



Registration of a Charge

Company name: **SJZ LIMITED**

Company number: **06788645**

Received for Electronic Filing: **18/10/2017**



X6HACIBE

Details of Charge

Date of creation: **11/10/2017**

Charge code: **0678 8645 0003**

Persons entitled: **WELCOME HEALTH LIMITED
WELCOME HEALTH PHARMACIES 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:

CHARLES RUSSELL SPEECHLYS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6788645

Charge code: 0678 8645 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th October 2017 and created by SJZ LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th October 2017 .

Given at Companies House, Cardiff on 20th October 2017

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



Companies House



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

I certify that save for material redacted pursuant to section 859G of the Companies Act 2006, this copy is a correct copy of the original instrument.

Signed: *Charles Russell Freehays Ltd*

Dated: *17/10/17.*

DATED *11 October* 2017

- (1) **SJZ LIMITED (AS VENDOR)**
- (2) **WELCOME HEALTH LIMITED & WELCOME HEALTH PHARMACIES LIMITED (AS SECURITY HOLDERS)**

DEBENTURE

THIS DEED is dated

11 October

2017

BETWEEN:

- (1) **SJZ LIMITED** a company incorporated in England and Wales with company number 06788645 whose registered office is at The Meadows Ruskin Drive, Dentons Green, St. Helens, England, WA10 6RP (**Vendor**); and
- (2) **WELCOME HEALTH LIMITED** a company incorporated and registered in England and Wales with company number 09835136 whose registered office is at 5 Fleet Place, London, England, EC4M 7RD and **WELCOME HEALTH PHARMACIES LIMITED** a company incorporated in England and Wales with company number 10766694 whose registered office is at 5 Fleet Place, London, England, EC4M 7RD (together the **Security Holders** and each a **Security Holder**).

BACKGROUND

The Vendor enters into this deed pursuant to the Management Agreements (defined below)

IT IS AGREED as follows:

1 DEFINITIONS

Unless otherwise defined in this deed, terms defined in the Management Agreements shall have the same meaning when used in this deed and the following words and expressions shall (unless the context otherwise requires) bear the following meanings:

Account Bank	means each bank, financial institution or other person with whom an Account is maintained;
Account(s)	means all accounts with any Account Bank at any time owned or operated by the Vendor as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them and the debt or debts represented thereby;
Administrator	means any administrator appointed in respect of the Vendor whether by the Security Holders, a court or otherwise;
Assigned Contract	means any agreement designated in writing as an Assigned Contract by the Security Holders;
Business Transfer Agreement	means the agreement with today's date between (1) Welcome Health Pharmacies Limited (2) the Vendor and (3) Imaan Healthcare Limited in respect of the sale and purchase of the business and assets of Saltburn and New Marske Pharmacies from the Vendor;
Chattels	means all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them;
Contracts	means all present and future contracts and agreements entered into by the Vendor, including the Assigned Contracts, and guarantees, warranties and indemnities issued in relation to any Contract and any other agreement designated in writing as a Contract by the Security Holders;

Delegate	means any delegate, agent, attorney or co-trustee appointed by the Security Holders;
Discharge Date	means the date on which all the Secured Liabilities have been irrevocably discharged in full and no further Secured Liabilities are capable of arising;
Dividends	means all dividends and distributions of any kind, interest and any other income received or receivable by the Vendor in relation to any of the Shares;
Event of Default	means <ul style="list-style-type: none"> (i) the Vendor or a Guarantor (as defined in the Management Agreements) (a) suffering an Insolvency Event (b) being in breach of the terms of either Management Agreement; or (ii) the Vendor being in breach of the terms of this deed;
Intellectual Property	means: <ul style="list-style-type: none"> (a) all present and future patents, trade marks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know how, topographical or similar rights and other intellectual property rights and interests whether registered or unregistered; (b) the benefit of all applications, licences and rights to use such assets; and (c) claims and all fees, royalties and other rights deriving from the rights described in paragraphs (a) and (b) above;
Investments	means the Shares and Dividends;
Lease(s)	means any present or future lease, underlease, sub-lease, licence, tenancy or other agreement or right to occupy all or part of any Real Property, whether on a fixed term or periodic basis and any agreement for the grant of any of the foregoing;
LPA	means the Law of Property Act 1925;
Monetary Claims	means all book and other debts and monetary claims of any nature and however arising at any time owing to the Vendor or in which it has an interest (including payments due from the NHS) together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same;
Management Agreements	means deed of trust and management agreements dated for the same date as this Debenture and made between the Vendor, Welcome Health Pharmacies Limited and others in respect of each of the pharmacies operating from 1 Beacon Drive, New Marske, Redcar TS11 8ES and from Ground Floor, 6 Station Street, Saltburn-by-Sea, Cleveland TS12 1AE (and reference to a Management Agreement is a reference to either such deed)
Party	means a party to this deed;
Permitted Security	means, with respect to the Vendor any Security entered into with the prior written consent of the Security Holders;
Policies	means each insurance policy taken out at any time by or on behalf of the Vendor or in respect of which it has an interest or a right to claim;

Real Property	means: <ul style="list-style-type: none"> (a) any freehold, leasehold or immovable property in which the Vendor has an interest; and (b) any buildings, fixtures, fittings (including trade fittings and machinery) and fixed plant and machinery from time to time situated on or forming part of that property, and includes all Related Rights;
Receiver	means an administrative receiver, receiver and manager or a receiver, in each case appointed under this deed;
Regulations	means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226);
Related Rights	means, as regards any Secured Asset, all present and future: <ul style="list-style-type: none"> (a) money and proceeds of any nature paid or payable in relation to the Secured Asset, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Secured Asset; and (b) rights and interests of any nature attaching to, deriving from or exercisable as a result of the Vendor's interest in or ownership or operation of the Secured Asset;
Relevant Currency	means, in relation to each of the Secured Liabilities, the currency in which it is from time to time denominated;
Secured Assets	means the rights, interests and assets from time to time subject, or expressed to be subject, to the Security created or expressed to be created by this deed or any document entered into pursuant to or supplemental to this deed;
Secured Liabilities	means all present and future obligations and liabilities owing to a Secured Party (whether actual or contingent and whether owed as principal or surety, jointly or severally or in any other capacity whatsoever and whether owed to the original chargee or any other person as a result of any transfer, amalgamation or acquisition and) including (without limitation) interest, fees, charges, commission and sums due in relation to costs and expenses) of any kind and in any currency due, owing or incurred by the Vendor to any Secured Party under the terms of the Management Agreements and/or this deed and Secured Liability shall be construed accordingly;
Secured Party	means the Security Holders, any Receiver or any Delegate;
Security	means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect save for any factoring or invoice discounting arrangement
Shares	means: <ul style="list-style-type: none"> (a) all shares, stocks, debentures, bonds, warrants, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) at any time owned by the Vendor or in which it has an interest; (b) shares, stocks, debentures, bonds, warrants, coupons, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option

or otherwise in relation to any of the assets referred to in paragraph (a) above;

- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in paragraph (a) above through options, warrants or otherwise;
- (d) rights relating to any of the assets referred to in paragraph (a) above which are deposited with or registered in the name of any depository, custodian, nominee, clearing house or investment manager or similar person whether on a fungible basis or otherwise and including all rights against that person;

Taxation means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

Transaction Security means the security created or evidenced or expressed to be created or evidenced pursuant to this deed ; and

2 INTERPRETATION

2.1 The following terms apply in this deed :

- 2.1.1 In this deed words importing one gender shall import any other gender and words importing the singular number only shall include the plural and vice versa;
- 2.1.2 In respect of any payment that may fall due for payment under the terms of this deed, except as may be otherwise expressly provided to the contrary in this deed, such sum shall be payable forthwith upon written demand; where any payment falls due hereunder on a day which is not a business day the same shall be deemed to have fallen due on the next following business day.
- 2.1.3 In this deed:
 - (a) reference to a Schedule or Annexure and to any recital, clause or paragraph is to the relevant Schedule, Annexure, recital, clause or paragraph of or to this deed;
 - (b) reference to a "business day" means a day, other than a Saturday or a Sunday, on which banks are open for business in London;

2.2 Unless a contrary indication appears, a reference in this deed to:

- 2.2.1 **Secured Liabilities** is deemed to include a reference to any part of them;
- 2.2.2 **Secured Assets** includes
 - (a) any part of the Secured Asset;
 - (b) any present and future assets of that type; and
 - (c) all Related Rights relating to that Secured Asset;
- 2.2.3 a **Management Agreement** or any other agreement or instrument is a reference to either Management Agreement or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated;

- 2.2.4 the **Security Holders**, any **Secured Party**, the **Vendor** any **Party** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- 2.2.5 a provision of a statute, rule or regulation is deemed to include a reference to that provision as amended or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this deed) from time to time;
- 2.2.6 "**assets**" includes present and future properties, revenues and rights of every description;
- 2.2.7 "**disposal**" includes a sale, transfer, assignment, grant, lease, licence, loan, declaration of trust or other disposal, whether voluntary or involuntary, and "**dispose**" will be construed accordingly;
- 2.2.8 "**guarantee**" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
- 2.2.9 "**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;
- 2.2.10 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);
- 2.2.11 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 of any regulatory, self-regulatory or other authority or organisation;
- 2.2.12 a provision of law is a reference to that provision as amended or re-enacted;
- 2.2.13 a time of day is a reference to London time;
- 2.2.14 section, clause and Schedule headings are for ease of reference only;
- 2.2.15 a Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.
- 2.2.16 any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- 2.2.17 "**£**" and "**sterling**" denote the lawful currency of the United Kingdom;
- 2.2.18 an "**Insolvency Event**" shall be taken to have arisen or occurred in relation to a company:
- (a) if it is dissolved or struck off the register of companies maintained by the Registrar of Companies for England and Wales or a winding up petition is presented or winding up order is made against it or a meeting is convened, resolution passed or any step taken by the company or its members or creditors with a view to the winding-up, administration or dissolution of the company; or

- (b) if an encumbrancer takes possession or a liquidator, judicial custodian, compulsory manager or receiver (including fixed charge or court appointed) administrative receiver, manager insolvency practitioner or similar officer shall be appointed over the whole or a substantial part of the undertaking, property or assets of the company; or
- (c) if the company is unable to pay its debts or is insolvent as defined in section 123 of the Insolvency Act 1986 (**IA1986**); or
- (d) if the company enters into (or any step is taken with a view to entering into) a composition, scheme of arrangement or voluntary arrangement with any of its creditors or an application is made under Part 26 of Companies Act 2006 or a proposal is made which could result in such an application or otherwise or a moratorium is agreed imposed or declared in respect of or affecting all or a material part of (or of a particular type of) the debts of the company;
- (e) if notice of appointment of (or notice of intention to appoint) an administrator is given by any person (including the company's directors, the company or the holder of any qualifying floating charge as defined by the IA 1986) or any step is taken by any person with a view to placing the company into administration as defined by the IA 1986; or
- (f) If any step, procedure, event or circumstance occurs which under the law of any relevant jurisdiction has an analagous or equivalent effect to any of the events listed above in relation to the company.

2.2.19 an "**Insolvency Event**" shall be taken to have arisen or occurred in relation to an individual

- (a) if he or she is the subject of a bankruptcy petition or bankruptcy order, or is unable to pay his or her debts as defined in section 268 of IA 1986 or makes an application for an interim order under s.252 of IA 1986 or makes a proposal for an individual voluntary arrangement under Part VIII of IA 1986 or enters into any composition, moratorium or other arrangement with his or her creditors, whether or not in connection with any proceeding under IA 1986 or other scheme of arrangement with his or her creditors; or
- (b) if any step, procedure, event or circumstance occurs which under the law of any relevant jurisdiction has an analogous or equivalent effect to any of the events listed in clause 2.2.19(a) above in relation to him or her

- 2.3 The title of any provision of this deed will not affect the meaning of that or any other provision.
- 2.4 Any undertaking given by the Vendor under this deed remains in force until the Discharge Date.
- 2.5 The terms of the Management Agreements and of any side letters between any parties in relation to the same (as the case may be) are incorporated in this deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 2.6 If the Security Holders consider that an amount paid to any Secured Party under the Management Agreements in relation to any Secured Liability is capable of being avoided or otherwise set aside on

the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.

2.7 An Event of Default is "**continuing**" if it has not been waived.

3 **UNDERTAKING TO PAY**

The Vendor covenants with the Security Holders to, on demand, pay, discharge and satisfy all the Secured Liabilities when due in accordance with their respective terms and to indemnify the Secured Parties against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge and satisfy the Secured Liabilities in accordance with their respective terms.

4 **SECURITY**

4.1 **General**

4.1.1 All the Security created under this deed:

- (a) is created in favour of the Security Holders;
- (b) is security for the payment, discharge and performance of all the Secured Liabilities except for any Secured Liabilities which, if secured by this deed, would cause such security to be unlawful or prohibited by any applicable law; and
- (c) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4.1.2 If the Vendor assigns its rights under an agreement (or charges those rights by way of first fixed charge) 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 Vendor shall notify the Security Holders promptly;
- (b) until the consent is obtained, this deed will secure all amounts of any nature which the Vendor may now or in the future receive under or in connection with that document but exclude rights under the agreement itself;
- (c) unless the Security Holders otherwise require, the Vendor shall use all reasonable endeavours to obtain the consent of the relevant party to rights under that agreement being secured in accordance with this deed; and
- (d) the Vendor shall promptly supply the Security Holders with a copy of any consent obtained by it.

4.2 **Land**

The Vendor charges:

4.2.1 by way of a first legal mortgage all of the Real Property and all rights under any licence or other agreement or document which gives the Vendor a right to occupy or use the Real Property; and

4.2.2 (to the extent that they are not the subject of a mortgage under clause 4.2.1 above) by way of first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives the Vendor a right to occupy or use the Real Property.

4.3 **Leases**

The Vendor assigns absolutely, by way of security, subject to reassignment by the Security Holders in accordance with clause 19 (*Release of Security*), all its rights in respect of the Leases provided that

if any of those rights are not effectively assigned by this sub-clause, the assignment shall instead operate as an assignment of all sums, of any nature, which the Vendor may derive from those rights.

4.4 Investments

The Vendor charges by way of a first fixed charge all the Shares and Dividends.

4.5 Chattels

The Vendor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession.

4.6 Accounts

The Vendor charges by way of a first fixed charge all its rights and interest in and to the Accounts.

4.7 Monetary Claims

The Vendor charges by way of a first fixed charge all the Monetary Claims.

4.8 Contracts

4.8.1 The Vendor assigns absolutely, by way of security, subject to reassignment by the Security Holders in accordance with clause 19 (*Release of Security*), all its rights in respect of:

- (a) the Assigned Contracts;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it;

provided that if any of those rights are not effectively assigned by this sub-clause, the assignment shall instead operate as an assignment of any damages, compensation, remuneration, profit, rent, income or any other sum which the Vendor may derive from those rights or be awarded or entitled to in respect of that right.

4.8.2 The Vendor charges by way of first fixed charge:

- (a) all of its rights in the Contracts; and
- (b) to the extent that they are not effectively assigned under clause 4.8.1, all its rights described in clause 4.8.1 above.

4.9 Insurances

4.9.1 The Vendor assigns absolutely, by way of security subject to reassignment by the Security Holders in accordance with clause 19 (*Release of Security*) all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts.

4.9.2 To the extent that they are not effectively assigned under clause 4.9.1 above, the Vendor charges by way of a first fixed charge the relevant amounts and rights described in clause 4.9.1 above.

4.9.3 A reference in this clause 4.9 to any amounts excludes all amounts received or receivable under or in connection with any third party liability insurance and required to settle a liability of the Vendor to a third party.

4.10 Intellectual Property

The Vendor charges by way of first fixed charge all its rights in its Intellectual Property.

4.11 Miscellaneous

The Vendor charges by way of first fixed charge:

- 4.11.1 any beneficial interest, claim or entitlement it has in any pension fund;
- 4.11.2 any and all Related Rights;
- 4.11.3 all rights to recover any value added tax on any supplies made to it relating to any Secured Asset and any sums so recovered;
- 4.11.4 its goodwill and uncalled capital; and
- 4.11.5 the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Secured Asset and the right to recover and receive compensation payable in relation to any authorisation.

4.12 Floating charge

- 4.12.1 The Vendor charges by way of a first floating charge all its present and future assets and undertakings in favour of the Security Holders.
- 4.12.2 The Security Holders may at any time by notice in writing to the Vendor convert any floating charge created by the Vendor pursuant to clause 4.12.1 into a fixed charge with immediate effect as regards any property or assets specified in the notice if:
 - (a) the security constituted by this deed has become enforceable in accordance with Clause 10 (*Enforcement of Security*); or
 - (b) the Security Holders considers any Secured Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
 - (c) the Security Holders reasonably considers that it is necessary in order to protect the priority of its Security.
- 4.12.3 The floating charge created by clause 4.12.1 will automatically and immediately (without notice) convert into a fixed charge over all of the Vendor's assets if:
 - (a) the Vendor creates or attempts to create any Security over any of the Secured Assets;
 - (b) any person levies or attempts to levy any distress, execution or other process against any of the Secured Assets;
 - (c) a receiver or administrator is appointed in respect of the Vendor or a person entitled to appoint an administrator in respect of the Vendor gives notice of its intention to do so or files a notice of appointment with a court; or
 - (d) any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, winding up, dissolution or re-organisation of the Vendor other than a winding up petition which is stayed within 14 days of commencement.
- 4.12.4 The floating charge created by this sub-clause may not be converted into a fixed charge solely by reason of:
 - (a) the obtaining of a moratorium; or
 - (b) anything done with a view to obtaining a moratorium,

as a preliminary to a creditors voluntary arrangement by an eligible company (as determined under Schedule 1A of the Insolvency Act 1986) under the Insolvency Act 1986.

- 4.12.5 The floating charge created by this sub-clause is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

5 SECURITY UNDERTAKINGS

5.1 Security

The Vendor shall not create or permit to subsist any Security over the Secured Assets other than pursuant to this deed or the Permitted Security.

5.2 Rights relating to Secured Assets

The Vendor shall not take any action (or permit any action to be taken) which results or could reasonably be expected to result in any of its rights relating to any Secured Asset being impaired in any material respect or which could materially prejudice the Security constituted or expressed to be constituted by this deed.

5.3 Disposals

The Vendor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Secured Asset other than as expressly permitted under the terms of the Business Transfer Agreement or the Management Agreements.

6 REAL PROPERTY

6.1 Acquisitions

- 6.1.1 If the Vendor acquires any freehold, leasehold or commonhold property after the date of this deed it shall notify the Security Holders within 3 Business Days.

7 ACCOUNTS

7.1 Undertakings

The Vendor shall:

- 7.1.1 not, without the prior written consent of the Security Holders, maintain any other bank account other than the Accounts and to only maintain Accounts based in the UK;
- 7.1.2 deliver to the Security Holders details of each Account maintained by it promptly upon creating that Account and shall advise the Security Holders within 3 Business Days of any redesignation or change in account details affecting any Account;
- 7.1.3 promptly upon request by the Security Holders, supply the Security Holders with copies of all mandate letters, bank statements and other agreements relating to the Accounts; and
- 7.1.4 not close any Accounts without the prior written consent of the Security Holders.

7.2 Operation of the Accounts

- 7.2.1 Procure that all income or other cash belonging to the Vendor or arising from its business (or deriving from the Security Assets) is paid (promptly) into an Account and (prior to the occurrence of an Event of Default) the Vendor shall, in the case of any Account be entitled to withdraw or transfer any sum standing to the credit of such Account (subject to clause 6.3.4 and 6.4 of each Management Agreement).

- 7.2.2 After the occurrence of an Event of Default the Vendor shall not be entitled to make any withdrawals or transfers from any Account without the Security Holders' prior written consent.
- 7.2.3 Amounts permitted to be withdrawn or transferred from the Accounts pursuant to this deed shall, upon such withdrawal or transfer, be released from the Security constituted by this deed.
- 7.2.4 If the Security created by this deed has become enforceable, the Security Holders shall be entitled, at any time or times, without notice (both before and after demand), to:
- (a) exercise all its rights, powers and remedies as chargee of the Accounts and, in particular, the right to:
 - (i) demand and receive any interest or other moneys payable in respect of any credit balance on any Account; and
 - (ii) withdraw sums standing to the credit of any Account (or, by notice to the bank with whom such Account is maintained, block the withdrawal of any such sums) and otherwise exercise all rights in relation to the Accounts as the Vendor may exercise (or, but for this deed) might exercise; and
 - (b) apply, transfer or set-off any or all of the balances from time to time standing to the credit of the Accounts in or towards the payment or other satisfaction of all or part of the Secured Liabilities then due but unpaid in accordance with clause 13 (*Order of Application*).

7.3 Notice to Account Banks

- 7.3.1 The Vendor shall serve a notice of charge in the form of Part 1 of Schedule 1 (*Form of Notice to Account Bank*):
- (a) on each Account Bank with whom an Account, is held as soon as is reasonably practicable after (but in any event within 3 Business Days of) the crystallisation of the floating charge pursuant to clause 4.12 (*Floating charge*); and
 - (b) use its reasonable endeavours to procure that each Account Bank acknowledges such notice by signing and returning to the Security Holders a letter of acknowledgement substantially in the form of Part 2 of Schedule 1 (*Form of Notice to Account Bank*) within 14 days of the date of such notice.
- 7.3.2 Any instructions contained in a notice of charge sent by the Vendor pursuant to this clause may not be revoked or amended without the Security Holders' prior written consent.

8 MONETARY CLAIMS

8.1 Collecting Monetary Claims

Subject to the operation of the terms of the Management Agreements, the Vendor shall prior to the occurrence of an Event of Default promptly get in and realise all Monetary Claims and pay the proceeds thereof into an Account and subsequent to the occurrence of an Event of Default into an account designated in writing by the Security Holders (or as the Security Holders may otherwise direct in writing) – and in each case pending that payment will hold those proceeds on trust for the Security Holders.

8.2 Dealing with Monetary Claims

The Vendor shall not, without the prior written consent of the Security Holders, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim.

8.3 Assignment

The Vendor shall, at the Security Holders' request, execute a legal assignment of the Monetary Claims in favour of the Security Holders on such terms as the Security Holders may agree and will sign and deliver written notice of that assignment, in a form acceptable to the Security Holders, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment.

9 INSURANCES

9.1 Notices of assignment

The Vendor shall if requested to do so by the Security Holders serve a notice, substantially in the form of Part 1 of Schedule 2 (*Form of Notice to Insurer*), on each other party to each Policy and use its reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Security Holders a letter of undertaking substantially in the form of Part 2 of Schedule 2 (*Form of Notice to Insurer*) within 14 days of the date of the notice. Any instructions contained in any notice sent by the Vendor pursuant to this clause may not be revoked or amended without the Security Holders' prior written consent.

10 ENFORCEMENT OF SECURITY

10.1 Timing

The Security created by this deed will be immediately enforceable at any time after the occurrence of:

10.1.1 an Event of Default; or

10.1.2 a request being made by the Vendor to the Security Holders that it exercise any of its powers under this deed.

10.2 Enforcement

After the Security created by this deed has become enforceable, the Security Holders may, without notice to the Vendor or prior authorisation from any court, in its absolute discretion:

10.2.1 enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Secured Assets; and

10.2.2 whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the LPA (as varied and extended by this deed) on mortgagees, by this deed on any Receiver, or otherwise conferred by law on mortgagees and Receivers.

10.3 Statutory Powers

10.3.1 The statutory power of sale or other right of disposal conferred on the Security Holders 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 and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this deed.

10.3.2 The statutory powers of leasing may be exercised by the Security Holders at any time on or after the Security created by this deed has become enforceable and such powers are hereby extended so as to authorise the Security Holders to lease, make agreements for lease, accept surrenders of leases and grant options on such terms as the Security Holders may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the LPA).

- 10.3.3 For the purposes of sections 99 and 100 of the LPA, the expression "Mortgagor" will include any encumbrancer deriving title under the Vendor and neither sub-section (18) of section 99 nor sub-section (12) of section 100 of the LPA will apply.
- 10.3.4 The Vendor shall not have, at any time up until the Discharge Date, the power pursuant to section 99 of the LPA to make any Lease in respect of any Real Property without the prior written consent of the Security Holders.
- 10.3.5 The restrictions contained in section 93 and 103 of the LPA shall not apply to this deed or to the exercise by the Security Holders of its right to consolidate all or any of the Security created by or pursuant to this deed with any other Security in existence at any time or its power of sale, such powers being exercisable by the Security Holders, without notice to the Vendor, on or at any time after the Security created by this deed has become enforceable as herein provided.

11 RECEIVER

11.1 Appointment of Receiver

- 11.1.1 After the Security created by this deed has become enforceable the Security Holders may without prior notice, appoint:
- (a) any one or more persons to be a Receiver of all or any part of the Secured Assets; or
 - (b) two or more Receivers of separate parts of the Secured Assets; or
 - (c) appoint another person(s) as an additional Receiver(s).
- 11.1.2 Any appointment under clause 11.1.1 above may be by deed, under seal or in writing under its hand.
- 11.1.3 Any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the LPA) does not apply to this deed.
- 11.1.4 The Security Holders may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Secured Assets if the Security Holders is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.
- 11.1.5 Each person appointed to be a Receiver pursuant to this clause 11.1 shall be entitled to act individually or together with any other person appointed or substituted as a Receiver.

11.2 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 Holders under the LPA (as extended by this deed) or otherwise and such powers shall remain exercisable from time to time by the Security Holders in respect of any part of the Secured Assets.

11.3 Removal

Each Security Holder may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.4 Remuneration

The Security Holders may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law (including under section 109(6) of the LPA) will not apply.

11.5 Agent of the Vendor

- 11.5.1 A Receiver will be deemed to be the agent of the Vendor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgage under the LPA. The Vendor is solely responsible for the remuneration, expenses, contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.
- 11.5.2 No Secured Party will incur any liability (either to the Vendor or to any other person) by reason of the appointment of a Receiver or for any other reason.
- 11.5.3 No Receiver shall at any time act as agent for the Security Holders

12 POWERS OF RECEIVER

12.1 General

- 12.1.1 A Receiver has all of the rights, powers and discretions set out below in this clause in addition to those conferred on it by any law; this includes:
 - (a) all rights, powers, remedies and discretions conferred on an administrative receiver under the Insolvency Act 1986 (including but not limited to Schedule 1 thereof); and
 - (b) otherwise, all the rights, powers, remedies and discretions conferred on a mortgagor, a mortgagee in possession and on a receiver (or a receiver and manager) appointed under the LPA or the Insolvency Act 1986.
- 12.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

12.2 Possession

A Receiver may take immediate possession of, get in and collect any Secured Asset or any part thereof.

12.3 Carry on Business

A Receiver may carry on any business of the Vendor in any manner he thinks fit.

12.4 Employees

- 12.4.1 A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this deed upon such terms as to remuneration or otherwise as he thinks fit.
- 12.4.2 A Receiver may discharge any person appointed by the Vendor.

12.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Secured Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

12.6 Sale of assets

- 12.6.1 A Receiver may sell, exchange, convert into money and realise any Secured Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- 12.6.2 The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may

be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.

- 12.6.3 Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Vendor.

12.7 Leases

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Secured Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

12.8 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Vendor or relating in any way to any Secured Asset.

12.9 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Secured Asset which he thinks fit.

12.10 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Secured Asset.

12.11 Subsidiaries

A Receiver may form a Subsidiary of the Vendor and transfer to that Subsidiary any Secured Asset.

12.12 Delegation

A Receiver may delegate his power in accordance with this deed.

12.13 Lending

A Receiver may lend money or advance credit to any customer of the Vendor.

12.14 Protection of assets

A Receiver may:

- 12.14.1 effect any repair or insurance and do any other act which the Vendor might do in the ordinary conduct of its business to protect or improve any Secured Asset;
- 12.14.2 commence and/or complete any building operation; and
- 12.14.3 apply for and maintain any planning permission, building regulation, approval or any other authorisation,

in each case as he thinks fit.

12.15 Other Powers

A Receiver may:

- 12.15.1 do all other acts and things which he may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this deed or law;

12.15.2 exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Secured Asset; and

12.15.3 use the name of the Vendor for any of the above purposes set out in this clause 12.

12.16 Redemption of prior mortgages

At any time after the Security created by this deed has become enforceable, the Security Holders may redeem any prior Security created in respect of a Secured Asset and/or procure the transfer of the benefit of that Security to itself and/or settle the accounts of the prior mortgagee or encumbrancer. The Vendor shall on demand indemnify the Security Holders for all costs and expenses incurred by the Security Holders in connection with any such redemption and/or transfer, including the amount of any principal or interest paid by the Security Holders.

13 ORDER OF APPLICATION

13.1 Application of proceeds

Unless otherwise determined by the Security Holders, all amounts received or recovered by the Security Holders or any Receiver in exercise of their rights under this deed will, subject to the rights of any creditors having priority, be applied in the order provided in clause 13.2. This clause 13 does not prejudice the right of any Secured Party to recover any shortfall from the Vendor.

13.2 Order of application

The order referred to in clause 13.1 is:

13.2.1 in or towards payment, or the provision for, all the costs, expenses and losses properly incurred, and payments made, by the Security Holders and/or any Receiver under or in connection with this deed and all remuneration due to any Receiver under or in connection with this deed;

13.2.2 in or towards the payment or discharge of the Secured Liabilities in such order as the Security Holders thinks fit and, unless otherwise instructed, on a pro-rata basis as between the Secured Parties; and

13.2.3 in payment of any surplus to the Vendor or other person entitled to it.

13.3 Protection of Purchasers

13.3.1 No purchaser or other person dealing with the Security Holders or a Receiver shall be bound to enquire:

(a) whether the Secured Liabilities have become payable;

(b) whether any power which the Security Holders or a Receiver is purporting to exercise has become exercisable or is being properly exercised; or

(c) how any money paid to the Security Holders or to that Receiver is to be applied.

13.3.2 The receipt of the Security Holders or any Receiver shall be conclusive discharge to any purchaser and, in making any sale or disposal of the Secured Assets or making any acquisition, the Security Holders or any Receiver may do for such consideration, in such manner and on such terms as it thinks fit.

14 LIABILITY OF SECURITY HOLDERS

14.1 Liability

Neither the Security Holders, its nominee(s) nor any Receiver will either by reason of (a) taking possession or realising all any part of the Secured Assets; (b) taking any action permitted by this

deed; or (c) whether as mortgagee in possession or otherwise be liable to the Vendor or any other person for any costs, losses or liabilities relating to any of the Secured Assets or for any act, default, omission or misconduct of the Security Holders, any Receiver or their respective officers, employees or agents in relation to the Secured Assets or otherwise.

14.2 Exoneration

Neither the Security Holders nor any Receiver will have any duty (a) to perform the Vendor's obligations or exercise any rights in relation to any Secured Asset, (b) to ensure that any Related Rights are made available or to verify that the correct amount has been received in relation to any Related Right, (c) to take up any offer in relation to any Secured Assets, (d) to give any notification to anyone in relation to any Secured Asset or (e) to take any action to enforce any other person's obligations as regards any Secured Asset.

14.3 Power of attorney

14.3.1 The Vendor, by way of security for the performance of its obligations under this deed irrevocably and severally appoints the Security Holders, each Receiver and each of their respective delegates and sub delegates to be its attorney (with full power of substitution and delegation) and in its name, on its behalf and as its act and deed to execute, deliver and perfect all other documents, deeds and agreements and do all such things which the attorney may consider to be required for:

- (a) carrying out any obligation imposed on the Vendor by this deed or any agreement binding on the Vendor to which the Security Holders is a party (including, but not limited to, the execution and delivery of any charges, assignments or other security and any transfers of the Secured Assets and perfecting and/or realising the Security created or intended to be created in respect of the Secured Assets); and
- (b) enabling the Security Holders and any Receiver to exercise any of the rights, powers and authorities conferred on them pursuant to this deed or by law (including, after the Security created by this deed has become enforceable as herein provided, the exercise of any right of a legal or beneficial owner of the Secured Assets or any part thereof).

14.3.2 The Vendor hereby ratifies whatever any attorney does or purports to do pursuant to its appointment under clause 14.3.1.

15 SAVING PROVISIONS

15.1 Continuing Security

Subject to clause 19 (*Release of Security*), the Security constituted by this deed shall remain in full force and effect as continuing security for the Secured Liabilities until the Discharge Date and shall not be released before then by any intermediate payment, discharge or satisfaction of all or any of the Secured Liabilities or for any other reason.

15.2 Cumulative Rights

The Security created by or pursuant to this deed and the rights, powers and remedies of the Security Holders under this deed shall be cumulative and shall be in addition to and independent of every other Security, right, power or remedy which the Security Holders or any Secured Party may at any time have in connection with the Secured Liabilities, including all rights, powers and remedies provided by law, and accordingly, the Security Holders shall not be obliged before exercising any such rights, powers or remedies:

15.2.1 to make any demand of, or take any action or obtain any judgment in any court against, the Vendor;

15.2.2 to make or file any claim or proof in winding-up or dissolution of the Vendor; or

15.2.3 to enforce or seek to enforce any other Security held by it in respect of the Secured Liabilities.

15.3 No Merger of Security

No prior Security held by the Security Holders over the whole or any other part of the Secured Asset shall merge into the Security constituted by this deed.

15.4 No prejudice

The Security created by or pursuant to this deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Vendor or any other person, or the Security Holders or by any variation of the terms upon which the Security Holders holds the Security created by or pursuant to this deed or by any other thing which might otherwise prejudice that Security.

15.5 Remedies and Waivers

No failure on the part of the Security Holders to exercise, or any delay on its part in exercising, any rights, powers and remedies of the Security Holders provided by or pursuant to this deed shall operate as a waiver of those rights, powers and remedies or constitute an election to affirm this deed. No election to affirm this deed on the part of the Security Holders shall be effective unless it is in writing. No single or partial exercise or any such rights, powers and remedies preclude any further or other exercise of that or any other rights, powers and remedies.

15.6 Partial Invalidity

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or unenforceability of the remaining provisions of this deed 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 deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security constituted under this deed.

15.7 Waiver of defences

Neither the obligations of the Vendor under this deed nor the Security constituted by this deed will be affected by any act, omission or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this deed or release or prejudice any of its obligations under, or the Security created by, this deed and whether or not known to the Vendor or any Secured Party:

- 15.7.1 any time, waiver or consent granted to, or composition with, the Vendor or any other person;
- 15.7.2 the release of the Vendor or any other person under the terms of any composition or arrangement with any creditor of the Vendor;
- 15.7.3 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, the Vendor or any 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;
- 15.7.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Vendor or any other person;
- 15.7.5 any amendment, novation, supplement, extension (whether or maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not onerous) or replacement of any document or Security or of the Secured Liabilities;
- 15.7.6 any unenforceability, illegality or invalidity of any obligation of any person under any document or security or of the Secured Liabilities; or

15.7.7 any insolvency or similar proceedings relating to the Vendor or any other person.

15.8 Immediate recourse

The Vendor waives any right it may have of first requiring the Security Holders or any other Secured Party (or any trustee on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Vendor under this deed. This waiver applies irrespective of any law or provision of this deed to the contrary.

15.9 Appropriations

Until the occurrence of the Discharge Date, any Secured Party (or any trustee or agent on its behalf) may refrain from applying or enforcing any other moneys, Security or rights held or received by it in relation to the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities, or otherwise) and hold in an interest bearing suspense account any money received from the Vendor on account of the Secured Liabilities.

15.10 Non-competition

Until the occurrence of the Discharge Date or unless the prior written consent of the Security Holders is obtained, the Vendor shall not exercise any rights which it may have by reason of performance by it of its obligations under this deed:

- 15.10.1 to be indemnified by any person, including any other chargor;
- 15.10.2 to claim any contribution from any other provider of Security or any guarantor of the Secured Liabilities;
- 15.10.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any Secured Party's rights under any guarantee, indemnity or Security taken pursuant to, or in connection with, the Secured Liabilities by any Secured Party;
- 15.10.4 to bring legal or other proceedings for an order requiring the Vendor to make any payment, or perform any obligation, in respect of which the Vendor has an obligation or liability under the Management Agreements; and/or
- 15.10.5 to exercise any right of set-off against the Vendor.

If the Vendor receives any benefit, payment or distribution contrary to the terms of this clause, it shall hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Security Holders in connection with the Secured Liabilities to be repaid in full) on trust for the Security Holders and shall promptly pay or transfer the same to the Security Holders or to the Security Holders' nominee.

15.11 Further Assurance

- 15.11.1 The Vendor shall promptly, at its own cost, do whatever the Security Holders requires:
- (a) to create, perfect and/or protect the Security created or intended to be created by this deed;
 - (b) to create, perfect and/or protect the priority of the Security created or intended to be created by this deed;
 - (c) to facilitate the exercise of any rights, powers and remedies vested in the Security Holders or any Receiver (or their respective delegates) by this deed and/or by the law; and/or
 - (d) to facilitate the realisation of the Secured Assets.

- 15.11.2 In order to satisfy its obligations under sub-clause 15.11.1 above the Vendor shall 3 Business Days of request by the Security Holders, execute any transfer, conveyance, specific mortgage, charge, assignment or assurance over all or any of the assets constituting, or intended to constitute, the Secured Assets (whether in favour of the Security Holders or its nominee or otherwise) and make any registration or notarisation and give any notice, instructions, order or direction in respect of the Secured Assets on such terms as the Security Holders (acting reasonably) shall require for this purpose.

16 PRIOR SECURITY INTERESTS

- 16.1 In the event of any action, proceedings or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Secured Assets or in case of exercise by the Security Holders or any Receiver of any power of sale under this deed, the Security Holders may redeem such prior Security or procure the transfer thereof to itself.
- 16.2 The Security Holders may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on the Vendor.
- 16.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Vendor to the Security Holders on demand together with accrued interest thereon as well as before judgement at the rate from time to time applicable to unpaid sums specified in the Management Agreements from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

17 SUBSEQUENT SECURITY INTERESTS

If the Security Holders or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting the Secured Assets or any part of the Secured Assets, all payments thereafter by or on behalf of the Vendor to the Security Holders or any of the other Secured Parties will (in the absence of any express contrary appropriate by the Vendor) be treated as having been credited to a new account of the Vendor and not as having been applied in reduction of the Secured Liabilities at the time that notice was received.

18 SUSPENSE ACCOUNT

All monies received, recovered or realised by the Security Holders under this deed (including the proceeds of any conversion of currency) may in the discretion of the Security Holders be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution (including itself) for so long as it may think fit (the interest being credited to the relevant account) pending their application from time to time at the Security Holders' discretion, in or towards the discharge of any of the Secured Liabilities.

19 RELEASE OF SECURITY

Upon the occurrence of the Discharge Date, the Security Holders shall, at the request and cost of the Vendor, release and cancel the security constituted by this deed and procure the reassignment to the Vendor of the property and assets assigned to the Security Holders pursuant to this deed in each case without recourse to, or any representation or warranty by, the Security Holders or any of its nominees.

20 PRESERVATION OF SECURITY

This deed is in addition to any other rights or Security, now and in the future, held by the Security Holders from each of the Vendor or any other person for the Secured Liabilities and will not merge with or prejudice or be prejudiced by any such rights or Security.

21 DELEGATION AND DISCRETION

21.1 Delegation

- 21.1.1 The Security Holders and/or any Receiver may delegate by power of attorney or in any manner all or any of the powers, authorities and discretions which are conferred and are exercisable by it under this deed to any person or persons on such terms and conditions as it sees fit.
- 21.1.2 No such delegation pursuant to this clause 21 shall preclude either the subsequent exercise of such power, authority or discretion by the Security Holders or a Receiver itself or any subsequent delegation or revocation thereof.
- 21.1.3 Neither the Security Holders nor any Receiver will have any liability to the Vendor or any other person for any loss or liability arising from any act, default, omission or misconduct by the delegate.

21.2 Discretion

Any right or power which may be exercised or any determination which may be made under this deed by the Security Holders or any Receiver may be exercised by it in its absolute and unfettered discretion, without any obligation to give reasons unless stated otherwise in this deed.

22 SET-OFF

Notwithstanding any term to the contrary affecting any of the liabilities concerned, the Security Holders will be entitled at any time or times without notice (both before and after demand) to set off any liability of the Vendor to the Security Holders against any liability of the Security Holders to the Vendor. The Security Holders may for such purposes convert or exchange any currency as it deems fit at a market rate of exchange.

23 FINANCIAL COLLATERAL

- 23.1 To the extent that any of the Secured Assets constitute "financial collateral" and this deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Security Holders shall, upon the Security created by this deed becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of those Secured Assets in or towards the discharge of the Secured Liabilities without obtaining any court authorisation and in such order as the Security Holders may in its absolute discretion determine.
- 23.2 The parties hereby agree that the value of any Secured Asset appropriated in accordance with clause 23.1 above shall be:
 - 23.2.1 in the case of cash denominated in the currency of denomination of the Secured Liabilities, the amount thereof plus any accrued but unposted interest attributable thereto on the date of appropriation;
 - 23.2.2 in the case of any other cash, the amount of the currency of denomination of the Secured Liabilities that the Security Holders could purchase with the amount thereof (plus any accrued but unposted interest attributable thereto) on the date of appropriation at its spot rate of exchange for such purchase in the London foreign exchange market at or about 11.00 a.m. on that date; or
 - 23.2.3 in the case of Shares, shall be the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, independent valuation or as determined by such other method as the Security Holders may select.
- 23.3 The Parties to this deed agree that the method of valuation provided for in this clause 23 is commercially reasonable for the purposes of the Regulations.

23.4 Where the Security Holders exercises its rights of appropriation and the value of the financial collateral appropriated differs from the amount of the Secured Liabilities, the Security Holders must account for the amount by which the value of the appropriated financial collateral exceeds the Secured Liabilities.

24 CURRENCY

24.1 Relevant Currency

The Vendor's obligation under this deed is to discharge the Secured Liabilities in the Relevant Currency.

24.2 Receipt in wrong currency

If at any time the Security Holders receives a payment (including by set-off) referable to any of the Secured Liabilities from any source in a currency other than the Relevant Currency, then:

24.2.1 that payment will take effect as a payment to the Security Holders of the amount in the Relevant Currency which the Security Holders is able to purchase (after deduction of any relevant costs) with the amount of the payment so received at its spot rate of exchange for such purchases in the London foreign exchange market at about 11.00 a.m. on that date; and

24.2.2 if such payment is treated by clause 24.2.1 as a payment of an amount which falls short of the relevant liability of the Vendor expressed in the Relevant Currency, the Vendor as a separate and independent obligation will on demand from time to time indemnify the Security Holders against such shortfall.

25 PAYMENTS TO BE MADE WITHOUT DEDUCTION

25.1 No deductions

All sums payable by the Vendor under this deed shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Holders may designate. All such payments shall be made in full without set-off of any sum owing by the Security Holders to the Vendor or counterclaim and free and clear of any deductions of or withholding for or on account of any Taxation or for any other reason, except to the extent that any such deduction or withholding is required by law.

25.2 Grossing-up

If at any time the Vendor is required by law to make any deduction or withholding from any payment due from the Vendor to the Security Holders, the Vendor shall simultaneously pay to the Security Holders whatever additional amount is necessary to ensure that the Security Holders receives a net sum equal to the payment it would have received had no deduction or withholding been made.

26 CERTIFICATES AND DETERMINATIONS

A certificate signed by an official of the Security Holders as to the amount at any time of the Secured Liabilities and/or the value of the Secured Assets shall, in the absence of manifest error, be conclusive evidence as against the Vendor of the relevant amount or value.

27 ASSIGNMENT AND TRANSFER

27.1 Vendor's consent to assignment/transfer by Security Holders

The Vendor consents to the assignment and/or transfer by the Security Holders of any one or more of its rights and/or obligations under this deed.

27.2 No assignment/transfer by the Vendor

The Vendor may not assign or transfer any one or more of its rights and/or obligations under this deed without obtaining the Security Holders' prior written consent.

28 INDEMNITY

28.1 Subject to clause 28.2, the Vendor shall within 3 Business Days of demand indemnify any Secured Party, Receiver, attorney, manager, agent or any other person appointed by the Security Holders or a Receiver under this deed against any cost, loss or expense incurred by any of them in connection within this deed including, but not limited to, any cost, loss or expense arising:

28.1.1 from any breach by the Vendor of any law or regulation;

28.1.2 as a result either of a failure by the Vendor to perform any of its obligations under this deed; or

28.1.3 as a result of any representation or warranty made in this deed having been incorrect when made.

28.2 Clause 28.1 shall not apply if any cost, loss or liability is caused by the gross negligence or wilful misconduct of a Secured Party, Receiver, attorney, manager, agent or any other person appointed by the Security Holders or Receiver.

29 EXPENSES

29.1 Enforcement and preservation costs

The Vendor shall, within three Business Days of demand, pay to the Security Holders the amount of all costs and expenses (including legal fees) incurred by the Security Holders in connection with the enforcement or preservation of any rights under this deed and with any proceedings instituted by or against the Security Holders as a consequence of taking or holding the Security or enforcing its rights under this deed.

30 MISCELLANEOUS

30.1 Variations

No variation, amendment or waiver of any term of this deed shall be valid unless made in writing and signed by the Vendor and both of the Security Holders.

30.2 Third party rights

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

30.3 Perpetuity period

The trusts created by this deed have a perpetuity period of 125 years.

30.4 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.

30.5 Incomplete details

The fact that no or only incomplete details of any Secured Asset are listed in this deed does not affect the enforceability of the Security constituted by this deed.

30.6 No agency

Unless otherwise agreed in writing from time to time no person comprising a Security Holder shall have authority to act in the name of any other such person.

30.7 Consents

Where a consent or approval is under this deed required to be obtained from the Security Holders it shall be deemed a requirement that such consent or approval be given by each person comprising the Security Holders.

30.8 Exercise of rights

Each person comprising a Security Holder shall have the benefit of the terms of this deed and shall be entitled to enforce the same independently of the other such persons.

31 COMMUNICATIONS

31.1 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 by fax or letter.

31.2 Addresses

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

31.2.1 in the case of the Security Holders, that identified by its name on its execution page below;
and

31.2.2 in the case of the Vendor that identified by its name on its execution page below;

or any substitute address fax number or department or officer as one party may notify to the other by not less than 5 Business Days' notice.

31.3 Delivery

31.3.1 Any communication or document made or delivered by one person to another under or in connection with this deed shall only be effective:

(a) if by way of fax, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or 2 Business Days after being deposited in the post postage prepaid in an envelope addressed to the relevant party at that address,

and, in the case of the Security Holders, if a particular department or officer is specified as part of its address details provided under clause 31.2 (*Addresses*), if addressed to that department or officer.

31.3.2 Any communication or document to be made or delivered to the Security Holders will be effective only when actually received by the Security Holders and then only if it is expressly marked for the attention of the department or officer identified in clause 31.2 (or any substitute department or officer as the Security Holders will specify for this purpose).

32 GOVERNING LAW AND JURISDICTION

32.1 Governing law

This deed and any non-contractual obligation arising out of or in connection with it is governed by English law.

32.2 Jurisdiction of English courts

32.2.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection 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 this deed) (a **Dispute**).

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

32.2.3 This clause 32.2 is for the benefit of the Security Holders only. As a result, the Security Holders will not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Holders may take concurrent proceedings in any number of jurisdictions.

This deed is executed as a deed by the Vendor and is signed for and on behalf of the Security Holders and is delivered and takes effect on the date stated at the beginning of this deed.

SCHEDULE 1 – FORM OF NOTICE TO ACCOUNT BANK

Part 1 - Notice to Account Bank

[On the Letterhead of the Vendor]

To: [name and address of third party bank]

Attention: []

Copy to: [Security Holders details]

Date: []

Dear Sirs

Debenture dated [] (the Debenture) between [] (the Vendor) and [] (the Security Holders)

This letter constitutes notice to you that, pursuant to the Debenture, we have charged (by way of first fixed charge) in favour of the Security Holders all our present and future rights and interest in and to the bank account with account number [] and sort code in our name with you (the **Account**) together with all money from time to time standing to the credit of the Account, all interest accruing in relation thereto and all Related Rights. Terms used in this notice but not defined shall have the meaning given to them in the Debenture.

We hereby irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 until such time as you receive notice signed by the Security Holders that an Event of Default has occurred (a **Default Notice**), comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Vendor;
- 3 following receipt of a Default Notice: (i) you shall comply only with the terms of any written notice or instructions (including payment instructions) relating to the Accounts or the sums standing to the credit of the Accounts from time to time which you may receive from the Security Holders without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions; and (ii) you will not accept or comply with any notice or instruction (including payment instructions) received from the Vendor;
- 4 disclose to the Security Holders, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Holders may from time to time request; and
- 5 send copies of all material notices and communications relating to the Account to the Security Holders as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Security Holders, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Security Holders' prior written consent, to permit or agree to any variation of the terms and conditions of this notice relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Security Holders.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to [identify Security Holders officer] at [insert address details of Security Holders] with a copy to us at the above address.

Yours faithfully

A black rectangular box used to redact the signature of the authorized vendor.

.....
[Authorised signature of Vendor]

Part 2 - Form of Acknowledgement

[On the letterhead of the Account Bank]

To: [Security Holders]
Attention: []
Copy to: [Vendor]
Date: []

Dear Sirs

Debenture dated [] (the Debenture) between [] (the Vendor) and [] (the Security Holders)

We confirm receipt from the Vendor of a notice dated [] 20[] (the **Notice**) of the creation of a first fixed charge, pursuant to the terms of the Debenture, of all the Vendor's present and future rights and interest in and to the bank account with account number [] and sort code [] held with us in the name of [the Vendor] (the Account) together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all Related Rights, as defined in the Debenture.

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment or security regarding the Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
- 3 we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums; and
- 4 we will not amend the terms or conditions of the Notice and this acknowledgement upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....
for and on behalf of [third party bank]

SCHEDULE 1 – FORM OF NOTICE TO ACCOUNT BANK

Part 1 - Notice to Account Bank

[On the Letterhead of the Vendor]

To: [name and address of third party bank]

Attention: []

Copy to: [Security Holders details]

Date: []

Dear Sirs

Debenture dated [] (the Debenture) between [] (the Vendor) and [] (the Security Holders)

This letter constitutes notice to you that, pursuant to the Debenture, we have charged (by way of first fixed charge) in favour of the Security Holders all our present and future rights and interest in and to the bank account with account number [] and sort code in our name with you (the **Account**) together with all money from time to time standing to the credit of the Account, all interest accruing in relation thereto and all Related Rights. Terms used in this notice but not defined shall have the meaning given to them in the Debenture.

We hereby irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 until such time as you receive notice signed by the Security Holders that an Event of Default has occurred (a **Default Notice**), comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Vendor;
- 3 following receipt of a Default Notice: (i) you shall comply only with the terms of any written notice or instructions (including payment instructions) relating to the Accounts or the sums standing to the credit of the Accounts from time to time which you may receive from the Security Holders without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions; and (ii) you will not accept or comply with any notice or instruction (including payment instructions) received from the Vendor;
- 4 disclose to the Security Holders, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Holders may from time to time request; and
- 5 send copies of all material notices and communications relating to the Account to the Security Holders as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Security Holders, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Security Holders' prior written consent, to permit or agree to any variation of the terms and conditions of this notice relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Security Holders.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to [identify Security Holders officer] at [insert address details of Security Holders] with a copy to us at the above address.

Yours faithfully

.....
[Authorised signature of Vendor]

Part 2 - Form of Acknowledgement

[On the letterhead of the Insurer]

To: [Security Holders]

[Address]

Copy: [Vendor]

Date: []

Dear Sirs

Debenture dated [] (the Debenture) between [] (the Vendor) and [] (the Security Holders)

We confirm receipt from the Vendor of a notice dated [] (the Notice) of an assignment, pursuant to the terms of the Debenture, of (i) all amounts payable to the Vendor under or in connection with the Policies (ii) all the Vendor's rights in connection with those amounts and (iii) all Related Rights. Terms defined in this Notice shall have the same meaning in this acknowledgement. We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 [we [will note/have noted] your interest as first priority assignee of the amounts and rights referred to above and have identified you as co-insured and sole loss payee on the Policies;]
- 3 [we will not terminate or otherwise allow any of the Policies to lapse without giving you at least [14 days'] prior written notice;]
- 4 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds;
- 5 we will notify you, the Security Holders, at least [14] days before the Policy is due to expire, if we have not received the Vendor's renewal instructions in relation thereto;
- 6 we agree that no material term of the Policies may be amended, supplemented or waived without your prior written consent;
- 7 we agree to notify you if the Vendor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach; and
- 8 we have not claimed or exercised, and have no outstanding right to claim or exercise any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy.

All terms used in this letter have the same meaning as in the Notice.

This letter is governed by English law.

Yours faithfully

.....
For and on behalf of [Name of insurance company]

EXECUTION PAGES

VENDOR

EXECUTED as a DEED by
SJZ LIMITED
acting by
in the presence of:

)

)

)

.....
ZUBAIR MAHUK.
Director

Witness:

Name:

Address:

Occupation:

Notice details

Attention: The Directors

Address: Registered office from time to time

SECURITY HOLDERS

EXECUTED as a DEED by)
WELCOME HEALTH LIMITED)
acting by its attorney)
in the presence of:)

.....
Director

Witness:

Name:

Address:

.....

.....

Occupation:

Notice details

Attention: Chris Psathas

Address: Registered office from time to time

EXECUTED as a DEED by)
WELCOME HEALTH PHARMACIES)
LIMITED acting by)
in the presence of:)

.....
Director

Witness:

Name:

Address:

.....

.....

Occupation:

Notice details

Attention: Chris Psathas

Address: Registered office from time to time