Agreement); or
- (vi) an event or circumstance as set out in clause 25.6 (*Insolvency*), clause 25.7 (*Insolvency proceedings*) or clause 25.8 (*Creditors' process*) of the Facilities Agreement occurs.

3.4 **Re-conversion**

Any charge which has crystallised under Clause 3.3 (*Crystallisation of floating charge*) may by notice in writing given at any time by the Security Agent (in its absolute discretion) be reconverted into a floating charge in relation to the assets specified in such notice.

3.5 **Effect of moratorium on floating charge**

For as long as such action is prohibited under the Insolvency Act 1986 or otherwise at law, any floating charge created under this Debenture may not be converted into a fixed charge solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under schedule A1 to the Insolvency Act 1986.

4. **FURTHER ASSURANCE**

4.1 **General**

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in Clause 4.1(b) below.
- (b) Each Chargor and the Scottish Chargor shall promptly at its own cost do all such acts or execute all such documents (including, in the form of a Supplemental Debenture, assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the security created or intended to be created in respect of the Charged Property or Scottish Charged Property, as applicable, or for the exercise of the Collateral Rights;
 - (ii) subject to the Agreed Security Principles, to confer on the Security Agent security over any property and assets of the relevant Chargor or, in respect of the Scottish Chargor over its Shares, located in any

jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Debenture; and/or

- (iii) to facilitate the realisation of any Charged Property or Scottish Charged Property, as applicable, or the exercise of any Collateral Rights vested in the Security Agent.

4.2 Consents

- 4.3 **Each Chargor and the Scottish Chargor shall use all reasonable endeavours to promptly obtain (in form and content satisfactory to the Security Agent) any consents necessary to enable the assets of that Chargor, and the Shares of the Scottish Chargor, to be the subject of an effective fixed charge pursuant to Clause 3 (*Fixed Security and Floating Charge*) and, immediately upon obtaining any such consent, the asset or Shares, as applicable, concerned shall become subject to such security and that Chargor or Scottish Chargor shall promptly deliver a copy of each consent to the Security Agent.** Implied covenants for title

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

5. NEGATIVE PLEDGE AND DISPOSALS

5.1 Negative pledge

Each Chargor and the Scottish Chargor shall not, at any time during the Security Period, create or permit to subsist any security over all or any part of the Charged Property or Scottish Charged Property, as applicable, other than Permitted Security.

5.2 No disposal of interests

Each Chargor and the Scottish Chargor undertakes that it shall not (and shall not agree to) at any time during the Security Period:

- (a) sell, transfer, lease, licence, assign or otherwise dispose or purport or agree to dispose of, all or any part of the Charged Property or Scottish Charged Property, as applicable;
- (b) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of the Charged Property or Scottish Charged Property, as applicable; or
- (c) allow any person any right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Charged Property or Scottish Charged Property, as applicable,

where, in each case, to do so is prohibited under the terms of the Finance Documents.

6. SHARES AND INVESTMENTS

6.1 Delivery of share certificates

Each Chargor and the Scottish Chargor shall:

- (a) deposit with the Security Agent (or procure the deposit of) all certificates or other documents of title to the Shares held by it, and stock transfer forms or other instruments of transfer (executed in blank by or on behalf of that Chargor or the Scottish Chargor, as applicable, and undated) to enable such transfers to be registered (x) on the date of this Debenture and (if later) promptly following the date of acquisition of any further Shares by any Chargor or the Scottish Chargor, as applicable, in respect of Shares in a Charged Company incorporated in England and Wales (other than in respect of Shares in a dormant Charged Company incorporated in England and Wales, which shall be provided upon such Charged Company ceasing to be dormant), or (y) upon request of the Security Agent, in respect of Shares in a Charged Company incorporated in another jurisdiction; and
- (b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Shares held by it, notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (i) all certificates or other documents of title representing such items and (ii) such stock transfer forms or other instruments of transfer (executed in blank on behalf of that Chargor or the Scottish Chargor, as applicable, and undated) and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered in respect thereof as the Security Agent may reasonably request; provided, however, that in respect of a Charged Company which is incorporated in a jurisdiction other than England and Wales, a Chargor or the Scottish Chargor, as applicable, shall only be required to deliver the documents referred to in the foregoing sub-clauses (i) and (ii) if requested by the Security Agent.

6.2 **Shares: before a Declared Default**

Prior to the occurrence of a Declared Default, a Chargor or the Scottish Chargor, as applicable, shall:

- (a) be entitled to receive, retain and pay all dividends, interest and other monies arising from its Shares as permitted by the terms of the Finance Documents; and
- (b) be entitled to exercise all voting rights in relation to its Shares provided that a Chargor or the Scottish Chargor, as applicable, shall not exercise such voting rights in any manner, or otherwise permit or agree to any (i) variation of the rights attaching to or conferred by any of the Shares or (ii) increase in the issued share capital of a Chargor or the Scottish Chargor, as applicable, whose shares are charged pursuant to this Debenture, which in the reasonable opinion of the Security Agent would adversely prejudice the value of, or the ability of the Security Agent to realise, the security created by this Debenture.

6.3 **Shares: after a Declared Default**

- (a) Upon the occurrence of a Declared Default, the Security Agent may, at its discretion (in the name of a Chargor or the Scottish Chargor, as applicable, or otherwise and without any further consent or authority from any Chargor or the Scottish Chargor, as applicable), or may direct a Chargor or the Scottish Chargor, as applicable, (and that Chargor or the Scottish Chargor, as applicable, shall, and shall procure that it or its nominees shall, comply with such direction) to:

- (i) exercise (or refrain from exercising) any voting rights in respect of the Shares;
- (ii) pay all dividends, interest and other moneys arising from the Shares to the Security Agent for application in accordance with Clause 18 (*Application of proceeds*);
- (iii) transfer the Shares into the name of the Security Agent or such nominee(s) of the Security Agent as it shall require; and
- (iv) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares,

in such manner and on such terms as the Security Agent may think fit, and the proceeds of any such action shall form part of the Charged Property.

- (b) If the exercise of rights by the Security Agent under paragraph (a) above gives rise to a notifiable acquisition under the terms of the National Security and Investment Act 2021 and related regulations, the Security Agent shall not be entitled to exercise those rights until it has obtained necessary approvals from the Secretary of State to do so.

6.4 **Investments: delivery of documents of title**

On the date of this Debenture and (if later) promptly following the date of acquisition of any further Investments by any Chargor, in respect of Investments in companies incorporated in England and Wales, or Scotland, each Chargor shall promptly deliver (or procure delivery) to the Security Agent, and the Security Agent shall be entitled to retain, all of the Investments and any certificates and other documents of title representing the Investments to which that Chargor (or its nominee(s)) is or becomes entitled together with stock transfer forms or other instruments of transfer (each executed in blank by or on behalf of that Chargor) and any other document which the Security Agent may reasonably request (in such form and executed as the Security Agent may reasonably require) with a view to perfecting, improving or curing any deficiencies in the perfection of its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

6.5 **Investments and Shares: payment of calls**

Each Chargor and, in the case of Shares, the Scottish Chargor, shall pay when due all calls or other payments which may be or become due in respect of any of the Investments and/or Shares, and in any case of default by a Chargor or the Scottish Chargor in such payment, the Security Agent may, if it thinks fit, make such payment on behalf of that Chargor or the Scottish Chargor in which case any sums paid by the Security Agent shall be reimbursed by the Chargors or the Scottish Chargor, as applicable, to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate and in accordance with clause 11.3 (*Default interest*) of the Facilities Agreement.

6.6 **Investments: exercise of rights**

Each Chargor and, in the case of Shares, the Scottish Chargor, shall not exercise any of its rights and powers in relation to any of the Shares and/or Investments in any manner which in the reasonable opinion of the Security Agent would prejudice the value of, or the ability of the Security Agent to realise, the security created by this Debenture.

6.7 **People with Significant Control**

- (a) Each Chargor and the Scottish Chargor shall comply with any notice delivered to it under Part 21A of the Companies Act 2006 within the timeframe specified in the notice.
- (b) Each Chargor and, in the case of Shares, the Scottish Chargor, represents and warrants that no Warning Notice or Restrictions Notice has been issued to such Chargor or the Scottish Chargor, as applicable, in respect of the Investments and/or the Shares.

7. **ACCOUNTS**

7.1 **Notices of charge of Accounts**

On the date of this Debenture and (if later) on the date of opening of any further Accounts (other than Blocked Accounts) by any Chargor, each Chargor shall promptly deliver to (or procure delivery of the same to) the relevant bank or financial institution (with a copy to the Security Agent) notices of charge in the form set out in Schedule 7 (*Form of Notice of Charge of Account*) duly executed by, or on behalf of, that Chargor, in respect of each Account (other than a Blocked Account) and use all commercially reasonable endeavours to procure acknowledgements by the relevant bank or financial institution with which the relevant Account is opened or maintained in the form set out in Schedule 8 (*Form of Acknowledgement of Notice of Charge*) which shall promptly be delivered to the Security Agent upon receipt.

7.2 **Notices of charge of Blocked Accounts**

On the date of this Debenture or (if later) on the date of opening of any Blocked Accounts by any Chargor, each Chargor shall deliver to (or procure the delivery of the same to) the relevant bank or financial institution (with a copy to the Security Agent) notices of assignment in the form set out in Schedule 9 (*Form of Notice of Charge of Blocked Account*) duly executed by, or on behalf of, that Chargor, in respect of each Blocked Account and use all commercially reasonable endeavours to procure acknowledgments by the relevant bank or financial institution with which the relevant Blocked Account is opened or maintained in the form set out in Schedule 10 (*Form of Acknowledgement of Charge of Blocked Account*) which shall promptly be delivered to the Security Agent.

7.3 **Accounts: notification and variation**

Each Chargor, during the Security Period:

- (a) shall deliver to the Security Agent within ten Business Days of the end of each Financial Year, details of any new Accounts opened by it and any changes in the Accounts maintained by it during such Financial Year; and
- (b) shall not, without the Security Agent's prior written consent (such consent not to be unreasonably withheld or delayed), agree to any variation of the rights attaching to any Blocked Account or close any Account unless the balance of such Account on the date of closure is transferred to another Account subject to the security created or expressed to be created in favour of the Security Agent.

7.4 **Accounts: operation before a Declared Default**

Each Chargor shall prior to the occurrence of a Declared Default, be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account (other than a Blocked Account) subject to the terms of the Facilities Agreement and the Intercreditor Agreement.

7.5 **Accounts: operation after a Declared Default**

Upon the occurrence of a Declared Default, no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account, except with the prior written consent of the Security Agent.

7.6 **Blocked Accounts**

- (a) Regardless of the terms upon which moneys are credited to any Blocked Account, any credit balance from time to time in any Blocked Account shall not be due or accruing to a Chargor until the end of the Security Period. Until the end of the Security Period, no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Blocked Account except with the prior written consent of the Security Agent.
- (b) The Security Agent shall, upon the occurrence of an Event of Default, be entitled without notice to a Chargor to exercise from time to time all rights, powers and remedies held by it with respect to the Blocked Accounts and to:
 - (i) demand and receive all and any moneys due under or arising out of each Blocked Account; and
 - (ii) exercise all such rights as a Chargor was then entitled to exercise in relation to such Blocked Account or might, but for the terms of this Debenture, exercise.

7.7 **Accounts: application of proceeds**

Without prejudice to Clause 7.6(b), the Security Agent shall, upon the occurrence of a Declared Default, be entitled without notice to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 18 (*Application of proceeds*).

8. **BOOK DEBTS**

8.1 **Dealing with Book Debts**

No Chargor shall during the Security Period, without the prior written consent of the Security Agent:

- (a) deal with its Book Debts except by managing them in a prudent manner (on behalf of the Security Agent) and paying the proceeds of realised Book Debts into an Account or as the Security Agent may otherwise reasonably require (and such proceeds shall be held upon trust by that Chargor for the Security Agent prior to such payment into an Account); or

- (b) factor or discount any of the Book Debts or enter into any agreement for such factoring or discounting,

other than pursuant to any invoice discounting, factoring or other receivable finance arrangement entered into by a Chargor which is Permitted Financial Indebtedness.

8.2 **Release of Book Debt proceeds: before a Declared Default**

- (a) Prior to the occurrence of a Declared Default, and subject to the terms of any invoice discounting, factoring or other receivable finance arrangement entered into by a Chargor which is Permitted Financial Indebtedness, the proceeds of the realisation of the Book Debts shall (subject to any restriction on the application of such proceeds contained in this Debenture or in the Finance Documents), upon such proceeds being credited to an Account (other than a Blocked Account), be released from the fixed charge created pursuant to Clause 3.1 (*Fixed security*) and the applicable Chargor shall be entitled to withdraw such proceeds from such Account (other than a Blocked Account), provided that such proceeds shall continue to be subject to the floating charge created pursuant to Clause 3.1(b) (*Floating charge*).
- (b) No Chargor shall, except with the prior written consent of the Security Agent (and/or in accordance with the Facilities Agreement), be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Book Debts standing to any Blocked Accounts.

8.3 **Release of Book Debt proceeds: after a Declared Default**

Upon the occurrence of a Declared Default, no Chargor shall, except with the prior written consent of the Security Agent, be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Book Debt proceeds standing to the credit of an Account.

9. **INSURANCES**

9.1 **Insurance: undertakings**

Each Chargor shall during the Security Period:

- (a) keep the Charged Property insured in compliance with the terms of the Facilities Agreement;
- (b) within 30 days of the date of this Debenture and (if later) promptly following the date on which a Chargor obtains an interest in an Insurance Policy, cause each Insurance Policy (other than any Insurance Policy in respect of third party liability if the proceeds of a claim made thereunder would not be paid to a Chargor) relating to the Charged Property to contain (in form and substance reasonably satisfactory to the Security Agent) an endorsement naming the Security Agent as first loss payee in respect of all claims;
- (c) promptly pay all premiums and other moneys payable under all its Insurance Policies and promptly upon request, produce to the Security Agent a copy of each policy and evidence (reasonably acceptable to the Security Agent) of the payment of such sums;

- (d) if required by the Security Agent (but subject to the provisions of any lease of the Charged Property), deposit all Insurance Policies relating to the Charged Property with the Security Agent; and
- (e) not knowingly do or omit to do or permit to be done or omitted anything which is reasonably likely to render any such Insurance Policy void, voidable or unenforceable.

9.2 **Insurance: default**

If any Chargor defaults in complying with Clause 9.1 (*Insurance: undertakings*), the Security Agent may effect or renew any such insurance on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all moneys expended by the Security Agent in doing so shall be reimbursed by that Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until reimbursed at the rate specified in clause 11.3 (*Default interest*) of the Facilities Agreement.

9.3 **Application of insurance proceeds**

- (a) All moneys received under any Insurance Policies relating to the Charged Property shall (subject to the rights and claims of any person having prior rights to such moneys) be applied in accordance with the terms of the Facilities Agreement.
- (b) Upon the occurrence of a Declared Default, each relevant Chargor shall hold all moneys received under any Insurance Policies relating to the Charged Property upon trust for the Security Agent pending payment to the Security Agent for application in accordance with Clause 18 (*Application of proceeds*) and each Chargor waives any right it may have to require that any such moneys are applied in reinstatement of any part of the Charged Property.

10. **MATERIAL REAL PROPERTY**

10.1 **Delivery of title deeds**

On the date of this Debenture and (if later) on the date of acquisition of any further Material Real Property by any Chargor (whether any interest in any freehold, leasehold or other immovable property), each relevant Chargor shall deliver (or procure delivery) to the Security Agent of, and the Security Agent shall be entitled to hold and retain, all deeds, certificates and other documents constituting or evidencing title relating to any Material Real Property.

10.2 **Notification**

Each Chargor shall, within ten Business Days of the end of each Financial Year, provide the Security Agent with details of any contract, conveyance, transfer or other disposition for the acquisition by that Chargor (or its nominee(s)) of any Material Real Property during such Financial Year.

10.3 **Lease covenants**

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

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

in each case, where failure to comply, individually or in the aggregate, is reasonably likely to cause a Material Adverse Effect.

10.4 **General property undertakings**

Each Chargor shall during the Security Period:

- (a) repair and keep in good and substantial repair and condition to the reasonable satisfaction of the Security Agent, at the cost of the Chargor, any Material Real Property at any time forming part of the Charged Property;
- (b) not at any time without the prior written consent of the Security Agent sever or remove any of the fixtures forming part of any Material Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Charged Property (except for the purpose of any necessary repairs or replacement of it); and
- (c) comply with and observe and perform (i) all applicable requirements of all planning and environmental legislation, regulations and bye-laws relating to any Material Real Property, (ii) any conditions attaching to any planning permissions relating to or affecting any Material Real Property and (iii) any notices or other orders made by any planning, environmental or other public body in respect of all or any part of any Material Real Property,

in each case, where failure to comply, individually or in the aggregate, is reasonably likely to cause a Material Adverse Effect.

10.5 **Entitlement to remedy**

If a Chargor fails to comply with any of the undertakings contained in this Clause 10, the Security Agent shall be entitled (with such agents, contractors and others as it sees fit), to do such things as may in the reasonable opinion of the Security Agent be required to remedy such failure and all moneys spent by the Security Agent in doing so shall be reimbursed by that Chargor on demand with interest from the date of payment by the Security Agent until reimbursed in accordance with clause 11.3 (*Default interest*) of the Facilities Agreement.

10.6 **Further advances**

- (a) Subject to the terms of the Finance Documents, if a Secured Party is under an obligation to make further advances to a Chargor then that obligation will be deemed to be incorporated into this Debenture as if set out in this Debenture.
- (b) Each Chargor consents to an application (in such form as is satisfactory to the Security Agent) being made to the HM Land Registry to enter the obligation to

make further advances on the charges register of any registered land forming part of the Charged Property by means of Form CH2.

10.7 Application to HM Land Registry (including the HM Land Registry, Land Charges Department)

Each Chargor hereby consents to applications (in such form as is satisfactory to the Security Agent) being made: (i) to enter a restriction (Form RX1) in the proprietorship register of any registered land at any time forming part of any Material Real Property of such Chargor located in England and Wales, (ii) to register any first legal mortgage granted herein on the charges register of any registered land at any time forming part of any Material Real Property of such Chargor; (iii) to enter a notice concerning any first fixed charge over registered land granted herein on the title register of any registered land at any time forming part of any Material Real Property of such Chargor, and (iv) to register any Class C(i), C(iii) and C(iv) land charges in relation to any first legal mortgage and any first fixed charge granted herein over unregistered land at any time forming part of any Material Real Property of such Chargor.

10.8 Registration of mortgages

In the case of any Material Real Property, title to which is or will be registered under the Land Registration Act 2002, acquired by or on behalf of a Chargor after the execution of this Debenture, that Chargor shall promptly notify the Security Agent of the title number(s) and, contemporaneously with the making of an application to HM Land Registry for the registration of that Chargor as the registered proprietor of such property, make an application (in such form as is satisfactory to the Security Agent) to HM Land Registry to register the first legal mortgage on the title register of such Material Real Property (Form AP1).

11. MATERIAL INTELLECTUAL PROPERTY

11.1 Acquisition

Each Chargor shall, within ten Business Days of the end of each Financial Year, provide the Security Agent with details of all registered Material Intellectual Property acquired or developed by it during such Financial Year.

11.2 Registration of Material Intellectual Property

Each Chargor shall, on the date of this Debenture and (if later) on the date of acquisition of any further Material Intellectual Property by any Chargor, promptly execute all such documents and do all acts that the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating to any registered Material Intellectual Property which are maintained by the UK Intellectual Property Office, the EU Intellectual Property Office and the European Patent Office and the relevant authority or body in any jurisdiction other than the United Kingdom and the European Union.

11.3 Maintenance

Each Chargor shall during the Security Period in respect of any Material Intellectual Property:

- (a) take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any such Material Intellectual Property; and
- (b) not use or permit any such Material Intellectual Property to be used in any way which may materially and adversely affect its value.

11.4 **Grant**

Without prejudice to Clause 5 (*Negative pledge and disposals*), no Chargor shall grant any exclusive registered user agreement or exclusive licence in relation to any of its present or future Material Intellectual Property without the Security Agent's prior written consent (such consent not to be unreasonably withheld or delayed).

12. **SPECIFIC CONTRACTS**

12.1 **Notices of Charge**

Each Chargor shall, on the date of this Debenture or promptly following its entry into a Specific Contract, deliver to the Security Agent (or procure delivery of) notices of assignment in the form set out at Schedule 11 (*Counterparty's Notice of Charge and Acknowledgment of Specific Contract*) duly executed by that Chargor, in respect of each Specific Contract and use its reasonable endeavours to provide acknowledgments by the relevant counterparty.

13. **GENERAL UNDERTAKINGS**

At any time while an Event of Default is continuing or if the Security Agent reasonably believes that an Event of Default is continuing or reasonably likely to occur each Chargor shall permit the Security Agent, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to (a) inspect and take copies and extracts from the books, accounts and records of that Chargor, and (b) to view the relevant Charged Property (without becoming liable as mortgagee in possession).

14. **ENFORCEMENT OF SECURITY**

14.1 **Enforcement**

At any time (i) after the occurrence of a Declared Default or (ii) if a Chargor or the Scottish Chargor, as applicable, requests the Security Agent to exercise any of its powers under this Debenture, the security created by or pursuant to this Debenture is immediately enforceable and the Security Agent may, without notice to any Chargor or the Scottish Chargor, as applicable, or prior authorisation from any court, in its absolute discretion:

- (a) enforce all or any part of the security created by or pursuant to this Debenture (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property or the Scottish Charged Property, as applicable;
- (b) by notice to a Chargor, end that Chargor's right to possession of all or any Material Real Property forming part of the Charged Property; or

- (c) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Debenture) on mortgagees and by this Debenture on any Receiver or otherwise conferred by law on mortgagees or receivers.

14.2 **No liability as mortgagee in possession**

Neither the Security Agent nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or the Scottish Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property or the Scottish Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable.

14.3 **Right of appropriation**

To the extent that any of the Charged Property or the Scottish Charged Property constitutes "financial collateral" and this Debenture constitutes a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**") the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. The value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Investments and/or Shares, the market price of such Investments and/or Shares determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. In each case, the method of valuation is a commercially reasonable method of valuation for the purposes of the Regulations. Any such Charged Property or Scottish Charged Property which constitutes financial collateral is delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the Security Agent or a person acting on its behalf.

15. **EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925**

15.1 **Extension of powers**

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture.

15.2 **Restrictions**

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Debenture with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any Chargor or the Scottish Chargor on or at any time after the occurrence of a Declared Default.

15.3 **Power of leasing**

The statutory powers of leasing may be exercised by the Security Agent at any time on or after the occurrence of a Declared Default which is continuing and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

16. **APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

16.1 **Appointment and removal**

- (a) Upon the security created by or pursuant to this Debenture becoming enforceable in accordance with Clause 14.1 (*Enforcement*) the Security Agent may by deed or otherwise immediately or at any time thereafter without prior notice to any Chargor or the Scottish Chargor, as applicable:
 - (i) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property of a Chargor, or the Scottish Charged Property of the Scottish Chargor, as applicable;
 - (ii) appoint two or more Receivers of separate parts of the Charged Property of any Chargor, or the Scottish Charged Property of the Scottish Chargor, as applicable;
 - (iii) remove (so far as it is lawfully able) any Receiver so appointed;
 - (iv) appoint another person(s) as an additional or replacement Receiver(s);
or
 - (v) appoint one or more persons to be an administrator of any Chargor or the Scottish Chargor, as applicable.

16.2 **Capacity of receivers**

Each person appointed to be a Receiver pursuant to Clause 16.1 (*Appointment and removal*) shall be:

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

16.3 **Statutory Powers of Appointment**

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

from time to time by the Security Agent in respect of any part of the Charged Property or the Scottish Charged Property, as applicable.

17. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor or the Scottish Chargor, as applicable, in respect of which he was appointed) have and be entitled to exercise, in relation to the Charged Property of that Chargor, or the Scottish Charged Property of the Scottish Chargor, as applicable (and any assets of that Chargor or the Scottish Chargor, as applicable which, when got in, would be Charged Property or Scottish Charged Property, as applicable) in respect of which he was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of that Chargor or the Scottish Chargor, as applicable, or in his own name and, in each case, at the cost of that Chargor or the Scottish Chargor, as applicable):

- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which that Chargor or the Scottish Chargor, as applicable, itself could do or omit to do; and
- (d) the power to do all things (including bringing or defending proceedings in the name or on behalf of that Chargor or the Scottish Chargor, as applicable, in respect of which he was appointed) which seem to the Receiver to be incidental or conducive to (i) any of the functions, powers, authorities or discretions conferred on or vested in him or (ii) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property or the Scottish Charged Property, as applicable) or (iii) bringing to his hands any assets of that Chargor or the Scottish Chargor, as applicable, forming part of, or which when got in would be, the Charged Property or Scottish Charged Property, as applicable.

18. APPLICATION OF PROCEEDS

All amounts received or recovered by the Security Agent or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied in such order and manner as set forth in clause 18 (*Application of proceeds*) of the Intercreditor Agreement.

19. PROTECTION OF PURCHASERS

19.1 Consideration

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

19.2 **Protection of purchasers**

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

20. **POWER OF ATTORNEY**

20.1 **Appointment and powers**

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

- (a) carrying out any obligation imposed on that Chargor or the Scottish Chargor, as applicable, by this Debenture or any other agreement binding on that Chargor or the Scottish Chargor, as applicable, to which the Security Agent is party (including the execution and delivery of any mortgages, deeds, charges, assignments or other security and any transfers of the Charged Property or the Scottish Charged Property, respectively) provided that, to the extent that no Declared Default has occurred, that Chargor or the Scottish Chargor, as applicable, has failed to perform such obligation for a period of ten Business Days after receiving notice from the Security Agent requiring it to do so; and
- (b) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or by law (including, upon the occurrence of a Declared Default, the exercise of any right of a legal or beneficial owner of the Charged Property or the Scottish Charged Property, as applicable).

20.2 **Ratification**

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

21. **EFFECTIVENESS OF SECURITY**

21.1 **Continuing security**

- (a) The security created by or pursuant to this Debenture shall remain in full force and effect as a continuing security for the Secured Obligations until the end of the Security Period.
- (b) No part of the security from time to time intended to be constituted by the Debenture will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

21.2 **Cumulative rights**

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

21.3 **No prejudice**

The security created by or pursuant to this Debenture and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to a Chargor or the Scottish Chargor or any other person, or the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that security or any Collateral Right.

21.4 **Remedies and waivers**

No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

21.5 **No liability**

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

21.6 **Partial Invalidity**

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

21.7 **Waiver of Defences**

The obligations of each Chargor and the Scottish Chargor under this Debenture and the Collateral Rights will not be affected by an act, omission, matter or thing which, but for this Clause 21.7, would reduce, release or prejudice any of its obligations under this Debenture (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor or the Scottish Chargor or other person;
- (b) the release of any other Chargor or the Scottish Chargor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor or the Scottish Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Chargor or the Scottish Chargor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of the term of any Liability or increase in amounts payable under any Finance Document, under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

21.8 **Immediate recourse**

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

21.9 **Deferral of Rights**

During the Security Period and subject to the Intercreditor Agreement, each Chargor and the Scottish Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Debenture:

- (a) to be indemnified by any Chargor or the Scottish Chargor;
- (b) to claim any contribution from any guarantor of any Chargor's or the Scottish Chargor's obligations under this Debenture;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, this Debenture by any Secured Party;
- (d) to exercise any right of set-off against any Chargor or the Scottish Chargor; and/or

- (e) to claim or prove as a creditor of any Chargor or the Scottish Chargor in competition with any Secured Party.

If any Chargor or the Scottish Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Chargors or the Scottish Chargor or other Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 18 (*Application of proceeds*).

22. **RELEASE OF SECURITY**

22.1 **Redemption of security**

After the end of the Security Period, or otherwise in accordance with the Facilities Agreement and the Intercreditor Agreement, the Security Agent shall, at the request and cost of a Chargor or the Scottish Chargor, release and cancel the security created by or pursuant to this Debenture and, in each case, subject to Clause 22.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

22.2 **Avoidance of payments**

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

23. **SET-OFF**

After a Declared Default has occurred, the Security Agent may set off any matured obligation due from a Chargor or the Scottish Chargor under the Finance Documents against any matured obligation owed by the Security Agent (whether in its capacity as trustee or otherwise) to that Chargor or the Scottish Chargor, as applicable, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Agent may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

24. **SUBSEQUENT SECURITY INTERESTS**

If the Security Agent (acting in its capacity as trustee or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent security affecting all or any part of the Charged Property or the Scottish Charged Property or any assignment or transfer of the Charged Property or the Scottish Charged Property which is prohibited by the terms of this Debenture or any other Finance Document, all payments thereafter by or on behalf of a Chargor or the Scottish Chargor, as applicable, to the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of that Chargor or the Scottish Chargor, respectively, and not as having been applied in reduction of the Secured Obligations as at the time when the Security Agent received such notice.

25. ASSIGNMENT

- (a) The Security Agent may assign and transfer all or any of its rights and obligations under this Debenture to any persons who become a successor Security Agent in accordance with the terms of the Facilities Agreement and the Intercreditor Agreement. The Security Agent shall be entitled to disclose such information concerning the Chargors or the Scottish Chargor and this Debenture as the Security Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.
- (b) A Chargor or the Scottish Chargor may not assign or transfer all or any of its rights and obligations under this Debenture.

26. DISCRETION AND DELEGATION

26.1 Discretion

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

26.2 Delegation

Each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney pursuant to Clause 20 (*Power of Attorney*)) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

26.3 Protection of third parties

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

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Finance Documents; or
- (d) how any money paid to the Security Agent or to that Receiver is to be applied.

27. COUNTERPARTS

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

28. **GOVERNING LAW**

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

29. **JURISDICTION**

29.1 **English Courts**

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

29.2 **Convenient Forum**

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

29.3 **Exclusive Jurisdiction**

This Clause 29 (*Jurisdiction*) is for the benefit of the Security Agent only. As a result and notwithstanding Clause 29.1 (*English Courts*), it does not prevent the Security Agent from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1

Part 1

ORIGINAL CHARGORS

Name of Original Chargor	Registration number (or equivalent, if any)
NATIONAL TIMBER GROUP TOPCO LIMITED	10887298
NATIONAL TIMBER GROUP MIDCO LIMITED	10887323
LHSL 2 LIMITED	11282225
ARNOLD LAVER HOLDINGS LIMITED	10695726
ARNOLD LAVER & COMPANY LIMITED	10608445
NYT (HOLDINGS) LIMITED	05090132
NORTH YORKSHIRE TIMBER COMPANY LIMITED	01419058

Part 2

SCOTTISH CHARGOR

Name of Scottish Chargor	Registration number (or equivalent, if any)
NATIONAL TIMBER GROUP SCOTLAND LIMITED	SC080045

**SCHEDULE 2
SHARES**

Name of Chargor	Description of Shares
National Timber Group Topco Limited	1 ordinary share of £1.00 in National Timber Group Midco Limited
National Timber Group Midco Limited	13,700,000 ordinary shares of £1.00 each in LHSL 2 Limited
National Timber Group Midco Limited	100,100 ordinary shares of £0.01 each in Arnold Laver Holdings Limited
Arnold Laver Holdings Limited	100 ordinary shares of £0.01 each in Fire Door Inspect Limited
Arnold Laver Holdings Limited	2 ordinary shares of £1.00 each in Arnold Laver & Company Limited
NYT (Holdings) Limited	100,000 ordinary shares of £1.00 each in North Yorkshire Timber Company Limited
National Timber Group Scotland Limited	40 ordinary shares of £1.00 each in NYT (Holdings) Limited
National Timber Group Scotland Limited	60 A ordinary shares of £37,500 each in NYT (Holdings) Limited

SCHEDULE 3
MATERIAL INTELLECTUAL PROPERTY

Intentionally blank.

SCHEDULE 4
DETAILS OF MATERIAL REAL PROPERTY

Intentionally blank.

**SCHEDULE 5
SPECIFIC CONTRACTS**

Intentionally blank.

**SCHEDULE 6
DETAILS OF INSURANCE POLICIES**

Cover / Class	Insurer	Policy No.
Business Plus	Aspen Insurance UK Limited	N0AG6NP22A0V

SCHEDULE 7

FORM OF NOTICE OF CHARGE OF ACCOUNT

[On letterhead of Chargor]

[Date]

[Bank]

[Branch]

Attention: []

Copy:

[Security Agent address details]

Attention: [●]

Dear Sirs,

1 We hereby give you notice that by a debenture dated _____ 2022, we have charged to [●], in its capacity as security agent (the "**Security Agent**") all our present and future, actual and contingent, rights, title, interest and benefit in and to the following account(s) held with yourselves and all amounts standing to the credit of such account(s) from time to time:

Account No. [●], sort code [●]

Account No. [●], sort code [●]

[Repeat as necessary]

(the "**Account(s)**").

2 Please acknowledge receipt of this letter by returning a copy of the attached letter on your letterhead with a receipted copy of this notice, to the Security Agent at [].

Yours faithfully

.....
for and on behalf of
[Chargor]

SCHEDULE 8
FORM OF ACKNOWLEDGEMENT OF NOTICE OF CHARGE

[On letterhead of Bank]

[Date]

[●] (the "Security Agent")
[Security Agent address details]

Dear Sirs,

[●] (the "Chargor")

We refer to the notice dated [●] received from the Chargor with respect to the charge which it has granted to you over the Accounts (the "Notice").

Terms not defined in this letter shall have the meanings given to them in the Notice.

We hereby acknowledge that the Chargor has charged to you all of its present and future, actual and contingent, rights, title, interest and benefit in and to the Accounts and to all amounts standing to the credit of such Accounts.

We hereby irrevocably undertake to you that until receipt by us of notice from you confirming that you no longer have any interest in the Accounts we shall:

- (a) not exercise any right of combination, consolidation, merger or set-off which we may have in respect of, or otherwise exercise any other right which we may have to apply any moneys from time to time standing or accruing to the credit of the Accounts save for fees and charges payable to us for the operation of the Accounts;
- (b) permit or effect any withdrawal or transfer from the Accounts in accordance with the Chargor's mandate with us until we receive notice from you notifying us that a Declared Default has occurred and is continuing and terminating the Chargor's right to operate the Accounts;
- (c) following receipt of the notice referred to in paragraph (b) above, comply with all instructions received by us from you from time to time with respect to the movement of funds from the Accounts provided that:
 - (i) all instructions are received in writing, by facsimile, to us at [] [London time]; and
 - (ii) all instructions must be received by 2pm [London time] if they are to be complied with on the same Business Day. Instructions received outside such hours will be complied with on the next Business Day following such receipt. Facsimile instructions will be deemed received at the time of transmission; and
 - (iii) to the extent that an instruction is given which would in our opinion cause any Account to become overdrawn we will transfer the cleared balance in the Account;
- (d) we shall not be obliged to comply with any instructions received from you where to comply with such instructions will breach a court order or be contrary to applicable law,

and we shall give notice thereof to you and the Chargor as well as reasons why we cannot comply with such instructions; and

- (e) in the event that we are unable to comply with any instructions due to circumstances set out in paragraph (d) we shall not be responsible for any loss caused to you or to the Chargor and in any event we shall not be liable for any consequential, special, secondary or indirect loss of or damage to goodwill, profits or anticipated savings (however caused).

We are irrevocably authorised by you to follow any instructions received from you in relation to the Accounts from any person that we reasonably believe is an authorised officer of the Security Agent, without further inquiry as to the Security Agent's right or authority to give such instructions and we shall be fully protected in acting in accordance with such instructions.

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

Yours faithfully

.....
for and on behalf of
[Bank]

SCHEDULE 9

FORM OF NOTICE OF CHARGE OF BLOCKED ACCOUNT

[On letterhead of Chargor]

[Date]

[Bank]

[Branch]

Attention: []

Copy:

[●]

[Security Agent address details]

Attention: [●]

Dear Sirs,

1. We give you notice that by a debenture dated _____ 2022, we have charged to [●] (the "**Security Agent**") by way of first fixed charge all our present and future, actual and contingent, rights, title, interest and benefit in and to the following account(s) held with yourselves (including any renewal or redesignation of such account) and all amounts standing to the credit of such account from time to time:

Account No. [●], sort code [●]

Account No. [●], sort code [●]

[Repeat as necessary]

(the "**Blocked Account(s)**").

2. Please acknowledge receipt of this letter by returning a copy of the attached letter on your letterhead with a receipted copy of this notice forthwith, to the Security Agent at [●], Attention: [●].

Yours faithfully

.....

for and on behalf of [**Chargor**]

SCHEDULE 10

FORM OF ACKNOWLEDGEMENT OF CHARGE OF BLOCKED ACCOUNT

[On letterhead of Bank]

[Date]

[] (the "Security Agent")

[Address]

Attention: [•]

Dear Sirs,

[] (the "Chargor")

1. We refer to the notice dated [•], received from the Chargor with respect to the first fixed charge the Chargor has granted in your favour over all of the Chargor's present and future, actual and contingent, rights, title and interest to the Blocked Accounts and to all amounts standing to the credit of such Blocked Accounts (the "Notice").
2. Terms not defined in this letter shall have the meanings given to them in the Notice.
3. We hereby acknowledge that the Chargor has charged to you by way of a first fixed charge all of its rights, title, interest and benefit in and to the Blocked Account(s).
4. We hereby acknowledge that we have not received notice of any previous assignments of, charges over or trusts in respect of, the Blocked Account(s).
5. We hereby irrevocably undertake to you that until receipt by us of notice from you confirming that you no longer have any interest in the Blocked Account(s) we shall:
 - (a) not exercise any right of combination, consolidation, merger or set-off which we may have in respect of, or otherwise exercise any other right which we may have to apply any moneys from time to time standing or accruing to the credit of the Blocked Account(s);
 - (b) promptly notify you of any renewal, renumbering or redesignation of any and all of the Blocked Account(s);
 - (c) promptly send to you copies with respect to all the Blocked Account(s) of all statements and, if requested by you, copies of all credits, debits and notices given or made by us in connection with such account;
 - (d) not permit or effect any withdrawal or transfer from the Blocked Account(s) by or on behalf of the Chargor save for withdrawals and transfers requested by you in writing to us pursuant to the terms of this letter;
 - (e) comply with all instructions received by us from you from time to time with respect to the conduct of the Blocked Account(s) provided that such instructions are given in accordance with the terms of this letter;
 - (f) comply with all instructions received by us from you from time to time with respect to the movement of funds from the Blocked Account(s) provided that:

- (i) all instructions are received in writing, by facsimile, to us at facsimile number [•], attention: [•];
 - (ii) all instructions must be received by 2pm [London time] if they are to be complied with on the same Business Day. Instructions received outside such hours will be complied with on the next Business Day following such receipt. Facsimile instructions will be deemed received at the time of transmission;
 - (iii) all instructions are given in compliance with the mandate entered into by you stipulating who may give instructions to us; and
 - (iv) to the extent that an instruction is given which would in our opinion cause the Blocked Account(s) to become overdrawn we will transfer the outstanding balance in the account;
- (g) we shall not be obliged to comply with any instructions received from you where to comply with such instructions will breach a court order or be contrary to applicable laws, and we shall give notice thereof to the Chargor and the Security Agent as well as reasons why we cannot comply with such instructions; and
- (h) in the event that we are unable to comply with any instructions due to circumstances set out in paragraph 5(g) we shall not be responsible for any loss caused to you or to the Chargor and in any event we shall not be liable for any consequential, special, secondary or indirect loss of or damage to goodwill, profits or anticipated savings (however caused).
6. We note that, for the purposes of this letter, all notices, copy notices, advices and correspondence to be delivered to you shall be effectively delivered if sent by facsimile to you at number [•] or by post at the address at the top of this letter, in both cases marked for the attention of the [•].

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

Yours faithfully

.....

for and on behalf of

[Bank]

SCHEDULE 11

COUNTERPARTY'S NOTICE OF CHARGE AND ACKNOWLEDGMENT OF SPECIFIC CONTRACT

To: [COUNTERPARTY]

From: [CHARGOR] (the "Chargor")

Address: []

Copied to: Alter Domus Trustees (UK) Limited (the "Security Agent")

Date: []

Dear Sirs,

Debenture dated [] between [] as the Chargor and Alter Domus Trustees (UK) Limited as Security Agent (the "Debenture")

1. We give you notice that we have charged to the Security Agent pursuant to a debenture entered into by us in favour of the Security Agent dated _____ 2022 all of our right, title and interest in and to the following documents:

[*Details of Specific Contract(s)*] (the "**Specific Contract(s)**") including all moneys which may be payable in respect of the Specific Contracts.

With effect from your receipt of this notice:

2. All payments by you to us under or arising from the Specific Contract should be made to us until such time as you receive notice from the Security Agent instructing you otherwise ("**Payment Notice**"). Upon receipt of a Payment Notice, we instruct you to comply with all payment instructions in respect of any payments to be made under or arising from the Specific Contract as set out in the Payment Notice.
3. Upon your receipt of notice from the Security Agent that a Declared Default has occurred:
 - (a) all remedies provided for in the Specific Contract or available at law or in equity are exercisable by the Security Agent (provided that the Security Agent shall have no greater rights under this letter than we have under the Specific Contract);
 - (b) all rights to compel performance of the Specific Contract are exercisable by the Security Agent although the Chargor shall remain liable to perform all the obligations assumed by it under the Specific Contract; and
 - (c) all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Specific Contract belong to the Security Agent to the exclusion of the Chargor and no changes may be made to the terms of the Specific Contract otherwise than as provided for in the Facilities Agreement (as defined in the Debenture).
4. You are authorised and instructed, without requiring further approval from us, to provide the Security Agent with such information relating to the Specific Contract as it may from time to time request.

These instructions may not be revoked, nor may the terms of the Specific Contract be amended, varied or waived without the prior written consent of the Security Agent [, unless it is of a minor technical or non-operational nature or in any way which could not be reasonably expected materially and adversely to affect the interests of the Security Agent].

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

Yours faithfully

.....
for and on behalf of

[CHARGOR]

Acknowledged and agreed by:

.....
for and on behalf of
[COUNTERPARTY]

**SCHEDULE 12
DEED OF ACCESSION**

DATED

(1) [NEW CHARGOR]

(2) NATIONAL TIMBER GROUP TOPCO LIMITED

(3) NATIONAL TIMBER GROUP MIDCO LIMITED

**(4) ALTER DOMUS TRUSTEES (UK) LIMITED
(as Security Agent)**

DEED OF ACCESSION TO THE DEBENTURE

THIS DEED is made on 20[]

BETWEEN:-

- (1) **[NEW CHARGOR]**, a company registered in [England and Wales] with company number [] whose registered office is at [] (the "**New Chargor**");
- (2) **NATIONAL TIMBER GROUP TOPCO LIMITED**, a company incorporated in England and Wales with registration number 10687298 (the "**Parent**");
- (3) **NATIONAL TIMBER GROUP MIDCO LIMITED**, a company incorporated in England and Wales with registration number 10687323 (the "**Company**"); and
- (4) **ALTER DOMUS TRUSTEES (UK) LIMITED** as security agent and trustee for the Secured Parties (as defined in the Debenture, as defined below) (the "**Security Agent**").

RECITALS

- (A) The Company and the Parent, together with certain of their subsidiaries, have entered into a debenture dated _____ 2022 (as supplemented and amended by Deeds of Accession, Supplemental Debentures or otherwise from time to time, the "**Debenture**") with Alter Domus Trustees (UK) Limited as security agent and trustee for the Secured Parties.
- (B) The New Chargor at the request of the Company and the Parent and in consideration of the Secured Parties making or continuing to make facilities available to one or more of the Chargors or any other member of the Group as well as any other good and valuable consideration received by itself, the Chargors or any other member of the Group, and after giving due consideration to the terms and conditions of the Finance Documents (including, without limitation, the Debenture) and satisfying itself that there are reasonable grounds for believing that the entry into this Deed of Accession by it will be of benefit to the New Chargor, has decided in good faith and for the purpose of carrying on its business to enter into this Deed and become a Chargor under the Debenture.

THIS DEED WITNESSES as follows:-

1. **DEFINITIONS**

Words and expressions defined in the Debenture shall have the same meanings in this Deed unless they are expressly defined in this Deed. This Deed is a Deed of Accession.

2. **CONSTRUCTION**

2.1 Without prejudice to the operation of any applicable term of the Debenture, the principles of construction set out in clause 1.2 (*Interpretation*) of the Debenture shall apply to this Deed, insofar as they are relevant to it, as they apply to the Debenture.

2.2 Unless a contrary intention appears, any reference in this Deed to:

2.2.1 this "**Deed**" is a reference to this Deed as amended, varied, novated, supplemented and replaced from time to time; and

2.2.2 the "**New Chargor**" and "**Security Agent**" includes any one or more of its assigns, transferees and successors in title (in the case of the New Chargor to the extent such assignment, transfer or succession is expressly permitted by the Security Agent).

2.3 The provisions of clause 1.4 (*Supplemental Debenture*), clause 1.5 (*Deeds of Accession*), clause 14 (*Enforcement of Security*), clause 21.6 (*Partial Invalidity*), clause 21.4 (*Remedies and waivers*), clause 27 (*Counterparts*) and clause 29 (*Jurisdiction*) of the Debenture shall be incorporated into this Deed *mutatis mutandis* as if set out in full in this Deed and references in those clause to "this Debenture" are references to this Deed.

3. **ACCESSION**

The New Chargor agrees:

3.1 to become a party to and to be bound by the terms of the Debenture as a Chargor with immediate effect and so that the Debenture shall be read and construed for all purposes as if the New Chargor had been an original party in the capacity of Chargor (but so that the security created consequent on such accession shall be created on the date of this Deed of Accession); and

3.2 to be bound by all the covenants and agreements in the Debenture which are expressed to be binding on a Chargor.

4. **SECURITY**

The New Chargor mortgages, charges and assigns to the Security Agent, as agent and trustee for the Secured Parties, all its business, undertaking and assets on the terms of clause 3 (*Fixed Security and Floating Charge*) of the Debenture, provided that such legal mortgage, first fixed charge and first floating charge referred to therein shall extend to:

4.1 the Material Real Property of the New Chargor referred to in Schedule 1 (*Details of Material Real Property*) hereto;

4.2 the Shares of the New Chargor referred to in Schedule 2 (*Details of Shares*) hereto;

4.3 the Material Intellectual Property of the New Chargor referred to in Schedule 3 (*Details of Material Intellectual Property*) hereto;

4.4 the Accounts and the Blocked Accounts of the New Chargor referred to in Schedule 4 (*Details of Accounts and Blocked Accounts*) hereto;

4.5 the Specific Contracts of the New Chargor referred to in Schedule 5 (*Details of Specific Contracts*) hereto;

4.6 the Insurance Policies of the New Chargor referred to in Schedule 6 (*Details of Insurance Policies*) hereto;

4.7 the Tangible Moveable Property of the New Chargor;

4.8 all the present and future goodwill and rights of the New Chargor in relation to its uncalled capital;

4.9 the Investments of the New Chargor;

4.10 the Book Debts of the New Chargor; and

4.11 to the extent not otherwise charged or assigned in this Deed or the Debenture, the benefit of all licenses, consents, agreements and Authorisations held or used by the New Chargor in connection with its business or any of its assets.

5. **SECURITY TO BE INCLUDED IN DEBENTURE**

For the purposes of this Deed and the Debenture and with effect from the date of this Deed, the property and assets of the New Chargor charged to the Security Agent pursuant to this Deed shall form part of the Charged Property and references in the Debenture to the security created by or pursuant to the Debenture shall be deemed to include the security created by or pursuant to this Deed.

6. **CONTINUATION OF THE DEBENTURE**

6.1 Subject to the amendments contained in this Deed, the provisions of the Debenture shall remain in full force and effect.

6.2 References in the Debenture to "this Debenture", "hereof", "hereunder" and expressions of similar import shall be deemed to be references to the Debenture as amended by this Deed.

6.3 This Deed is supplemental to the Debenture. On and from the date of this Deed:

6.3.1 this Deed and the Debenture shall be read and construed as one document and in particular the Charged Property shall include the Material Real Property referred to in the Schedule to this Deed; and

6.3.2 the New Chargor acknowledges that references to the Debenture in the Finance Documents are references to the Debenture as amended by this Deed.

6.4 The New Chargor confirms:

6.4.1 its knowledge and acceptance of this Deed;

6.4.2 that the Debenture as supplemented by this Deed will continue to secure all liabilities which are expressed to be secured by it.

7. **DESIGNATION**

This Deed is a Finance Document.

8. **GOVERNING LAW**

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

**[SCHEDULE 1
Details of Material Real Property**

[TO BE INCLUDED AS APPLICABLE]

**SCHEDULE 2
Details of Shares**

[TO BE INCLUDED AS APPLICABLE]

**SCHEDULE 3
Details of Material Intellectual Property**

[TO BE INCLUDED AS APPLICABLE]

**SCHEDULE 4
Details of Accounts and Blocked Accounts**

[TO BE INCLUDED AS APPLICABLE]

**SCHEDULE 5
Details of Specific Contracts**

[TO BE INCLUDED AS APPLICABLE]

**SCHEDULE 6
Details of Insurance Policies**

[TO BE INCLUDED AS APPLICABLE]

Company

EXECUTED and DELIVERED as a Deed by)
NATIONAL TIMBER GROUP MIDCO)
LIMITED acting by:)
)

Name:
Title: Director

in the presence of

Signature of witness:

Name of witness:

Address:

Occupation:

[Deed of Accession (Debenture)]

Parent

EXECUTED and **DELIVERED** as a Deed by)
NATIONAL TIMBER GROUP TOPCO)
LIMITED acting by:)
Name:)
Title: Director

in the presence of

Signature of witness:

Name of witness:

Address:

Occupation:

[Deed of Accession (Debenture)]

The Security Agent

[•]

[Deed of Accession (Debenture)]

**SCHEDULE 13
SUPPLEMENTAL DEBENTURE
DATED**

(1) [*CHARGOR NAME*]

(2) **ALTER DOMUS TRUSTEES (UK) LIMITED**
(as Security Agent)

SUPPLEMENTAL DEBENTURE

THIS DEED is made on 20[]

BETWEEN:-

- (1) [_____], a company registered in England and Wales with company number [] whose registered office is at [] (the "**Chargor**"); and
- (2) **Alter Domus Trustees (UK) Limited** as security agent and trustee for the Secured Parties (as defined in the Debenture, as defined below) (the "**Security Agent**").

RECITALS

- (A) By the Debenture, the Chargor, and each of the other persons party thereto as "Chargors", mortgaged, charged and assigned all of their assets in favour of the Security Agent.
- (B) After entering into the Debenture, the Chargor has subsequently purchased or otherwise acquired the Additional Property and has agreed to provide additional security to the Security Agent over the Additional Property.

THIS DEED WITNESSES as follows:-

1. INTERPRETATION

1.1 Definitions

Words and expressions defined in the Debenture shall have the same meanings in this Deed unless they are expressly defined in this Deed and, in addition, in this Deed:-

"Additional Property" [means the Material Real Property described in the Schedule to this Deed;]

"Debenture" means the debenture dated _____ 2022 between [] and Alter Domus Trustees (UK) Limited as Security Agent for the Secured Parties (as defined in the Debenture).

[Note: To be amended in case any additional security other than Material Real Property is acquired by the Chargor subsequent to the date of the Debenture.]

2. CONSTRUCTION

2.1 Without prejudice to the operation of any applicable term of the Debenture, the principles of construction set out in clause 1.2 (*Interpretation*) of the Debenture shall apply to this Deed, insofar as they are relevant to it, as they apply to the Debenture.

2.2 Unless a contrary intention appears, any reference in this Deed to:

2.2.1 this "**Deed**" is a reference to this Deed as amended, varied, novated, supplemented and replaced from time to time; and

2.2.2 the "**Chargor**" and the "**Security Agent**" includes any one or more of its assigns, transferees and successors in title (in the case of the Chargor, to the extent such assignment, transfer or succession is expressly permitted by the Security Agent).

- 2.3 The provisions of clause 1.4 (*Supplemental Debenture*), clause 1.5 (*Deeds of Accession*), clause 14 (*Enforcement of Security*), clause 21.6 (*Partial Invalidity*), clause 21.4 (*Remedies and waivers*), clause 27 (*Counterparts*) and clause 29 (*Jurisdiction*) of the Debenture shall be incorporated into this Deed *mutatis mutandis* as if set out in full in this Deed and references in those clause to "this Debenture" are references to this Deed.

3. CREATION OF SECURITY

As a continuing security for payment and discharge of the Secured Obligations, the Chargor with full title guarantee charges to the Security Agent by way of legal mortgage, all its right, title and interest from time to time in the Additional Property as described in the Schedule to this Deed.

[Note: To be amended in case any additional security other than Material Real Property is acquired by the Chargor subsequent to the date of the Debenture.]

4. SECURITY TO BE INCLUDED IN DEBENTURE

For the purposes of this Deed and the Debenture and with effect from the date of this Deed, the property and assets of the Chargor charged to the Security Agent pursuant to this Deed shall form part of the Charged Property and references in the Debenture to the security created by or pursuant to the Debenture shall be deemed to include the security created by or pursuant to this Deed.

5. FURTHER ASSURANCES

5.1 Application to the Land Registry

The Chargor and the Security Agent apply to the Land Registry for the following to be entered on the registered title of the Additional Property:

- 5.1.1 a restriction 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 the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated in favour of [●] (as trustee for the Secured Parties referred to in that charge) referred to in the charges register (Form P)".

- 5.1.2 a notice that the Secured Parties may be required to make further advances on the terms and subject to the conditions of the Finance Documents and the security created by the charge dated in favour of [●] (as trustee for the Secured Parties referred to in that charge) has been created for the purpose of securing such further advances.

5.2 Further delivery of documents

Clause 4 (*Further Assurance*) and clause 10 (*Material Real Property*) of the Debenture shall apply in relation to this Deed.

6. CONTINUATION OF THE DEBENTURE

- 6.1 Subject to the amendments contained in this Deed, the provisions of the Debenture shall remain in full force and effect.
- 6.2 References in the Debenture to "this Debenture", "hereof", "hereunder" and expressions of similar import shall be deemed to be references to the Debenture as amended by this Deed.
- 6.3 This Deed is supplemental to the Debenture. On and from the date of this Deed:
- 6.3.1 this Deed and the Debenture shall be read and construed as one document and in particular the Charged Property shall include the Material Real Property referred to in the Schedule to this Deed; and
- 6.3.2 each Chargor acknowledges that references to the Debenture in the Finance Documents are references to the Debenture as amended by this Deed.
- 6.4 The Chargor confirms:
- 6.4.1 its knowledge and acceptance of this Deed;
- 6.4.2 that the Debenture as supplemented by this Deed will continue to secure all liabilities which are expressed to be secured by it.

7. DESIGNATION

This Deed is a Finance Document.

8. GOVERNING LAW

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

**SCHEDULE
Additional Property**

Description of Land	Tenure	Title Number

[Note: To be amended in case any additional security other than Material Real Property is acquired by the Chargor subsequent to the date of the Debenture.]

SIGNATURE PAGE TO THE SUPPLEMENTAL DEBENTURE²

The Chargor

EXECUTED and **DELIVERED** as a Deed by)
[*CHARGOR*] acting by:)
)
Name:)
Title: Authorised Signatory

Signature of witness:

Name of witness:

Address:

Occupation:

² Note: Signature blocks to be confirmed each time a Supplemental Debenture is executed.

SIGNATURE PAGES TO THE DEBENTURE

Original Chargor

EXECUTED and DELIVERED as a Deed by)
NATIONAL TIMBER GROUP TOPCO)
LIMITED acting by:)



Name: **NEIL ANDREW MCGILL**
Title: Director

in the presence of

Signature of witness:



Name of witness: **MEGAN TURNBULL**

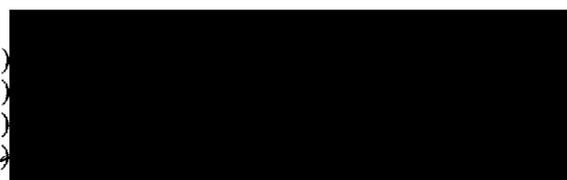
Address:

Occupation: **TRAINEE SOLICITOR**

**ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27**

Original Chargor

EXECUTED and DELIVERED as a Deed by)
NATIONAL TIMBER GROUP MIDCO)
LIMITED acting by:)



Name: **NEIL ANDREW MCGILL**
Title: Director

in the presence of

Signature of witness:



Name of witness: **MEGAN TURNBULL**

Address:

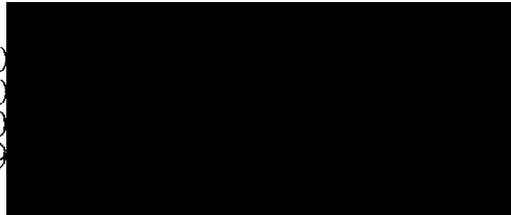
Occupation: **TRAINEE SOLICITOR**

**ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27**

Original Chargor

EXECUTED and DELIVERED as a Deed by
LHSL 2 LIMITED acting by:

Name: **NEIL ANDREW MCGILL**
Title: Director



in the presence of

Signature of witness:



Name of witness: **MEGAN TURNBULL**

Address:

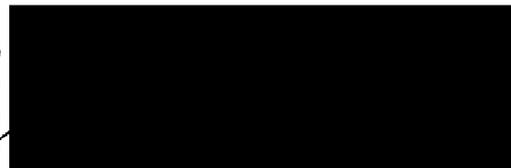
Occupation: **TRAINEE SOLICITOR**

**ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27**

Original Chargor

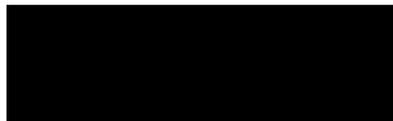
EXECUTED and DELIVERED as a Deed by
ARNOLD LAVER HOLDINGS LIMITED
acting by:

Name: **NEIL ANDREW MCGILL**
Title: Director



in the presence of

Signature of witness:



Name of witness: **MEGAN TURNBULL**

Address:

Occupation: **TRAINEE SOLICITOR**

**ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27**

Original Chargor

EXECUTED and DELIVERED as a Deed by)
ARNOLD LAVER & COMPANY)
LIMITED acting by:)



Name: **NEIL ANDREW MCGILL**
Title: Director

in the presence of

Signature of witness:



Name of witness: **MEGAN TURNBULL**

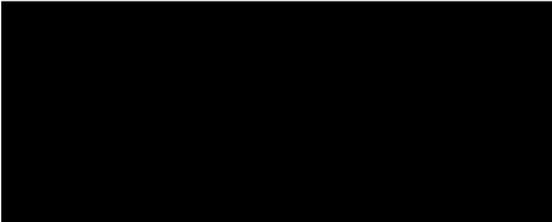
Address:

Occupation: **TRAINEE SOLICITOR**

ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27

Original Chargor

EXECUTED and DELIVERED as a Deed by)
NYT (HOLDINGS) LIMITED acting by:)



Name: **NEIL ANDREW MCGILL**
Title: Director

in the presence of

Signature of witness:



Name of witness: **MEGAN TURNBULL**

Address:

Occupation: **TRAINEE SOLICITOR**

ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27

Original Chargor

EXECUTED and DELIVERED as a Deed by)
NORTH YORKSHIRE TIMBER)
COMPANY LIMITED acting by:)



Name: **NEIL ANDREW MCWILL**
Title: Director

in the presence of

Signature of witness



Name of witness: **MEGAN TURNBULL**

Address:

Occupation: **TRAINEE SOLICITOR**

**ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27**

Scottish Chargor

EXECUTED and DELIVERED as a Deed by)
NATIONAL TIMBER GROUP)
SCOTLAND LIMITED acting by:)



Name: *NEIL ANDREW MCGILL*
Title: Director

in the presence of

Signature of witness:



Name of witness: *MEGAN TURNBULL*

Address:

Occupation: *TRAINEE SOLICITOR*

ADDLESHAW GODDARD LLP
EXCHANGE TOWER
19 CANNING STREET
EDINBURGH
EH3 8EH
DX ED27

The Security Agent

EXECUTED and DELIVERED as a Deed by)
ALTER DOMUS TRUSTEES (UK))
LIMITED acting by:)

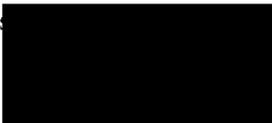
Name: *JOHANN COOPER*

Title: Authorised signatory



in the presence of

Signature of witness



Name of witness: *DANYA SCALSKI*

Address: *18 ST. SWITHIN'S WAY, LONDON*

Occupation: *MANAGER*