

MR01

Particulars of a charge

COMPANIES HOUSE
FEE PAID
BELFAST



Companies House



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www.gov.uk/companieshouse

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

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

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.gov.uk/companieshouse

This form must be delivered to the Registrar for registration wi
21 days beginning with the day after the date of creation of the char
delivered outside of the 21 days it will be rejected unless it is accomp
court order extending the time for delivery.



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

FRIDAY



J5KZQ8AA

JNI

02/12/2016

#31

COMPANIES HOUSE

1 Company details

Company number N 1 0 1 4 6 3 9
Company name in full HERBEL RESTAURANTS LIMITED

0165 For official use

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

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date ^d2 ^d8 ^m1 ^m1 ^y2 ^y0 ^y1 ^y6

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

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

Name LLOYDS BANK PLC (the "Security Agent")

Name

Name

Name

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

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

COMPANIES HOUSE

02 DEC 2016

BELFAST

0846 Version 2.1

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X

Arnu - Cox

X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

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

Contact name
Lynsey Elliott

Company name
Arthur Cox

Address
Victoria House

Gloucester Street

Post town
Belfast

County/Region
Antrim

Postcode
B T 1 4 L S

Country
N. Ireland

DX

Telephone
02890230007



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

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



Where to send

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

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

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

For companies registered in Northern Ireland:

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: NI14639

Charge code: NI01 4639 0165

The Registrar of Companies for Northern Ireland hereby certifies that a charge dated 28th November 2016 and created by HERBEL RESTAURANTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd December 2016.

Given at Companies House, Belfast on 8th December 2016



Companies House



DATED 28 NOVEMBER 2016

CERTIFIED TO BE A TRUE COPY OF
THE ORIGINAL DOCUMENT
DATED 29 November 2016

Shoosmiths LLP
SHOOSMITHS LLP.
Thames Valley Office, Apex Plaza, Forbury Road
Reading, Berks RG1 1SH
DX 117879 Reading (Apex Plaza)

(1) LLOYDS BANK PLC (AS SECURITY AGENT)

and

(2) HERBEL RESTAURANTS LIMITED

ASSIGNMENT BY WAY OF SECURITY IN RESPECT OF LOAN NOTES ISSUED BY SCOTCO NI
LIMITED

SHOOSMITHS

Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1SH
Ref. LJW/SRN/M-00469369

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THIS DEED is made the 28 day of NOVEMBER 2016

BETWEEN

1. **Herbel Restaurants Limited** (registered in Northern Ireland with company number NI014639) (the "Assignor"); and
2. **LLOYDS BANK PLC**, as security trustee for the Secured Parties (the "Security Agent")

BACKGROUND

- (A) The Assignor enters into this Deed in connection with the Finance Documents (as defined in the Facility Agreement) referred to below.
- (B) It is intended that this document take effect as a deed notwithstanding the fact that a Party may only execute it under hand.

The Parties agree as follows:

1 INTERPRETATION

1.1 Definitions

In this Deed the following definitions apply:

"Assigned Property"	all the assets of the Assignor 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 Deed.
"EU Regulation"	the Council of the European Union Regulation 1346/2000/EC on insolvency proceedings.
"Facility Agreement"	the facility agreement dated on or about the date of this Deed and made between, amongst others, the Security Agent and Scotco Central Limited (registered in England and Wales with company number 09950817).
"Loan Notes"	the subordinated £6,586,280.00 1% fixed rate unsecured loan notes due 2022 of Scotco NI issued to the Assignor on or around the date of this Deed constituted pursuant to an instrument entered into by Scotco NI on or around the date of this Deed.
"LPA 1925"	the Law of Property Act 1925.
"Party"	a party to this Deed.
"Receiver"	a receiver, manager, administrator or administrative receiver appointed pursuant to the provisions of this Deed or any applicable law.
"Scotco NI"	Scotco NI Limited (company number 10127731).

"Secured Obligations"	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever) owed by the Obligors to the Finance Parties under or in connection with the Finance Documents together with all costs, charges and expenses incurred by the Finance Parties in connection with the protection, preservation or enforcement of its respective rights against the Obligors under the Finance Documents.
"Security Period"	the period beginning on the date of this Deed and ending on the date on which the Secured Obligations have been unconditionally and irrevocably repaid and discharged in full and all Commitments under the Facility Agreement have been cancelled.

1.2 Interpretation

- 1.2.1 Terms defined in the Facility Agreement have the same meaning in this Deed unless given a different meaning in this Deed.
- 1.2.2 The provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Facility Agreement will be construed as references to this Deed.
- 1.2.3 In this Deed unless the context otherwise requires, any reference to "**Assigned Property**" includes any part of that Assigned Property, any proceeds of that Assigned Property and any present and future assets of that type.
- 1.2.4 Any covenant by the Assignor under this Deed remains in force during the Security Period and is given for the benefit of the Security Agent.
- 1.2.5 The terms of the Finance Documents and of any side letters between the Parties in relation to any Finance Documents (as the case may be) are incorporated in this Deed to the extent required to ensure that any disposition of Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.6 Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Loan Notes (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- 1.2.7 Notwithstanding any terms of this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.3 General

- 1.3.1 The Security Agent holds the benefit of this Deed on trust for the Secured Parties.
- 1.3.2 If the Assignor assigns an agreement under this Deed and the assignment or charge breaches a term of that agreement because a third party's consent has not been obtained:
 - a) the Assignor must notify the Security Agent immediately;

- b) unless the Security Agent otherwise requires, the Assignor must use all reasonable endeavours to obtain the consent as soon as practicable;
- c) the Assignor must promptly supply the Security Agent with a copy of the consent obtained by it.

2 COVENANT TO PAY

The Assignor covenants that it will pay and discharge the Secured Obligations to the Security Agent as and when the same are due.

3 GRANT OF SECURITY

- 3.1 The Assignor with full title guarantee, assigns to the Security Agent absolutely, subject to a proviso for re-assignment on redemption to the Security Agent, as continuing security for the payment and discharge of the Secured Obligations all of its rights, title, interest and benefit from time to time in and to the Loan Notes.
- 3.2 To the extent that any right described in clause 3.1 is not assignable or capable of assignment, the assignment purported to be effected by clause 3.1 shall operate as an assignment of any damages, compensation, remuneration, profit, rent or income which the Assignor may derive from that right or be entitled to in respect of
- 3.3 The Assignor with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 charges in favour of the Security Agent as continuing security for the payment and discharge of the Secured Obligations by way of fixed charge, all rights, interests and claims in the Loan Notes, other than those validly and effectively assigned under clause 3.1 and 3.2.
- 3.4 No exercise by the Security Agent of any right under this Deed or under any Finance Document shall constitute or be deemed to constitute an assumption or acceptance by the Security Agent of any obligation of the Assignor under the Assigned Property and the Security Agent shall not be under any obligation under any of the Assigned Property or be liable to make any payment thereunder.
- 3.5 It is expressly agreed and understood that the liability of the Assignor pursuant to or otherwise in connection with this Deed (including, without limitation, any liability incurred as a result of Clauses 19.2) shall be:
 - 3.5.1 *limited in aggregate to an amount equal to that recovered as a result of enforcement of this Deed in respect of the Assigned Property; and*
 - 3.5.2 *satisfied only from the proceeds of sale or other disposal or realisation of the Assigned Property.*

4 NEGATIVE PLEDGE

- 4.1 The Assignor shall not create or permit to subsist any other security over any of the Assigned Property.
- 4.2 The Assignor shall not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, discount, factor, transfer, assign, lease, lend or otherwise dispose of any of the Assigned Property.

5 PERFECTION OF SECURITY

5.1 Deposit of documents

Immediately following the execution of this Deed (or, if later, the date of acquisition of the relevant Assigned Property), the Assignor shall deposit with the Security Agent the certificates evidencing the Loan Notes and all other documents as the Security Agent (acting reasonably) may from time to time require in relation thereto.

5.2 Notice of Assignment

The Assignor shall, on the date of this Deed give notice in the form set out in the Schedule (*Form of Notice of Assignment to Scotco NI*) and procure that Scotco NI promptly provides an acknowledgement to the Security Agent in the form set out in the Schedule (*Form of Acknowledgement from Scotco NI*).

6 FURTHER ASSURANCE

6.1 The Assignor shall, at its own expense, promptly take whatever action the Security Agent may require for:

- 6.1.1 protecting the security intended to be created by this Deed;
- 6.1.2 facilitating the realisation of any of the Assigned Property; or
- 6.1.3 facilitating the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver (or any delegates or sub-delegates) in respect of any of the Assigned Property,

including the execution of any supplemental deed, security or other document (in such form as the Security Agent may reasonably require), the giving of any notice, order or direction and the making of any registration which the Security Agent may think expedient.

6.2 The Assignor shall, at its own reasonable expense, promptly take whatever action the Security Agent may require for creating or perfecting the security intended to be created by this Deed.

7 REPRESENTATIONS

7.1 The Assignor represents and warrants to the Security Agent, on the date of this Deed, the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period by reference to the facts and circumstances then existing that:

- 7.1.1 it is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation;
- 7.1.2 it has the power to own its assets and carry on its business as it is being conducted;
- 7.1.3 it is the sole legal and beneficial owner of the respective assets over which it purports to grant Security free from any claims, third party rights or competing interests as defined in the Facility Agreement;
- 7.1.4 this Deed creates the security which it purports to create and, subject to the Legal Reservations, is not liable to be avoided or otherwise set aside on its liquidation or administration or otherwise;

- 7.1.5 subject to the Legal Reservations, the obligations expressed to be assumed by it in this Deed are legal, valid and binding and enforceable obligations;
- 7.1.6 for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "Regulation"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

8 UNDERTAKINGS

The Assignor covenants and agrees with the Security Agent that it will, during the Security Period:

8.1 Assigned Property generally

- 8.1.1 not, except with the prior written consent of the Security Agent, agree to any amendment, supplement, waiver, surrender or release of any covenant, stipulation or obligation (restrictive or otherwise) at any time affecting the Assigned Property; and
- 8.1.2 not do, cause or permit to be done or omit to do anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Assigned Property;

8.2 Loan notes

- 8.2.1 not, without the prior written consent of the Security Agent, amend or waive any term of any Loan Notes or any instrument constituting the same, terminate any Loan Notes or release Scotco NI from its obligations under any Loan Notes;
- 8.2.2 notify the Security Agent of any material default by it or Scotco NI under any Loan Notes and not take any action which would reduce or impede recoveries in respect of any Loan Notes;
- 8.2.3 provide to the Security Agent, as soon as practicable upon receipt, copies of all notices which it may from time to time receive from Scotco NI in relation to the Loan Notes;

8.3 Centre of Main Interests

not, without the prior written consent of the Security Agent, change its centre of main interest (as that expression is used in Article 3(1) of the EU Regulation) to somewhere other than the United Kingdom, nor will it have any establishment (as that term is used in Article 2(h) of the EU Regulation) in any other jurisdiction;

9 ENFORCEMENT

9.1 Enforcement

The security created under this Deed shall become immediately enforceable if an Event of Default is continuing.

9.2 Powers on enforcement

At any time after the security created under this Deed becomes enforceable, the Security Agent may, without notice to the Assignor and whether or not it has appointed a Receiver:

- 9.2.1 surrender or write off all monies owing to the Assignor under the Loan Notes without being accountable for any loss;
 - 9.2.2 exercise the Assignor's rights under the Loan Notes;
 - 9.2.3 (exercise all or any of the powers, authorities and discretions conferred on mortgagees by the LPA 1925 (as varied or extended by this Deed);
 - 9.2.4 exercise all or any of the powers conferred by this Deed.
- 9.3 The powers conferred on mortgagees or receivers or administrative receivers by the Law of Property Act 1925, the Insolvency Act 1986, the Insolvency (Northern Ireland) Order 1989 and/or any other analogous legislation (as the case may be) shall apply to the security constituted by this Deed except insofar as they are expressly or impliedly excluded and where there is ambiguity or conflict between the powers contained in such Acts and those contained in this Deed, those contained in this Deed shall prevail.
- 9.4 All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as hereby varied or extended and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly) may be exercised by the Security Agent without further notice to the Assignor at any time after this security shall have become enforceable and the Security Agent may exercise such rights and powers irrespective of whether the Security Agent has taken possession or has appointed a Receiver of any Assigned Property.

9.5 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 Assigned Property or be liable for any loss upon realisation or for any neglect, default or omission for which a mortgagee in possession might otherwise be liable.

10 POWERS OF THE SECURITY AGENT

10.1 Extension of Powers

The power of sale conferred on the Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

10.2 Restrictions

Sections 93 and 103 of the LPA 1925 shall not apply to this Deed.

10.3 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Security Agent or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

10.4 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 Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall

not preclude either the subsequent exercise of such power, authority or discretion by the Security Agent or the Receiver itself or any subsequent delegation or revocation thereof.

10.5 Investigations

Following the occurrence of a Default which is continuing the Security Agent may initiate an investigation of, and/or instruct any report (accounting, legal, valuation or other) on the business and affairs of the Assignor which it considers necessary to ascertain the financial position of the Assignor. All fees and expenses incurred by the Security Agent in connection with such investigations shall be payable by the Assignor and the Assignor consents to the provision by the Security Agent of all information in relation to the Assignor which the Security Agent provides to any person in relation to the preparation of any such report.

10.6 Power to Remedy

If at any time the Assignor does not comply with any of its obligations under this Deed, the Security Agent may (but shall not be obliged to) rectify such default and the Assignor irrevocably authorises the Security Agent, its employees and agents, at the Assignor's expense, to do all such things as are necessary or desirable to rectify such default.

11 APPOINTMENT OF RECEIVER

11.1 Appointment and Removal

At any time after the security created under this Deed becomes enforceable, or if requested to do so by the Assignor, the Security Agent may (by deed or otherwise and acting through its authorised officer):

11.1.1 appoint one or more persons jointly or severally to be a Receiver of the whole or any part of the Assigned Property;

11.1.2 remove (so far as it is lawfully able) any Receiver so appointed; and

11.1.3 appoint another person as an additional or replacement Receiver.

11.2 Restrictions on appointment

11.2.1 Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA 1925) does not apply to this Deed.

11.2.2 The Security Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A to the Insolvency Act 1986 or under the Insolvency (Northern Ireland) Order 1989 or any other analogous legislation.

11.2.3 The Security Agent may not appoint an administrative receiver (as defined in section 29(2)) of the Insolvency Act 1986, or under the Insolvency (Northern Ireland) Order 1989 or any other analogous legislation) over the Assigned Property if the Security Agent is prohibited from doing so by section 72A of the Insolvency Act 1986, the Insolvency (Northern Ireland) Order 1989 or any other analogous legislation and no exception to the prohibition on appointing an administrative receiver applies.

11.3 Capacity of Receivers

Each Receiver shall be:

- 11.3.1 an agent of the Assignor. The Assignor shall be solely responsible for the Receiver's contracts, engagements, acts, omissions, defaults, losses and liabilities and for the payment of the Receiver's remuneration; and
- 11.3.2 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 in section 109(6) of the LPA 1925).

12 POWERS OF RECEIVER

12.1 General Powers

Every Receiver shall have all the powers:

- 12.1.1 conferred by the LPA 1925 on mortgagors and on mortgagees in possession and receivers appointed under that Act;
- 12.1.2 set out in Schedule 1 to the Insolvency Act 1986 and, in the case of an administrator, Schedule B1 to the Insolvency Act 1986 (or in each case under the Insolvency (Northern Ireland) Order 1989 or any other analogous legislation); and
- 12.1.3 conferred from time to time on receivers by statute.

12.2 Additional Powers

In addition to the powers referred to in clause 12.1 (*General Powers*) a Receiver shall have the power, at the cost of the Assignor and either in his own name or in the name of the Assignor or (with the written approval of the Security Agent) in the name of the Security Agent:

- 12.2.1 to take possession of, collect and get in all or any part of the Assigned Property or monies due under it;
- 12.2.2 to make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient in the interests of the Security Agent;
- 12.2.3 for the purpose of exercising any of the powers, authorities and discretions conferred on him by this Deed and/or defraying any costs or expenses which may be incurred by him in the exercise thereof or for any other purpose to raise or borrow money or incur any other liability on such terms whether secured or unsecured as he may think fit and whether to rank for payment in priority to this security or not;
- 12.2.4 without restriction to sell, or concur in selling, surrender or accept surrenders of or otherwise dispose of or deal with, any Assigned Property without being responsible for loss or damage, and so that any such sale disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration;
- 12.2.5 to exercise all powers, rights and/or obligations under any Loan Notes or agreement forming part of the Assigned Property, including, without limitation, all voting and other rights;
- 12.2.6 to redeem any prior security in respect of all or any of the Assigned Property and to settle and pass the accounts of the holder of such prior security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Assignor. All moneys paid to the holder of such security in accordance with such accounts shall form part of the Secured Obligations;

- 12.2.7 to take such proceedings and to settle, adjust, refer to arbitration, compromise and/or arrange any claim, account or demand which the Security Agent or the Receiver may think fit;
- 12.2.8 to exercise in relation to all or any part of the Assigned Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Assigned Property;
- 12.2.9 give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Assigned Property;
- 12.2.10 to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Assigned Property.

13 APPLICATION OF MONEYS

- 13.1 All moneys received or recovered by the Security Agent or any Receiver pursuant to this Deed shall be applied in the following order:
 - 13.1.1 first, in satisfaction of, or provision for, all costs, charges and expenses incurred by the Security Agent or any Receiver and the payment of the remuneration of any Receiver;
 - 13.1.2 second, in or towards satisfaction of the Secured Obligations; and
 - 13.1.3 third, any surplus shall be paid to the Assignor or any other person entitled thereto.

This clause is subject to the payment of any claims having priority over the security created under this Deed. This clause does not prejudice the right of the Security Agent to recover any shortfall from the Assignor.

- 13.2 Only money actually paid by the Receiver to the Security Agent shall be capable of being applied in or towards the satisfaction of the Secured Obligations and the Assignor shall have no rights in respect of the application by the Security Agent of any sums received, recovered or realised by the Security Agent under this Deed.

13.3 Avoidance of Payments

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

14 PROTECTION OF PURCHASERS

14.1 Receipts

The receipt of the Security Agent or its delegate or any Receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Assigned Property.

14.2 Protection of Purchasers

No purchaser or other person dealing with the Security Agent or its delegate or any Receiver shall be bound to enquire 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 notice to the

contrary, or be concerned to see whether any such delegation by the Security Agent shall have lapsed for any reason or have been revoked.

15 POWER OF ATTORNEY

15.1 Appointment

The Assignor, by way of security, irrevocably appoints the Security Agent, each person to whom the Security Agent shall from time to time have delegated the exercise of the power of attorney conferred by this clause and any Receiver jointly and severally to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to do all things which the attorney may consider to be required or desirable for:

15.1.1 carrying out any obligation imposed on the Assignor by this Deed (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Assigned Property); and

15.1.2 enabling the Security Agent and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law.

15.2 Ratification

The Assignor ratifies and confirms to agree to 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.

16 PRESERVATION OF SECURITY

16.1 Continuing Security

The security created under this Deed will be a continuing security for the ultimate balance of the Secured Obligations notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations.

16.2 Waiver of defences

The obligations of the Assignor under this Deed will not be affected by any act, omission or thing which, but for this provision would reduce, release or prejudice any of its obligations under this Deed (whether or not known to it or the Security Agent). This includes:

16.2.1 any time or waiver granted to, or composition with, any person;

16.2.2 any release of any person under the terms of any composition or arrangement;

16.2.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, any person;

16.2.4 any non-presentation, non-observance of any formality or other requirements in respect of any instrument or any failure to realise the full value of any security;

16.2.5 any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

16.2.6 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) of a Finance Document or any other document or

security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;

16.2.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Finance Document or any other document or security or the failure by any member of the Group to enter into or be bound by any Finance Document; or

16.2.8 any insolvency or similar proceedings.

16.3 Assignor intent

Without prejudice to the generality of clause 16.2 (*Waiver of defences*), the Assignor expressly confirms that it intends that the security under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents.

16.4 Immediate recourse

The Assignor waives any rights it may have of first requiring the Security Agent (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency, administration, winding-up or liquidation proceedings relative to any other person before claiming from the Assignor under this Deed.

16.5 Appropriations

Until all amounts which may be or become payable by the Assignor under or in connection with the Finance Documents have been irrevocably paid in full, the Security Agent (or any trustee or agent on its behalf) may without affecting the liability of the Assignor under this Deed:

16.5.1 refrain from applying or enforcing any other monies, security or rights held or received by the Security Agent (or any trustee or agent on its behalf) against those accounts; or apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and

16.5.2 hold in an interest-bearing suspense account any moneys received from the Assignor or on account of the Assignor's liability under this Deed.

16.6 Additional security

16.6.1 This Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by the Security Agent.

16.6.2 No prior security held by the Security Agent (in its capacity as such or otherwise) over any Assigned Property will merge into the security created under this Deed.

16.7 Non-competition

Unless:

16.7.1 all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full; or

16.7.2 the Security Agent otherwise directs,

the Assignor will not, after a claim has been made or by virtue of any payment or performance by it under this Deed:

- a) be subrogated to any rights, security or moneys held, received or receivable by any Secured Party (or any trustee or agent on its behalf);
- b) be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Assignor's liability under this clause;
- c) claim, rank, prove or vote as a creditor of the Assignor or its estate in competition with any Secured Party (or any trustee or agent on its behalf); or
- d) receive, claim or have the benefit of any payment, distribution or security from or on account of the Assignor, or exercise any right of set-off as against the Assignor.

The Assignor must hold in trust for and must immediately pay or transfer to the Security Agent for the Secured Parties any payment or distribution or benefit of security received by it contrary to this clause or in accordance with any directions given by the Security Agent under this clause.

17 SET-OFF AND CURRENCY

17.1 Consolidation of accounts and set off

In addition to any general lien or similar rights to which it may be entitled by operation of law, the Security Agent may at any time and without notice to the Assignor combine or consolidate all or any of the Assignor's then existing accounts with any liabilities to the Security Agent and set off or transfer any sum or sums standing to the credit of any one of more of such accounts in or towards satisfaction of the Secured Obligations.

17.2 Currency

For the purpose of or pending the discharge of the Secured Obligations, the Security Agent may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this clause) from their existing currency into any other currency at such rate or rates of exchange and at such time as the Security Agent thinks fit.

18 NEW ACCOUNTS

18.1 If the Security Agent at any time receives or is deemed to have received notice of any subsequent security affecting all or any part of the Assigned Property it may open a new account or accounts with the Assignor.

18.2 If the Security Agent does not open a new account or accounts it shall nevertheless be treated as if it had done so as at the time when it received or was deemed to have received such notice.

18.3 As from such time all payments made to the Security Agent shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount of the Secured Obligations.

19 EXPENSES AND INDEMNITY

19.1 Expenses

The Assignor shall, from time to time on demand of the Security Agent, pay or reimburse the Security Agent on a full indemnity basis for all costs and expenses (including legal fees) together with any VAT or similar taxes thereon incurred by it in connection with the preparation, execution, perfection, amendment, enforcement, discharge and/or assignment of this Deed. Such costs and expenses shall form part of the Secured Obligations and shall carry interest from the date of such demand until so paid or reimbursed at the rate determined in accordance with clause 12.4 (*Default Interest*) of the Facility Agreement.

19.2 Indemnity

The Assignor shall, notwithstanding any release or discharge of all or any part of the security created under this Deed, indemnify the Security Agent, its agents, attorneys and any Receiver against any action, proceeding, claim, loss, liability and cost which it may sustain:

19.2.1 in the exercise (or purported exercise) of any of the rights, powers or discretions vested in them by this Deed (or by law); and/or

19.2.2 in connection with or otherwise relating to this Deed or the Assigned Property.

20 MISCELLANEOUS

20.1 No Deductions

All payments to be made to the Security Agent under this Deed shall be made in freely available funds and shall be made clear of and without deduction for or on account of tax. If the Assignor is required by law to make a tax deduction, the sum payable by the Assignor shall be increased to the extent necessary to ensure that, after the making of such deduction, the recipient of such sum receives and retains a net sum equal to the sum which it would have received and retained had no such deduction been made or required to be made.

20.2 Assignment and disclosure of information

The Security Agent may assign and transfer all or any of its rights and obligations under this Deed. The Security Agent shall be entitled to disclose such information concerning the Assignor and this Deed 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.

20.3 Perpetuity Period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of 125 years from the date of this Deed.

20.4 No Liability

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

20.4.2 The Security Agent will not be required in any manner to perform or fulfil any obligation of the Assignor, make any payment, make any enquiry as to the nature or sufficiency of any payment received by it or present or file any claim or take any action to collect or enforce the payment of any amount.

20.4.3 The Security Agent shall not be liable to the Assignor or to any other person by reason of the appointment of a Receiver or for any other reason.

20.4.4 Neither the Security Agent nor the Receiver will be in any way liable or responsible to the Assignor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

20.5 Partial Invalidity

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

20.6 Certificates

Any certificate of the Security Agent specifying any amount due from the Assignor is, in the absence of manifest error, conclusive evidence of such amount.

20.7 Release

At the end of the Security Period, the Security Agent must, at the request and cost of the Assignor, take whatever action is reasonably necessary to release the Assigned Property from the security created under this Deed and re-assign any Assigned Property assigned under this Deed.

21 CHANGES TO PARTIES

21.1 Assignment and disclosure of information

The Security Agent may assign and transfer all or any of its rights and obligations under this Deed. The Security Agent shall be entitled to disclose such information concerning the Assignor and this Deed 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.

22 NOTICES

22.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

22.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- a) in the case of the Assignor, that identified with its name below; and
- b) in the case of the Security Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Security Agent (or the Security Agent may notify to the Assignor, if a change is made by the Security Agent) by not less than five Business Days' notice.

22.3 Delivery

- a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
 - i if by way of fax, when received in legible form; or
 - ii if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under this Deed, if addressed to that department or officer.
- b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).
- c) Any communication or document which becomes effective, in accordance with paragraphs a) and b) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

22.4 Notification of address and fax number

Promptly upon changing its address or fax number, the Security Agent shall notify the other Parties.

22.5 Service of process

The Assignor by its execution of this Deed or an Accession Deed irrevocably appoints Scotco Central Limited (company number 09950817) ("**Scotco Central**") to act on its behalf as its agent and irrevocably authorises:

22.5.1 Scotco Central to execute on its behalf any Accession Deed; and

22.5.2 the Security Agent to give any notice, demand or other communication to the Assignor pursuant to this Deed to Scotco Central,

and in each case the Assignor shall be bound as though the Assignor had itself executed the Accession Deed or received the relevant notice, demand or other communication.

23 COUNTERPARTS

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

24 GOVERNING LAW

This Deed and any non-contractual obligation arising in connection with it are governed by English law.

25 JURISDICTION

25.1 English Courts

The courts of England have exclusive jurisdiction to settle any disputes (a "**Dispute**") arising out of, or connected with this Deed (including a Dispute regarding the existence, validity or termination of this Deed) or any non-contractual obligation arising out of or in connection with it.

25.2 Convenient Forum

The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly, no Party will argue to the contrary.

25.3 Exclusive Jurisdiction

This clause 25 is for the benefit of the Secured Parties only. As a result no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Security Agent and EXECUTED AS A DEED by the Assignor and is delivered by them on the date specified at the beginning of this Deed.

**SCHEDULE
FORM OF NOTICE OF ASSIGNMENT TO SCOTCO NI**

To: Scotco NI Limited (Company number 10127731)

Date: [●]

Dear Sirs

We give notice that pursuant to a deed of assignment dated [●] we have assigned to Security Agent (the "**Security Agent**") all our right, title and interest in and to [details of Loan Note] (the "**Loan Notes**") including all moneys which may be payable in respect of the Loan Notes.

With effect from your receipt of this notice:

- 1 all payments by you to us under or arising from the Loan Notes should be made to us unless and until the Security Agent notifies you to the contrary stating that the security has become enforceable;
- 2 all remedies provided for in the Loan Notes or available at law or in equity are exercisable by the Security Agent;
- 3 all rights, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Loan Notes and all rights to compel performance of the Loan Notes are exercisable by the Security Agent although we shall remain liable to perform all the obligations assumed by us under the Loan Notes;
- 4 you are authorised and instructed, without requiring further approval from us, to disclose to the Security Agent such information relating to the Loan Notes as it may from time to time request and to send it copies of all notices issued by you under the Loan Notes to the Security Agent at [address] marked for the attention of [addressee] as well as to us;
- 5 we may not initiate or agree to any amendment to, waive any obligation under or agree to any termination of the Loan Notes without the prior written consent of the Security Agent.

These instructions may not be revoked or amended without the prior written consent of the Security Agent.

For the avoidance of doubt, the Security Agent, its agents, any receiver or any person will not be under any obligation or liability to you under or in respect of the Loan Notes.

This notice is governed by English law

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Security Agent at the address set out in paragraph 4 of this notice.

Yours faithfully

.....
Authorised Signatory for and on behalf of [name of Assignor]

FORM OF ACKNOWLEDGEMENT FROM SCOTCO NI

To: Security Agent (the "Security Agent")

Date: [●]

Dear Sirs

[ASSIGNOR]

We acknowledge receipt of a notice dated [●] (the "Notice") relating to the subordinated £6,586,280.00 1% fixed rate unsecured loan notes due 2022 of Scotco NI issued to the Assignor on or around the date of this notice constituted pursuant to an instrument entered into by Scotco NI on or around the date of this notice (the "Loan Notes").

We:

- 1 agree to the terms set out in the Notice and to act in accordance with its terms;
- 2 confirm that we have not received any prior notice that [*name of Assignor*] has assigned its rights under the Loan Notes or created any other interest (whether by way of security or otherwise) in favour of a third party; and
- 3 agree not to exercise any right to write off the Loan Notes or take any action to amend or supplement the Loan Notes without the prior written consent of the Security Agent.

This letter is governed by English law.

Yours faithfully

.....

For and on behalf of

Scotco NI Limited

SIGNATORIES

THE ASSIGNOR

EXECUTED as a DEED by)

HERBEL RESTAURANTS LIMITED)

acting by a director in the presence of:) Director

) Print name: MICHAEL HERBERT

Signature of witness

Print name (in BLOCK CAPITALS): IAN STANFORD

Address:

42 QUEEN STREET

BELFAST

BT2 6HL

Occupation:

SOLICITORS

THE SECURITY AGENT

SIGNED by)

for and on behalf of)

LLOYDS BANK PLC)

Authorised signatory

) Print name: NICH KUGHES