



Registration of a Charge

Company name: **AGHOCO 1861 LIMITED**

Company number: **12123334**



X9312DPD

Received for Electronic Filing: **22/04/2020**

Details of Charge

Date of creation: **20/04/2020**

Charge code: **1212 3334 0001**

Persons entitled: **U.S. BANK TRUSTEES 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:

ROBERT WHITE



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12123334

Charge code: 1212 3334 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th April 2020 and created by AGHOCO 1861 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd April 2020 .

Given at Companies House, Cardiff on 23rd April 2020

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

WHITE & CASE

Dated 20 April 2020

Debenture

between

M.K.M. BS (Holdings) 2 Limited (previously named Mukah (BC) Holdco 3 Limited)
as Parent

The Companies named in Schedule 1
as Chargors

and

U.S. Bank Trustees Limited
as Security Agent

This Debenture is entered into subject to
the terms of an Intercreditor Agreement dated 16 May 2017

White & Case LLP
5 Old Broad Street
London EC2N 1DW

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This Debenture is dated 20 April 2020

Between:

- (1) **M.K.M. BS (Holdings) 2 Limited** (previously named Mukah (BC) Holdeo 3 Limited) (registered number 10642465) with its registered office at C/O M.K.M. Building Supplies, Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE (the “Parent”);
- (2) **The Persons** listed in Schedule 1 (*The Chargors*) as Chargors (in this capacity, the “Chargors”); and
- (3) **U.S. Bank Trustees Limited**, a limited liability company incorporated under the laws of England and Wales and with registration number 02379632 with its office at 5th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom, as security trustee for the Secured Parties (the “Security Agent”).

Background:

- (A) The board of directors of each Chargor is satisfied that entering into this Debenture would be most likely to promote the success of that Chargor for the benefit of its members as a whole and to the further benefit and advantage of that Chargor.
- (B) Each Chargor enters into this Debenture in connection with the Senior Facilities Agreement and the RCF Agreement (each as defined below).
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

It is agreed as follows:

1. Interpretation

1.1 Definitions

In this Debenture:

“Acceleration Event” has the meaning given to that term in the Intercreditor Agreement.

“Account Bank” means:

- (a) a bank or financial institution which has a long term unsecured rating of at least BBB- by Standard & Poor’s Rating Services or Fitch Ratings Ltd or at least Baa3 by Moody’s Investor Services Limited or a comparable rating from an internationally recognised credit rating agency or any bank or financial institution which (having previously satisfied such requirement) ceases to satisfy the foregoing ratings requirements for a period of not more than three (3) months;
- (b) the Senior Agent, any Senior Lender or any Affiliate (as defined in the Senior Facilities Agreement) of the Senior Agent or any Senior Lender;
- (c) the RCF Finance Parties (as defined in the Senior Facilities Agreement);
- (d) any other bank or financial institution included under the heading “Approved Bank List” in the Approved List (as defined in the Senior Facilities Agreement) or which otherwise provides banking services to the Target Group and was notified in writing to the Senior Agent on or before the Closing Date; or
- (e) any other bank or financial institution approved by the Senior Agent (acting reasonably) or providing banking services to a business or entity acquired by a member

of the Group, provided that such services are terminated and moved to a bank or financial institution falling under another limb of this definition within six Months of completion of the relevant acquisition,

which has been given and has acknowledged all notices (if any) required to be given to it under this Debenture.

“**Accounts**” of a Chargor means all current, deposit or other accounts with any bank or financial institutions in which it now or in the future has an interest in and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on those accounts.

“**Act**” means the Law of Property Act 1925.

“**Assigned Account**” means any Account specified in Part 8 of Schedule 2 (*Security Assets*) and any other Account of the Chargors opened from time to time and designated in writing as an Assigned Account by the Security Agent, together, in each case, with any Related Rights.

“**Assigned Assets**” means those Security Assets assigned or purported to be assigned pursuant to Clause 4 (*Assignments*).

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“**Branch Director Incentive Scheme Documents**” has the meaning given to that term in the Senior Facilities Agreement.

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

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

“**Debtor**” has the meaning given to that term in the Intercreditor Agreement.

“**Dispute**” means a dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture) (whether arising in contract, tort or otherwise).

“**Event of Default**” has the meaning given to that term in the Intercreditor Agreement.

“**Excluded Property**” means any Insurance or Relevant Contract (other than Relevant Contracts with members of the Group) of a Chargor which is subject to a clause which

precludes, either absolutely or conditionally, such Chargor from creating any Security over its interest in such property.

“Excluded Real Property” means any Real Property of a Chargor which is subject to a clause which precludes, either absolutely or conditionally, such Chargor from creating any Security over its interest in such Real Property.

“Final Discharge Date” has the meaning given to that term in the Intercreditor Agreement.

“Finance Documents” means the Senior Finance Documents and the Revolving Credit Facility Documents.

“Fixtures” means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery and apparatus.

“Hedging Receivables” means any receivables owing to any Chargor arising under each of its interest or currency rate swap, cap, floor, collar or option transactions and other hedging arrangements.

“Instructing Group” has the meaning given to that term in the Intercreditor Agreement.

“Insurances” of a Chargor means:

- (a) all contracts and policies of insurance specified in Part 9 of Schedule 2 (*Security Assets*) opposite its name (or in any deed of accession by which it becomes a Party to this Debenture) and all other material contracts, policies of insurance and cover notes of any kind now or in the future taken out by or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest (but excluding any third party liability or public liability insurance and any directors and officers insurance in respect of which claims thereunder may be mandatorily prepaid); and
- (b) all Related Rights.

“Intellectual Property” means:

- (a) any material patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, rights in inventions, rights in confidential

information, rights in knowhow and other material intellectual property rights and interest (which may now or in the future subsist), whether registered or unregistered;

- (b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist); and
- (c) all Related Rights.

“Intercreditor Agreement” means the intercreditor agreement dated 16 May 2017 and made between amongst others the Parent, the Security Agent, the Senior Agent and the Revolving Credit Facility Agent.

“Investments” means:

- (a) the Shares;
- (b) all other shares, stocks, debentures, bonds, warrants, options, coupons, certificates of deposits and other securities and investments whatsoever; and
- (c) all Related Rights,

in each case whether held directly by or to the order of a Chargor or by any trustee, nominees, fiduciary or clearance system on its behalf and in each case now or in the future owned by it or (to the extent of its interest) in which it now or in the future has an interest.

“Liabilities” has the meaning given to that term in the Intercreditor Agreement.

“Mortgagor” means each Chargor which owns Real Property.

“Notice of Assignment” means a notice of assignment in substantially the forms set out in Schedule 3 (*Form of Notice of Assignment*), Schedule 4 (*Forms of Letter for Insurances*) and Schedule 5 (*Forms of Letter for Relevant Contracts*) (as applicable) or in such form as may be agreed by the Security Agent and the Parent.

“Obligor” means:

- (a) an Obligor under and as defined in the Senior Facilities Agreement; and
- (b) an Obligor under and as defined in the RCF Agreement.

“Party” means a party to this Debenture.

“Plant and Machinery” means in relation to any Chargor any plant, machinery, computers, office equipment or vehicles specified in Part 3 of Schedule 2 (*Security Assets*) opposite its name (or in any deed of accession by which it becomes a Party to this Debenture), any other material (new or otherwise) plant, machinery, computers, office equipment or vehicles owned by any Chargor and any interest the Chargor may have from time to time in any other plant, machinery, computers, office equipment or vehicles.

“Property Consent” means the consent of any third party or other confirmation of any third party in satisfaction of a title restriction, or any other restriction or requirement of consent contained in any title document, in each case required for the granting of a legal mortgage or other charge over a Real Property to the Security Agent (or for the registration at the Land Registry of such legal mortgage or other charge).

“RCF Agreement” means the revolving credit facility agreement originally dated 16 May 2017 (as supplemented by the accession deeds dated 27 July 2017, 25 April 2018 and 29 March 2019, as amended and restated by the amendment and restatement agreement dated 28 March 2019

and as otherwise amended from time to time) between, amongst others, the lenders (as defined therein), Mukah (BC) Bidco Limited as borrower, the Parent and Lloyds Bank plc as agent.

“Real Property” means any freehold, heritable or commonhold property including any freehold, heritable or commonhold property specified (i) in Part 1 of Schedule 2 (*Security Assets*) (ii) in a deed of accession by which a Chargor becomes a Party to this Debenture or (iii) in a Supplemental Mortgage (defined below), in each case, which is situated in England and Wales or anywhere globally (in each case including any estate or interest therein, all rights from time to time attached or relating thereto, all Fixtures from time to time thereon and the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Chargor in respect of that property and any moneys paid or payable to the relevant Chargor in respect of these covenants).

“Receiver” means a receiver and manager or any other receiver of all or any of the Security Assets, and shall, where permitted by law, include an administrative receiver in each case, appointed under this Debenture.

“Registered Intellectual Property” means, in relation to a Chargor, such Chargor’s right, title and interest in and to any material patents, petty patents, registered trade marks and service marks, registered designs and rights in domain names, utility models and registered copyrights, any Intellectual Property that is the subject matter of a registration, grant or issuance, or an application for registration, grant or issuance, at any intellectual property or industrial property register or office or domain name registry anywhere in the world, including any such Intellectual Property specified in Part 5 of Schedule 2 (*Security Assets*) opposite its name (or in any deed of accession by which it becomes a Party to this Debenture) and including application for any of the same, in any part of the world, and all Related Rights.

“Regulations” means the Financial Collateral Arrangements (No. 2) Regulation 2003.

“Related Rights” means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights and benefits under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, rights under contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset;
- (d) any monies, proceeds, dividends, interests or other distributions paid or payable in respect of that asset; and
- (e) any rights or monies accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference in respect of that asset.

“Relevant Contract” means in relation to any Chargor any agreement specified in Part 4 of Schedule 2 (*Security Assets*) opposite its name, any subscription and option agreement or option agreement constituting a Branch Director Incentive Scheme Document entered into by a Chargor after the date of this Debenture and any other material agreement designated in writing as a Relevant Contract by the Security Agent from time to time, together, in each case, with any Related Rights.

“Secured Debt Documents” has the meaning given to that term in the Intercreditor Agreement.

“Secured Obligations” means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Secured Debt Documents, both actual and contingent and

whether incurred solely or jointly and as principal or surety or in any other capacity including any liability in respect of any further advances.

“Secured Parties” has the meaning given to that term in the Intercreditor Agreement.

“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.

“Security Assets” means all the assets, rights, title, interests and benefits of each Chargor the subject of, or expressed to be subject to this Debenture.

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

“Senior Facilities Agreement” means the senior facilities agreement originally dated 16 May 2017 (as supplemented by the accession deeds dated 27 July 2017, 25 April 2018 and 29 March 2019, as amended and restated by the amendment and restatement agreement dated 28 March 2019 and as otherwise amended from time to time) between, amongst others, the original lenders as defined therein, the Parent, Mukah (BC) Bidco Limited as borrower and the Security Agent.

“Shares” means all shares in any member of the Group held by or to the order of or on behalf of a Chargor at any time (subject to any fixed charge granted pursuant to the Finance Documents), including those shares specified in Part 2 of Schedule 2 (*Security Assets*) opposite its name (and any shares specified in any deed of accession by which a Chargor becomes a Party to this Debenture).

“Trade Receivables” means all book debts and all debts and monetary claims owing to any Chargor arising in the ordinary course of trading and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, any court order or judgment, any contract or agreement to which any Chargor is a party and any other assets, property, rights or undertaking of that Chargor).

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement have, unless expressly defined in this Debenture, the same meaning in this Debenture.
- (b) In the event of any inconsistency between the provisions of this Debenture and the provisions of the Senior Facilities Agreement, the RCF Agreement or the Intercreditor Agreement, to the fullest extent permitted by law, the provisions of the Senior Facilities Agreement, the RCF Agreement or the Intercreditor Agreement (as applicable) shall prevail, unless the application of such provisions in priority over the provisions of this Debenture would be prejudicial to the creation, perfection or enforceability of the Security created or purported to be created pursuant to this Debenture.
- (c) The provisions of clause 1.2 (*Construction*) of the Senior Facilities Agreement apply to this Debenture as though they were set out in full in this Debenture, except that references to the Senior Facilities Agreement will be construed as references to this Debenture.
- (d) Notwithstanding anything to the contrary in this Debenture, the terms of this Debenture shall not operate or be construed to prohibit or restrict any action which is not expressly prohibited or restricted under the Senior Facilities Agreement, the RCF Agreement or the Intercreditor Agreement, in each case unless the relevant prohibition or restriction

is necessary in order to create, perfect or preserve the perfection or priority of the Security which is created by (or purported to be created by) this Debenture.

- (e) All security made with “full title guarantee” is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes any part of that Security Asset, any proceeds of that Security Asset and any present and future asset of that type.
- (g) Any reference in this Debenture to a Security Asset being material shall be deemed to be material by the Parent and the Security Agent, if it is material in the context of the relevant Chargor’s business and is required by the relevant Chargor in order to carry on its business as it is being conducted.

1.3 Real Property

- (a) A reference in this Debenture to a mortgage, assignment or charge of any freehold or commonhold property includes all buildings and Fixtures from time to time on or forming part of that property and all Related Rights.
- (b) The terms of the other Finance Documents and of any side letters between any Parties in relation to any Finance Document (as the case may be) are incorporated in this Debenture to the extent required to ensure that any purported disposition of any Real Property contained in this Debenture is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989 and any equivalent or similar legislation in jurisdictions other than England and Wales.

1.4 Trust

- (a) All Security and dispositions made or created, and all obligations and undertakings contained, in this Debenture to, in favour of or for the benefit of the Security Agent are given in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms set out in the Intercreditor Agreement.
- (b) The Security Agent holds the benefit of this Debenture on trust for the Secured Parties.

1.5 Third Party Rights

- (a) Unless expressly provided to the contrary in this Debenture, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “Third Parties Act”) to enforce or enjoy the benefit of any term of this Debenture.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a party is not required to vary, rescind or terminate this Debenture at any time.
- (c) Any Receiver may, subject to this Clause 1.5 and the Third Parties Act, rely on any Clause of this Debenture which expressly confers rights on it.

1.6 The Security Agent

The exercise of any rights and/or discretion of the Security Agent hereunder will as between the Security Agent, the Parent and the other Chargors be subject to the same protections and indemnities (*mutatis mutandis*) as are conferred on the Security Agent in the Finance Documents (including, without limitation, those protections and immunities contained in clause 23.1 (*Indemnity to the Security Agent*) of the Intercreditor Agreement.

1.7 Present and future assets

- (a) A reference in this Debenture to any Security Asset or other asset includes, unless the contrary intention appears, present and future Security Assets and other assets.
- (b) The absence of or incomplete details of any Security Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture.

1.8 Separate Security

Clauses 3 and 4.1(a)(i) to 4.1(ix), inclusive shall be constructed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Debenture and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Debenture or any act or omission of any party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on or any other asset whether within that same class or assets or not.

2. Covenant to Pay

Covenant to Pay

Each Chargor shall as primary obligor and not only as a surety on demand, pay to the Security Agent and discharge the Secured Obligations when they become due.

3. Fixed Charges

3.1 Fixed Charge

- (a) Each Chargor with full title guarantee (or in relation to any assets in Scotland or subject to Scots law, with absolute warrandice), and as continuing security for the payment and discharge of all Secured Obligations, charges in favour of the Security Agent:
 - (i) by way of first fixed charge, all its present and future right, title and interest in:
 - (A) its uncalled capital and goodwill;
 - (B) all Registered Intellectual Property owned by it, including all Registered Intellectual Property acquired by it in the future, and, to the extent not assigned under Clause 4 (*Assignments*), any other Intellectual Property owned by it now or in the future;
 - (C) any beneficial interest, claim or entitlement it has to any assets of any pension fund (to the extent permitted by law);
 - (D) the benefit of any Authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset and the right to recover and receive all compensation which may be payable to it in connection therewith;
 - (E) Plant and Machinery;
 - (F) Insurances;
 - (G) all permissions of whatsoever nature and whether statutory or otherwise, held by that Chargor in connection with its Real Property together with the right to recover and receive all compensation which may be payable to it in connection therewith; and

- (H) Investments (for the avoidance of any doubt, including the Shares) and all dividends, interest and other monies payable in respect of those Investments and all Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise); and
- (ii) to the extent that any of the Assigned Assets are not effectively assigned under Clause 4 (*Assignments*) or such rights have been effectively assigned but such assignment has not been perfected by the service of the appropriate notice in accordance with the relevant notice provisions, including (without limitation Clause 13.4 (*Notices of Charge or Assignment*)), by way of first fixed charge, those Assigned Assets.
- (b) Each Chargor with full title guarantee, and as continuing security for the payment and discharge of all Secured Obligations, charges in favour of the Security Agent by way of first fixed charge, all its right, title and interest from time to time in and to all Real Property and all Related Rights in respect of that Real Property.

4. Assignments

4.1 Assignment

- (a) Each Chargor with full title guarantee and as continuing security for the payment and discharge of all Secured Obligations, assigns absolutely (subject to a proviso for reassignment on redemption) to the Security Agent all its present and future right, title and interest in and to (and claims under) and the benefit of:
 - (i) the Insurances;
 - (ii) all the Relevant Contracts;
 - (iii) all Assigned Accounts;
 - (iv) all agreements, contracts, deeds, appointments, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Security Agent (as trustee for and on behalf of itself and the other Finance Parties) to perfect its rights under this Debenture or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warrant, representation or other document) entered into by or given to a Mortgagor in respect of the Real Property, including all:
 - (A) claims, remedies, awards or judgments paid or payable to a Mortgagor (including, without limitation, all liquidated and ascertained damages payable to a Mortgagor under the above); and
 - (B) guarantees, warranties, bonds and representations given or made by, and any rights or remedies against, any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer,
- in each case, relating to all or any part of the Real Property;
- (v) all Trade Receivables;
 - (vi) any letter of credit issued in its favour;
 - (vii) any bill of exchange or other negotiable instrument held by it;

- (viii) any Intellectual Property including any Intellectual Property acquired by it in the future, in each case which is owned by the relevant Chargor (except any Registered Intellectual Property); and
- (ix) all Hedging Receivables.

4.2 License-Back of Intellectual Property Rights

The Security Agent hereby grants to each relevant Chargor an exclusive, royalty-free licence to use and to have used on its behalf and, subject to Clause 12.2 (*Maintenance*), to sub-license all Intellectual Property rights assigned by it under this Clause 4 at any time prior to the Security created by this Debenture becoming enforceable. The grant of licence under this Debenture includes the grant to such Chargor of the sole right to take action against, and compromise or make settlements with, any third parties infringing the Intellectual Property rights in satisfaction of such Chargor's obligations under Clause 12.3 (*Infringement*).

5. Floating Charge

5.1 Creation

Each Chargor with full title guarantee and as continuing security for the payment of all Secured Obligations, charges in favour of the Security Agent by way of first floating charge, its undertaking and all its assets, both present and future not otherwise effectively mortgaged, charged or assigned by Clause 3 (*Fixed Charges*) or Clause 4 (*Assignments*), including any Real Property and (whether or not effectively so charged or assigned) all of its present and future assets and undertaking located in Scotland or otherwise subject to Scots law.

5.2 Qualifying Floating Charge

- (a) The floating charge created by any Chargor pursuant to Clause 5.1 (*Creation*) is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act 1986.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to this Debenture and the Security Agent may at any time after an Acceleration Event appoint an administrator of a Chargor pursuant to that paragraph.

5.3 Conversion by Notice

The Security Agent (acting on instructions from the Instructing Group) may convert the floating charge created by any Chargor over all or any of its assets into a fixed charge by notice in writing to that Chargor specifying the relevant Security Assets (either generally or specifically) if:

- (a) an Acceleration Event has occurred; or
- (b) an Event of Default has occurred and is continuing and the Security Agent reasonably considers the Security Assets to be in danger of being seized or sold under any form of distress, attachment, extension or other legal process.

5.4 No Waiver

Any notice given by, or on behalf of the Security Agent under Clause 5.3 (*Conversion by Notice*) above in relation to an asset shall not be construed as a waiver or abandonment of the

Security Agent's right to give any other notice in respect of any other asset or of any other right of a Secured Party under this Debenture or any other Finance Document.

5.5 Automatic Conversion

- (a) The floating charge created under this Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge (without notice) over the Security Assets of each Chargor:
 - (i) upon the convening of a meeting of the members of a Chargor to consider a resolution to wind up that Chargor;
 - (ii) if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator;
 - (iii) upon the presentation of a petition to wind up a Chargor;
 - (iv) if any third party levies or attempts to levy any distress, execution, attachment or other legal process against any Security Asset; or
 - (v) if a Chargor fails to comply with Clause 8 (*Negative Pledge*).
- (b) The floating charge created under this Debenture may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under section 1A of Schedule A1 of the Insolvency Act 1986.

5.6 Scottish Property

Clause 5.5 (*Automatic Conversion*) will not apply to assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

6. Excluded Property

The Security created by Clause 3 (*Fixed Charges*) or Clause 4 (*Assignments*) shall not apply to Excluded Property or Excluded Real Property so long as any relevant consent or waiver of prohibition has not been obtained, but:

- (a) each Chargor undertakes to:
 - (i) notify the Security Agent of such Excluded Property;
 - (ii) unless such action would (in the opinion of the Security Agent (acting on instructions from the Instructing Group and in consultation with the Parent, each acting reasonably)) involve placing relationships with material third parties in jeopardy) apply for the relevant consent or waiver of prohibition, restriction or condition within twenty (20) Business Days of the date of this

Debenture, and to use all reasonable endeavours to obtain that consent or waiver of prohibition, restriction or condition as soon as possible;

- (iii) keep the Security Agent informed of its progress in obtaining such consent or waiver; and
- (iv) immediately on receipt of such consent or waiver, provide the Security Agent with a copy of such consent or waiver; and
- (b) immediately on receipt of the relevant consent or waiver, the relevant formerly Excluded Property shall stand charged to the Security Agent under Clause 3 (*Fixed Charges*) or assigned to the Security Agent under Clause 4 (*Assignments*). If required by the Security Agent (acting on instructions from the Instructing Group) at any time following receipt of that waiver or consent, the relevant Chargor shall execute a valid fixed charge and/or assignment in such form as the Security Agent (acting on instructions from the Instructing Group) requires.
- (c) If any Property Consent shall not have been obtained within four months following the date of acquiring any Real Property, the relevant Mortgagor may in relation to each Real Property so affected make and pursue an application to the relevant court of competent jurisdiction for a declaration that the Property Consent is being withheld unreasonably (only where the relevant third party is not entitled to withhold consent in such a manner).

7. Further Assurances

7.1 General

Each Chargor shall at its own cost promptly do all such acts or execute all such documents (including assignments, assignments, transfers, mortgages, standard securities, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify (and in such form as the Security Agent or Receiver (as the case may be) may reasonably require in favour of the Security Agent or its nominee(s)):

- (a) to create, perfect, protect or preserve the Security created or intended to be created under this Debenture (including without limitation, the re-execution of this Debenture, the execution of any mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Security created or intended to be created by this Debenture) and the giving of any notice, order or direction and the making of any filing or registration (except for registration of any Intellectual Property and/or any Registered Intellectual Property), or for the exercise of any rights, powers and remedies of the Security Agent or any Receiver provided by or pursuant to the Finance Documents or by law;
- (b) to confer on the Security Agent or the Secured Parties and/or perfect, Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture; and
- (c) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created or intended to be created by this Debenture.

7.2 Necessary Action

Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or

maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Debenture.

8. Negative Pledge

No Chargor may create or purport to create or permit to exist any Security over any of its assets in circumstances which would constitute a breach of clause 23.15 (*Negative Pledge*) of the Senior Facilities Agreement or a breach of clause 27.15 (*Negative Pledge*) of the RCF Agreement, such clauses to be read in relation to a Chargor, as if references to an “Obligor” therein are references to a “Chargor”.

9. Implied covenants for title

- (a) The covenants set out in sections 3(1) and 3(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall, as to Clause 3 (*Fixed Charges*), Clause 4 (*Assignments*) and Clause 5 (*Floating Charge*) be amended as set out in sub-Clause (b) of this Clause 9.
- (b) It shall be implied in respect of Clause 3 (*Fixed Charges*), Clause 4 (*Assignments*) and Clause 5 (*Floating Charge*) that each Chargor is disposing of Security Assets free from all legal charges and mortgages and where Security is to be taken over Shares, it shall be further implied that those Shares are free from all other charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

10. Real Property

10.1 Investigation of Title

Each Mortgagor shall provide the Security Agent (acting on instructions from the Instructing Group) or its legal advisers on request such assistance and information within the power of that Mortgagor as is reasonably necessary to enable the Security Agent (acting on instructions from the Instructing Group) or its legal advisers (at the expense of that Mortgagor) to:

- (a) carry out customary investigations of title to its Real Property; and
- (b) make such enquiries in relation to any part of its Real Property as a prudent mortgagee might carry out.

10.2 Deposit of Title Deeds

Each Mortgagor shall upon the acquisition by it of any interest in any Real Property at any time, promptly deposit with the Security Agent (or procure the deposit of) all deeds, certificates and other documents constituting or evidencing title to such Real Property or otherwise procure that an undertaking reasonably satisfactory to the Security Agent is given by solicitors to the Obligor to hold such items to the order of the Security Agent.

10.3 Future Real Property

If a Chargor acquires any Real Property after the date of this Debenture (or if a Chargor will have an interest in any Real Property on the date of the deed of accession by which it becomes a Party to this Debenture), it shall:

- (a) promptly notify the Security Agent;

- (b)
 - (i) in respect of a Chargor which acquires any Real Property after the date of this Debenture, as soon as reasonably practicable, at the cost of that Chargor, execute and deliver to the Security Agent a security agreement granting a first legal mortgage (or equivalent security in respect of Real Property located in a jurisdiction other than England and Wales) in favour of the Security Agent of that Real Property and otherwise in substantially the same form as this Debenture with such necessary changes as the Security Agent may reasonably require (the “**Supplemental Mortgage**”); or
 - (ii) in respect of a Chargor which becomes a Party to this Debenture, grant a first legal mortgage (or equivalent security in respect of Real Property located in a jurisdiction other than England and Wales) in favour of the Security Agent of that Real Property as the Security Agent may reasonably require in the deed of accession by which it becomes a Party to this Debenture; and
- (c) if the title to that Real Property is registered at the Land Registry or required to be so registered:
 - (i) where required to do so pursuant to the Land Registration Act 2002 and to the extent not already done, as soon as reasonably practicable apply to the Land Registry for first registration of that Real Property and registration of that Chargor as owner of that Real Property;
 - (ii) as soon as reasonably practicable apply to the Land Registry to register any legal mortgage and all other charges created by the Supplemental Mortgage or deed of accession by which the relevant Chargor becomes a Party to this Debenture and the Chargor shall, if required by the Land Registry to effect the proper registration of such security, use all reasonable endeavours to obtain the consent of any third party with the benefit of a restriction on the title of the Real Property;
 - (iii) promptly submit to the Land Registry the duly completed Form RX1 requesting the restriction and notice set out in Clause 10.5 (*Land Registry*) and Form CH2 in respect of the obligation to make further advances; and
 - (iv) promptly pay all appropriate Land Registry registration fees together with the applications above,

in respect of such future Real Property and the Supplemental Mortgage or deed of accession by which the relevant Chargor becomes a Party to this Debenture.

10.4 Title Information Document

On completion of the registration of any charge pursuant to this Clause 10, the relevant Chargor shall promptly supply to the Security Agent a certified copy of the relevant title information document issued by the Land Registry to the extent received by or on behalf of the relevant Chargor.

10.5 Land Registry

- (a) Each Chargor consents to a restriction in the following terms being entered on the register of title relating to any Real Property registered at the Land Registry:

“No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent

signed by the proprietor for the time being of the charge dated [●] in favour of [●] referred to in the charges register, or its conveyancer.”

- (b) The obligation on the part of the Security Agent to make further advances to the Chargor is deemed to be incorporated in this Debenture and the Chargor will apply or consent to the Security Agent applying by way of Form CH2 for a note of such obligation to be entered on the Register of Title relating to any Real Property registered at the Land Registry.

11. Investments

11.1 Changes to Rights

No Chargor may (except to the extent not prohibited by the Senior Facilities Agreement, the RCF Agreement and the Intercreditor Agreement) take or allow the taking of any action on its behalf which may result in the rights attaching to any of its Investments being altered or further Shares being issued.

11.2 Calls

- (a) Each Chargor shall pay all calls and other payments due and payable in respect of any of its Investments.
- (b) If a Chargor fails to do so, the Security Agent may (but shall not be obliged to) pay those calls or other payments on behalf of that Chargor and that Chargor shall immediately on request, reimburse the Security Agent for any payment made by the Security Agent under this Clause 11.2 and, pending reimbursement, that payment will constitute part of the Secured Obligations and carry interest from the date of payment by the Security Agent until reimbursed.

11.3 Certificated Investments

On the date of this Debenture, in respect of the Shares specified in Part 2 of Schedule 2 (*Security Assets*) and as soon as reasonably practicable after its acquisition of any certificated Investment, each Chargor shall:

- (a) deposit with the Security Agent (or as the Security Agent may direct) all certificates and documents of title or other evidence of ownership in relation to such Investments; and
- (b) promptly take any action and execute and deliver to the Security Agent any stock transfer forms or other instruments of transfer in respect of the Investments (executed in blank and left undated) and/or such other documents as the Security Agent (acting on instructions from the Instructing Group) shall require to enable it (or its nominees) to become registered as the owner, or otherwise obtain legal title to such Investments, including procuring that those shares are registered by the company in which the Investments are held and that share certificates in the name of the transferee are delivered to the Security Agent.

11.4 Voting Rights

- (a) Until the occurrence of an Acceleration Event, each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments.
- (b) If the relevant Investments have been registered in the name of the Security Agent or its nominee, the Security Agent (or that nominee) must exercise the voting rights, powers and other rights in respect of the Investments in any reasonable manner which the relevant Chargor may direct in writing. The Security Agent (or that nominee) will

execute any form of proxy or other document which the relevant Chargor may reasonably require for this purpose.

- (c) Until the occurrence of an Acceleration Event, all dividends or other income or distributions paid or payable in relation to any Investments must be paid to the relevant Chargor. If the relevant Investments have been registered in the name of the Security Agent or its nominee:
 - (i) the Security Agent or its nominee will promptly execute any dividend mandate necessary to ensure that payment is made direct to the relevant Chargor; or
 - (ii) if payment is made directly to the Security Agent (or its nominee) before an Acceleration Event, the Security Agent (or that nominee) will promptly pay that amount to the relevant Chargor.
- (d) Until the occurrence of an Acceleration Event the Security Agent shall use its reasonable endeavours to promptly forward to the relevant Chargor all material notices, correspondence and/or other communication it receives in relation to the Investments.
- (e) Upon the occurrence of an Acceleration Event, the Security Agent or its nominee (acting on instructions from the Instructing Group) may (but without having any obligation to do so) give notice to any relevant Chargor (with a copy to the Senior Agent and the Revolving Credit Facility Agent) that this paragraph (e) will apply. With effect from the giving of that notice, the Security Agent or its nominee may exercise:
 - (i) any voting rights; and
 - (ii) any other powers or rights which may be exercised by the legal or beneficial owner of any Investment, any person who is the holder of any Investment or otherwise,in each case, in the name of the relevant Chargor, the registered holder or otherwise and without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by any Chargor.
- (f) To the extent that the Investments remain registered in the name of a Chargor, each Chargor irrevocably appoints the Security Agent or its nominee as its proxy to exercise all voting rights in respect of those Investments at any time after the occurrence of an Acceleration Event.
- (g) Each Chargor must indemnify the Security Agent against any fees, costs, expenses, loss or liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of its Investments on the direction of that Chargor.

11.5 Shares: Voting rights

At any time prior to the occurrence of an Acceleration Event, each Chargor shall not (and shall procure that any nominee acting on its behalf does not) exercise or direct the exercise of the voting rights attached to any Investment which (in the opinion of the Security Agent (acting on the instructions from the Instructing Group (acting reasonably))) could have a material adverse effect on the value of the relevant Investments or the Security Assets or the ability of the Security Agent to realise the Security created pursuant to this Debenture or would otherwise prejudice the interests of any Finance Party under any Finance Document or cause an Event of Default to occur.

12. Intellectual Property

12.1 Acquisition

Each Chargor shall promptly provide the Security Agent with details of all Registered Intellectual Property (including applications for registration) granted to, assigned or transferred to or filed by or on behalf of a Chargor after the date of this Debenture.

12.2 Maintenance

- (a) Until the occurrence of an Acceleration Event, but subject to the provisions of this Debenture and the other Finance Documents, each Chargor has the right to deal with, use and licence Registered Intellectual Property and any other Intellectual Property, in each case, which is owned by the relevant Chargor, in the ordinary course of its business, as permitted by this Agreement and the Finance Documents, (including allowing such Registered Intellectual Property and other Intellectual Property to lapse if such Registered Intellectual Property and/or Intellectual Property is no longer material in the context of the relevant Chargor's business and is not required by the relevant Chargor to carry on its business as it is being conducted).
- (b) Upon the occurrence of an Acceleration Event, no Chargor will, without the prior written consent of the Security Agent sell, assign, transfer, mortgage, grant any exclusive licences or any irrevocable or perpetual non-exclusive licences or otherwise dispose of or encumber all or any part of its Intellectual Property, or amend (except as necessary to obtain or maintain in force any of the Registered Intellectual Property) any Registered Intellectual Property or permit any Registered Intellectual Property to be abandoned or cancelled, to lapse or to be liable to any claim or revocation for non-use or otherwise, unless such intellectual property is no longer material to the operation of the relevant Chargor's business.

12.3 Infringement

Each Chargor shall take such steps as may be reasonably necessary (including the institution of legal proceedings) to prevent third parties infringing any of the relevant Chargor's Intellectual Property that is the subject of the security interests granted under this Debenture.

12.4 Defence

Each Chargor shall take all such steps as may be reasonably necessary to ensure that any of its applications for Registered Intellectual Property are granted and to defend any granted Registered Intellectual Property against any oppositions, applications for revocation or nullity or other invalidity action in any jurisdiction.

12.5 Notice to third parties

The Parent on behalf of each Chargor shall in respect of the relevant Chargor's rights to use any Intellectual Property granted to it by a third party, upon the occurrence of an Acceleration Event, immediately give notice to any such party (with a copy to the Security Agent) that such rights have been assigned to the Security Agent pursuant to Clause 4 (*Assignments*) of this Debenture.

13. Accounts

13.1 Accounts

Each Chargor must maintain its Accounts with an Account Bank. Each Chargor shall deliver to the Security Agent on the date of this Debenture the details of each of its Accounts and, as soon as reasonably practicable after opening any new Account, the details of such new Accounts.

13.2 Assigned Accounts

- (a) Each Chargor will collect all Trade Receivables charged to the Security Agent under this Debenture and pay the proceeds forthwith upon receipt into an Assigned Account.
- (b) Prior to the occurrence of an Acceleration Event, but subject to the provisions of the Senior Facilities Agreement and the RCF Agreement, a Chargor has the right to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account in the ordinary course of its business (including opening and closing accounts).
- (c) After the occurrence of an Acceleration Event, a Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account, except with the prior consent of the Security Agent (acting on instructions from the Instructing Group).

13.3 Application of Monies

The Security Agent shall, following the occurrence of an Acceleration Event, at any time when there are Secured Obligations outstanding, be entitled without notice to apply, transfer or set-off any or all of the credit balance from time to time on any Assigned Accounts in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 19 (*Application of Proceeds*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

13.4 Notices of Charge or Assignment

The Parent on behalf of each Chargor shall in respect of each Assigned Account:

- (a) give to each Account Bank a Notice of Assignment (i) in respect of any Accounts maintained on the date of this Debenture, within ten (10) Business Days of the date of this Debenture and (ii) in respect of any Accounts opened after the date of this Debenture, within ten (10) Business Days of opening such Assigned Account (or within ten (10) Business Days of the date of any deed of accession by which the relevant Chargor becomes a Party to this Debenture) or (iii) upon reasonable request by the Security Agent which shall not be more than once per Financial Year; and
- (b) use reasonable endeavours to procure that the relevant Account Bank acknowledges such notice within twenty (20) Business Days of such notice being given and use reasonable endeavours to procure that such acknowledgement is substantially in the form of Part 2 of Schedule 3 (*Form of Notice of Assignment*). If the Parent on behalf of the Chargor has used its reasonable endeavours but has not procured an acknowledgement from the relevant Account Bank within twenty (20) Business Days of such notice being given, then such obligation shall cease at the end of the twenty (20) Business Day period.

14. Relevant Contracts

14.1 Relevant Contract Undertaking

Each Chargor shall provide, as soon as reasonably practicable, the Security Agent and any Receiver with copies of each of its Relevant Contracts and any information, documentation and notices relating to any of its Relevant Contracts which it may from time to time receive from any other party to any Relevant Contract, or otherwise as requested by the Security Agent or any Receiver.

14.2 Notices of Assignment

The Parent on behalf of each Chargor must:

- (a)
 - (i) in respect of Relevant Contracts with members of the Group (i) within ten (10) Business Days of the date of this Debenture (or within ten (10) Business Days of the date of any deed of accession by which the relevant Chargor becomes a Party to this Debenture), (ii) upon reasonable request of the Security Agent (acting on instructions from the Instructing Group), which shall not be more than twice per Financial Year in respect of any notice served by the Parent and once per Financial Year in respect of any notice served on behalf of any other Chargor or (iii) upon the occurrence of an Event of Default which is continuing;
 - (ii) in respect of any subscription and option agreement or option agreement constituting a Branch Director Incentive Scheme Document, within ten (10) Business Days of the date of this Debenture (or within ten (10) Business Days of the date of any deed of accession by which the relevant Chargor becomes a Party to this Debenture), or immediately upon their execution;
 - (iii) in respect of Hedging Receivables, immediately upon their execution; and
 - (iv) in respect of all other Relevant Contracts (including Trade Receivables), immediately upon the occurrence of an Acceleration Event,
- serve a notice of assignment, substantially in the form of Part 1 of Schedule 5 (*Forms of Letter for Relevant Contracts*), on each of the other parties to each of its Relevant Contracts;
- (b)
 - (i) procure that each of those other parties that are members of the Group acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Relevant Contracts*), within ten (10) Business Days of the date of such notice; and
 - (ii) use its reasonable endeavours to procure that each of those other parties that are not members of the Group acknowledges that notice, substantially in the form of Part 2 of Schedule 5 (*Forms of Letter for Relevant Contracts*), within 20 Business Days of the date of such notice. If the Parent on behalf of the Chargor has used its reasonable endeavours but has not procured an acknowledgement from the relevant party within twenty (20) Business Days of such notice being given, then such obligation shall cease at the end of the twenty (20) Business Day period.

14.3 Rights and Preservation

After the occurrence of an Acceleration Event:

- (a) the Security Agent may exercise (without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by a Chargor) any of that Chargor's rights under its Relevant Contracts; and
- (b) no Chargor may, without the prior consent of the Security Agent or unless permitted by the Senior Facilities Agreement and the Revolving Credit Facility Agreement:
 - (i) amend or waive any term of, or terminate, any of its Relevant Contracts; or
 - (ii) take any action which might jeopardise the existence or enforceability of any of its Relevant Contracts.

15. Insurances

15.1 After Enforcement of Security

After the occurrence of an Acceleration Event:

- (a) if a Chargor defaults in effecting or maintaining the Insurances, or fails to produce promptly on demand by the Security Agent, copies of any existing policy, certificate, cover note or premium receipt, the Security Agent (acting on instructions from the Instructing Group) may (at the Chargor's expense) arrange such insurances of the Security Assets of the Chargor as it thinks fit, acting reasonably;
- (b) if requested by the Security Agent (acting on instructions from the Instructing Group), a Chargor shall promptly upon written request by the Security Agent deliver to the Security Agent details of its Insurances held by it as at the date of such request;
- (c) the Security Agent (acting on instructions from the Instructing Group) may exercise (without any further consent or authority on the part of a Chargor and irrespective of any direction given by such Chargor) any of the rights of a Chargor in connection with amounts payable to it under any of its Insurances;
- (d) each Chargor must take such steps (at its own cost) as the Security Agent may require (acting on instructions from the Instructing Group) to enforce those rights; this includes initiating and pursuing legal or arbitration proceedings in the name of that Chargor; and
- (e) each Chargor must hold any payment received by it under any of its Insurances on trust for the Security Agent.

15.2 Notice

Each Chargor shall on the occurrence of an Acceleration Event:

- (a) give notice of this Debenture to each of the other parties to each of the Insurances by sending a notice substantially in the form of Part 1 of Schedule 4 (*Forms of Letter for Insurances*); and
- (b) use its reasonable endeavours to procure that each such other party delivers a letter of undertaking to the Security Agent in the form of Part 2 of Schedule 4 (*Forms of Letter for Insurances*) within twenty (20) Business Days of the date of this Debenture or, if later, the date of entry into that Insurance (as appropriate). If the Chargor has used its reasonable endeavours but has not procured an acknowledgement from the relevant party within twenty (20) Business Days of such notice being given, then such obligation shall cease at the end of the twenty (20) Business Day period.

16. When Security becomes Enforceable

16.1 When Enforceable

The Security created by this Debenture shall become immediately enforceable if an Acceleration Event occurs.

16.2 Enforcement

After the occurrence of an Acceleration Event, the Security Agent (acting on instructions from the Instructing Group) may in its absolute discretion enforce all or any part of this Security in such manner as the Instructing Group shall instruct in accordance with the provisions of the Intercreditor Agreement.

17. Enforcement of Security

17.1 General

- (a) The power of sale and any other power conferred on a mortgagee by law (including under section 101 of the Act) as varied or amended by this Debenture shall be immediately exercisable upon and at any time after the occurrence of an Acceleration Event.
- (b) For the purposes of all powers implied by law, the Secured Obligations are deemed to have become due and payable on the date of this Debenture.
- (c) Any restriction imposed by law on the power of sale (including under section 103 of the Act) or the right of a mortgagee to consolidate mortgages (including under section 93 of the Act) does not apply to the Security created by this Debenture.
- (d) Any powers of leasing conferred on the Security Agent by law are extended so as to authorise the Security Agent and any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent (acting on instructions from the Instructing Group) may think fit and without the need to comply with any restrictions conferred by law (including under section 99 or 100 of the Act).

17.2 Appointment of Receiver

- (a) Except as provided below, the Security Agent may appoint (and will give notice to the Parent of such appointment) any one or more persons to be a Receiver (including additional or replacement Receiver(s)) of all or any part of the Security Assets (and, for the avoidance of doubt, may remove (so far as it is lawfully able) any Receiver so appointed in accordance with Clause 17.4 (*Removal and Replacement*)) if:
 - (i) the Security created by this Debenture has become enforceable in accordance with Clause 17.1 (*General*); or
 - (ii) requested to do so by any Chargor.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including an appointment under section 109(1) of the Act) does not apply to this Debenture. If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally.
- (d) The Security Agent shall not be 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.
- (e) The Security Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Security Agent is prohibited from so doing by section 72A of the Insolvency Act 1986.
- (f) The Security Agent may appoint one or more persons to be an administrator of any Chargor pursuant to paragraph 14 of Schedule B1 of the Insolvency Act 1986.

17.3 Agent of each Chargor

- (a) A Receiver shall for all purposes be deemed to be the agent of the relevant Chargor. The relevant Chargor is solely responsible for the contracts, engagements, acts,

omissions, defaults and losses and for all liabilities incurred by a Receiver (other than those caused by the Receiver's gross negligence or wilful misconduct).

- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

17.4 Removal and Replacement

The Security Agent may by writing under its hand (subject in the case of an administrative receivership, to the provisions of section 45 of the Insolvency Act) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

17.5 Remuneration

The Security Agent may fix the remuneration of any Receiver appointed by it without the limitations imposed by section 109(6) of the Act. Such remuneration shall be the sole liability of each Chargor (other than those caused by the Receiver's gross negligence or wilful misconduct) and, for the avoidance of doubt, shall not be a liability of the Security Agent.

17.6 No Liability as Mortgagee in Possession

Neither the Security Agent nor any Receiver shall, by reason of entering into possession of all or any part of a Security Asset or taking any action permitted by this Debenture, be liable:

- (a) to account as mortgagee in possession or for any loss on realisation; or
- (b) for any default or omission for which a mortgagee in possession might be liable.

17.7 Relationship with Security Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Debenture (either expressly or impliedly) or by law on a Receiver may, after the Security created by this Debenture becomes enforceable, be exercised by the Security Agent in relation to any Security Asset without first appointing a Receiver or notwithstanding the appointment of a Receiver.

17.8 Redemption of Prior Mortgages

- (a) At any time after the occurrence of an Acceleration Event, the Security Agent may:
 - (i) redeem any prior Security against any Security Asset;
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.
- (b) Each Chargor shall pay to the Security Agent, immediately on demand, the costs and expenses incurred by the Security Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

17.9 Privileges

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by law (including by the Act) on mortgagees and receivers duly appointed under any law (including the Act) save that section 103 of the Act shall not apply.

17.10 Contingencies

If the Security created by this Debenture is enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Security Agent (or the Receiver) may pay the proceeds of any recoveries effected by it into such number of suspense accounts as it considers appropriate.

17.11 Protection of Third Parties

- (a) No person (including a purchaser) dealing with the Security Agent or a Receiver or its delegate will be concerned to enquire:
 - (i) whether the Secured Obligations have become payable;
 - (ii) whether any power which the Security Agent or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
 - (iii) whether any money remains due under the Finance Documents; or
 - (iv) how any money paid to the Security Agent or that Receiver is to be applied.
- (b) The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Security Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration (whether cash or non-cash), in such manner and on such terms as it thinks fit.

17.12 Financial Collateral Arrangements

- (a) To the extent that any Security Asset constitutes “financial collateral” and this Debenture and the Security created and the obligations of any Chargor under it constitute a “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No 3226) (the “Regulations”)) the Security Agent shall have the right, at any time after the Security created under this Debenture has become enforceable, to appropriate with immediate effect by notice in writing to such Chargor all or any part of such financial collateral in or towards payment and/or discharge of the Secured Obligations in such order as the Security Agent in its absolute discretion may determine.
- (b) The Parties agree that the value of any financial collateral appropriated under paragraph (a) of this Clause 17.12 shall be:
 - (i) in the case of cash, the amount standing to the credit of the relevant account, together with any accrued but unposted interest, at the time the right of appropriation is exercised;
 - (ii) in the case of Investments and any other financial collateral, their market price at the time the right of appropriation is exercised as determined by the Security Agent by reference to a public index or by such other processes as the Security Agent (acting on instructions from the Instructing Group) may select, including independent valuation approved by the Instructing Group.

The Parties agree that the methods of valuation for financial collateral set out in this Debenture constitute commercially reasonable methods of valuation for the purposes of the Regulations.

- (c) The Security Agent shall account to the relevant Chargor for any amount by which the value of any appropriated Security Assets exceeds the Secured Obligations and such

Chargor shall remain liable to the Security Agent for any amount by which the value of any appropriated Security Assets is less than the Secured Obligations.

18. Receiver

18.1 Powers of Receiver

A Receiver shall have all the rights, powers, privileges and immunities conferred from time to time on receivers by law (including the Act and the Insolvency Act 1986) and the provisions set out in Schedules 1 and 2 to the Insolvency Act 1986 shall extend to every Receiver.

18.2 Additional Powers

A Receiver shall have all the additional powers set out in Schedule 6 (*Additional Rights of Receivers*).

18.3 Several Powers

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 the powers conferred on a Receiver under this Debenture individually and to the exclusion of any other Receiver.

19. Application of Proceeds

Any monies held or received by the Security Agent or a Receiver after the occurrence of an Acceleration Event shall be applied by the Security Agent in accordance with clause 19 (*Application of Proceeds*) of the Intercreditor Agreement.

20. Delegation

The Security Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Debenture in which case such person shall be entitled to all the rights and protection of an Security Agent or Receiver as if it were a party to this Debenture. Neither the Security Agent nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate. Any such delegation may be made upon any terms (including power to sub-delegate) which the Security Agent or any Receiver may think fit.

21. Power of Attorney

21.1 Appointment

Each Chargor, by way of security, irrevocably and severally, appoints the Security Agent, each Receiver and each of their respective delegates and sub-delegates to be its attorney (with full power of substitution) to take any action which that Chargor is obliged to take under this Debenture (including under Clause 7 (*Further Assurances*)) but has failed to do so for five (5) Business Days or, if longer, any applicable grace period in each case, following notification by the Security Agent of the relevant failure to comply or upon the occurrence of an Acceleration Event.

21.2 Ratification

Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 21.

22. Changes to Chargors

Each Chargor:

- (a) consents to additional companies becoming Chargors as contemplated by the Finance Documents; and
- (b) irrevocably authorises the Parent to agree to, and execute as a deed, any duly completed deed of accession by which a Chargor becomes a Party to this Debenture as agent for and on behalf of such Chargor.

23. Preservation of Security

23.1 Continuing Security

The Security created by this Debenture is continuing security and will extend to the ultimate balance of the Secured Obligations, regardless of any intermediate payment or discharge in whole or in part.

23.2 Immediate Recourse

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

23.3 Waiver of Defences

Each Chargor shall be deemed to be a principal debtor, and not only a surety. The obligations of each Chargor under this Debenture shall 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 Debenture (whether or not known to it or any Secured Party). This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) 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;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment, novation, supplement, extension, restatement (in each case, however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any increase in any facility or the addition of any new facility under any Finance Document or other documents or Security or of the Secured Obligations);
- (g) 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

- (h) any insolvency or similar proceedings.

23.4 Chargor Intent

Without prejudice to the generality of Clause 23.3 (*Waiver of defences*), each Chargor expressly confirms that it intends that the Security 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 for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

23.5 Appropriations

Until all amounts which may be or become payable by a Chargor under or in connection with the Finance Documents have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may without affecting the liability of any Chargor under this Debenture:

- (a)
 - (i) refrain from applying or enforcing any other monies, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) against those amounts; or
 - (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of that Chargor's liability under this Debenture.

23.6 Non-Competition

Unless:

- (a) the Security Agent (acting on instructions from the Instructing Group) is satisfied that all amounts which may be or become payable by the Obligor under or in connection with the Finance Documents have been irrevocably paid in full; or
- (b) the Security Agent (acting on instructions from the Instructing Group) otherwise directs,

no Chargor will, after a claim has been made or by virtue of any payment or performance by it under this Debenture:

- (i) be subrogated to any rights, security or monies held, received or receivable by any Secured Party (or any trustee or agent on its behalf);
- (ii) be entitled to any right of contribution or indemnity in respect of any payment made or monies received on account of that Chargor's liability under this Debenture;
- (iii) claim, rank, prove or vote as a creditor of any Obligor or its estate in competition with any Secured Party (or any trustee or agent on its behalf); or
- (iv) receive, claim or have the benefit of any payment, distribution or security from or on account of any Obligor, or exercise any right of set-off as against any Obligor.

Each Chargor shall hold in trust for and shall immediately pay or transfer to the Security Agent for the Secured Party any payment or distribution or benefit of security received by it contrary to this Clause 23.6 or in accordance with any directions given by the Security Agent (acting on instructions from the Instructing Group) under this Clause 23.6.

23.7 Release of Chargor's Right of Contribution

If any Chargor ceases to be a Chargor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Chargor:

- (a) that Chargor will be released by each other Chargor from any liability whatsoever to make a contribution to any other Chargor arising by reason of the performance by any other Chargor of its obligations under the Finance Documents; and
- (b) each other Chargor will waive any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of any Secured Party under any Finance Document or of any other security taken under, or in connection with, any Finance Document where the rights or security are granted by or in relation to the aspects of the retiring Chargor.

23.8 Additional Security

- (a) This Debenture is in addition to, independent of, and is not in any way prejudiced by any other security or guarantees now or subsequently held by any Secured Party.
- (b) No other security held by any Secured Party (in its capacity as such or otherwise) or right of set-off over any Security Asset shall merge into or otherwise prejudice the Security created by this Debenture or right of set-off contained herein.

23.9 No prejudice

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

23.10 Remedies and waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any Collateral Right, shall operate as a waiver of that Collateral Right or constitute an election to affirm this Debenture. No election to affirm this Debenture on the part of the Security Agent shall be effective unless it is in writing. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

23.11 Security held by Chargor

No Chargor may, without the prior consent of the Security Agent (acting on instructions from the Instructing Group), hold any security from any other Obligor in respect of that Chargor's liability under this Debenture. Each Chargor shall hold any security held by it in breach of this provision on trust for the Security Agent.

23.12 Partial invalidity

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor of such provision under the laws of any other

jurisdiction shall in any way be affected or impaired thereby and, if any part of the Security intended to be created by or pursuant to this Debenture is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the Security.

24. Release of Security

24.1 Final Redemption

Subject to Clause 24.3 (*Retention of Security*), if the Security Agent (acting on instructions from the Instructing Group) is satisfied that all the Secured Obligations have been irrevocably paid in full and that the Secured Parties have no actual or contingent obligation under the Finance Documents, the Security Agent shall at the request and cost of a Chargor release, reassign or discharge (as appropriate) the Security Assets from the Security.

24.2 Avoidance of Payments

If the Security Agent (acting on instructions from the Instructing Group (acting reasonably)) considers that any amounts paid or credited to any Secured Party is capable of being avoided, reduced or otherwise set aside as a result of insolvency or any similar event, the liability of each Chargor under this Debenture and the Security constituted by this Debenture shall continue as if the avoidance, reduction or setting-aside had not occurred.

24.3 Retention of Security

If the Security Agent reasonably considers that any amount paid or credited to any Secured Party under any Finance Document is capable of being avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Obligations have been irrevocably paid.

25. Miscellaneous

25.1 Tacking

Each Secured Party shall comply with its obligations under the Finance Documents (including the obligation to make further advances).

25.2 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, any Secured Party may open a new account with any Obligor.
- (b) If a Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest.
- (c) As from that time all payments made to that Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Obligations.

25.3 Time Deposits

Without prejudice to any right of set-off any Secured Party may have under any secured Finance Document or otherwise, if any time deposit matures on any account a Chargor has with any Secured Party within the Security Period:

- (a) after the occurrence of an Acceleration Event; and
- (b) when none of the Secured Obligations is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party in its absolute discretion considers appropriate unless that Secured Party otherwise agrees in writing.

25.4 Notice of Assignment

This Debenture constitutes notice in writing to each Chargor of any Security in respect of a debt owed by that Chargor to any other member of the Group and contained in any other Transaction Security Document.

25.5 Security Assets

The fact that no or incomplete details of any Security Asset are inserted in Schedule 2 (*Security Assets*) or in any deed of accession by which a Chargor becomes a Party to this Debenture (if any) by which any Chargor became a party to this Debenture does not affect the validity or enforceability of the Security created by this Debenture.

25.6 Determination

Any certificate or determination by any Secured Party or any Receiver under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

26. Partial Invalidity

If, at any time, any provision of this Debenture 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 nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

27. Counterparts

This Debenture may be executed in any number of counterparts and all of those counterparts taken together shall be deemed to constitute one and the same instrument.

28. Governing Law

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

29. Enforcement

29.1 Jurisdiction of English Courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or any non-contractual obligations arising out of or in connection with this Debenture) (a “Dispute”) (whether arising in contract, tort or otherwise).
- (b) 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.
- (c) This Clause 29 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.

The Parent expressly agrees and consents to the provisions of this Clause 29 (*Enforcement*).

This Debenture has been executed and delivered as a deed on the date stated at the beginning of this Debenture.

Schedule 1

The Chargors

	Acceding Entity	Registered number	Administrative details
1.	Aghoco 1854 Limited	12123328	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
2.	Aghoco 1855 Limited	12123329	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
3.	Aghoco 1856 Limited	12123327	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
4.	Aghoco 1857 Limited	12123330	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
5.	Aghoco 1858 Limited	12123331	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
6.	Aghoco 1859 Limited	12123333	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith

	Acceding Entity	Registered number	Administrative details
7.	Aghoco 1860 Limited	12123335	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
8.	Aghoco 1861 Limited	12123334	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
9.	Aghoco 1862 Limited	12123340	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
10.	Aghoco 1863 Limited	12123338	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
11.	Aghoco 1864 Limited	12123336	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
12.	Aghoco 1865 Limited	12123342	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith
13.	Ceramic Planet Limited	05440670	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk

	Acceding Entity	Registered number	Administrative details
			Attention: Mark Smith
14.	Brooke Ceramics Limited	02188689	Address: Stoneferry Road, Hull, East Yorkshire, United Kingdom, HU8 8DE Email: mark.smith@MKMBS.co.uk Attention: Mark Smith

Schedule 2

Security Assets

Part 1 Real Property

None at present.

	Site Description	Title Number	FH/LH	Chargor as legal title owner (if any)	Chargor	Legal/Beneficial title charged by Chargor?

Part 2
Shares

None at present.

Chargor	Name of company in which shares are held	Name of nominee (if any) by whom shares are held	Class of shares held	Number of shares held

Part 3
Plant and Machinery

None at present.

Chargor	Description

Part 4
Relevant Contracts

Chargor	Description
Brooke Ceramics Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Brooke Ceramics Limited is a creditor.
Ceramic Planet Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Ceramic Planet Limited is a creditor.
Aghoco 1854 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1854 Limited is a creditor.
Aghoco 1855 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1855 Limited is a creditor.
Aghoco 1856 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1856 Limited is a creditor.
Aghoco 1857 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1857 Limited is a creditor.
Aghoco 1858 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1858 Limited is a creditor.
Aghoco 1859 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1859 Limited is a creditor.
Aghoco 1860 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1860 Limited is a creditor.
Aghoco 1861 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1861 Limited is a creditor.
Aghoco 1862 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1862 Limited is a creditor.
Aghoco 1863 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1863 Limited is a creditor.
Aghoco 1864 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1864 Limited is a creditor.
Aghoco 1865 Limited	All agreements relating to a Debtors Intra-Group Receivables (each term as defined in the Intercreditor Agreement) in respect of which Aghoco 1865 Limited is a creditor.

Part 5
Intellectual Property

Designs:

None at present.

Chargor	Description / Title	Country	Official Number	Application Date	Registration Date	Case Status

Part 6
Patents:

None at present.

Chargor	Description / Title	Country	Official Number	Application Date	Grant Date	Case Status

Part 7
Trademarks:

None at present.

Chargor	Description / Title	Country	Application /Registration Number	Filing Date	Status	Nice classification

Part 8
Assigned Accounts

Chargor	Account Bank	Account Number
Brooke Ceramics Current Account	National Westminster Bank Plc	
Brooke Ceramics Reserve Account	National Westminster Bank Plc	
Ceramic Planet Current Account	National Westminster Bank Plc	
Ceramic Planet Reserve Account	National Westminster Bank Plc	

Part 9
Insurances

Name of Policy	Policy Provider	Policy Number

Schedule 3

Form of Notice of Assignment

Part 1

Notice to Account Bank

To: [Account Bank]

Copy: [Security Agent]

[Date]

Dear Sirs

**Debenture dated [●] between [●] and others
and [●] (the “Debenture”)**

This letter constitutes notice to you that under the Debenture each of the companies listed at the end of this notice has assigned in favour of U.S. Bank Trustees Limited as security trustee for the Secured Parties referred to in the Debenture (the “Security Agent”) as first priority assignee all of its rights in respect of any amount (including interest) standing to the credit of any account maintained by it with you at any of your branches (the “Secured Accounts”) and the debts represented by the Secured Accounts.

We irrevocably instruct and authorise you to, following your receipt of a notice from the Security Agent stating that the security has become enforceable:

- (a) unless the Security Agent so authorises you in writing, not to permit withdrawals from the Secured Accounts;
- (b) comply with the terms of any written notice or instruction relating to any Secured Account received by you from the Security Agent;
- (c) hold all sums standing to the credit of any Secured Account to the order of the Security Agent;
- (d) pay or release any sum standing to the credit of any Secured Account in accordance with the written instructions of the Security Agent; and
- (e) pay all sums received by you for the account of any Chargor to the credit of the Secured Account of that Chargor with you.

We acknowledge that you may comply with the instructions in this letter without any further permission from us or any other Chargor and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

For the avoidance of doubt, we are entitled to deal with, operate and transact business in relation to the Secured Accounts, including making withdrawals, until you receive a notice from the Security Agent stating that the security has become enforceable.

The provisions of this letter may not be revoked or amended without the prior written consent of the Security Agent.

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

Please send to the Security Agent at its offices at 5th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

Yours faithfully

.....
(Authorised signatory)

For the Parent

For itself and as agent for each of the other Chargors named below

Chargors

[•]

Part 2

Acknowledgement of Account Bank

To: [Security Agent]

Copy: [The Parent/Chargor, as applicable]

[Date]

Dear Sirs

Debenture dated [●] between [●] and others and [●] (the “Debenture”)

We confirm receipt from [●] (the “Parent”) on behalf of certain chargors (the “Chargors”) of a notice dated [●] of an assignment upon the terms of the Debenture over all the rights of each Chargor to any amount standing to the credit of any of its accounts with us at any of our branches (the “Secured Accounts”).

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Secured Account;
- (c) following our receipt of a notice from the Security Agent stating that the security has become enforceable, will pay all sums received by us for the account of any Chargor to a Secured Account of that Chargor with us.

Nothing contained in any of our arrangements with you shall commit us to providing any facilities or making advances available to any of the Chargors.

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

Yours faithfully

.....
(Authorised signatory)
[Account Bank]

Schedule 4

Forms of Letter for Insurances

Part 1

Form of Notice of Assignment

To: [Insurer]

Copy: [Security Agent]

[Date]

Dear Sirs

**Debenture dated [●] between [●] and others
and [●] (the “Debenture”)**

This letter constitutes notice to you that under the Debenture, each of the companies listed at the end of this notice as chargors (together the “Chargors”) has assigned in favour of U.S. Bank Trustees Limited as security trustee for the Secured Parties referred to in the Debenture (the “Security Agent”) as first priority assignee all amounts payable to it under or in connection with any contract of insurance taken out with you by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

1. A reference in this letter 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 any Chargor to a third party.
2. On behalf of each of the Chargors, we confirm that:
 - (a) the relevant Chargor will remain liable under [each] such contract of insurance to perform all the obligations assumed by it under [the] [that] contract of insurance; and
 - (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of [any] such contract of insurance.
3. Unless the Security Agent otherwise agrees in writing:
 - (a) all amounts payable to the relevant Chargor under [each] such contract of insurance must be paid to the Security Agent; and
 - (b) any rights of the relevant Chargor in connection with those amounts will be exercisable by, and notices must be given to, the Security Agent or as it directs.
4. The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.
5. We acknowledge that you may comply with the instructions in this letter without any further permission from us or any other Chargor and without any enquiry by you as to the justification for or validity of any request, notice or instruction.
6. Please note on the relevant contracts the Security Agent’s interest as co-insured and loss payee and the Security Agent’s interest as first priority assignee of those amounts and rights and send to the Security Agent at its offices at 5th Floor, 125 Old Broad Street, London, EC2N 1AR,

United Kingdom with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

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

Yours faithfully

.....
For the Parent
for itself and as agent for each of the other Chargors named below

Chargors

[•]

Part 2
Form of Letter of Undertaking

To: [Security Agent]

Copy: [The Parent/Chargor as applicable]

[Date]

Dear Sirs

**Debenture dated [●] between [●] and others
and [●] (the “Debenture”)**

We confirm receipt from [●] (the “Parent”) on behalf of certain chargors (the “Chargors”) of a notice dated [●] of an assignment by each Chargor upon the terms of the Debenture of all amounts payable to it under or in connection with any contract of insurance taken out with us by or on behalf of it or under which it has a right to claim and all of its rights in connection with those amounts.

A reference in this letter 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 an Obligor to a third party.

In consideration of your agreeing to the Chargors or any of them continuing their insurance arrangements with us we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) confirm that we have not received notice of the interest of any third party in those amounts and rights;
- (c) undertake to note on the relevant contracts your interest as first priority assignee and chargee of those amounts and rights;
- (d) undertake to disclose to you without any reference to or further authority from the Parent or any of the other Chargors any information relating to those contracts which you may at any time request; and
- (e) undertake not to amend or waive any term of or terminate any of those contracts on request by the Parent or any of the other Chargors without giving you thirty days prior written notice of such amendment, waiver or termination.

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

Yours faithfully

.....
for [Insurer]

Schedule 5

Forms of Letter for Relevant Contracts

Part 1

Notice to Counterparty

To: [Counterparty]

Copy: [Security Agent]

[Date]

Dear Sirs

**Debenture dated [●] between [●] and others
and [●] (the “Debenture”)**

This letter constitutes notice to you that under the Debenture, each of the companies listed at the end of this notice as chargors (together the “**Chargors**”) has assigned in favour of U.S. Bank Trustees Limited as security trustee for the Secured Parties referred to in the Debenture (the “**Security Agent**”) as first priority assignee all of its rights, title and interest in respect of [*insert details of Relevant Contract(s)*] (the “**Relevant Contract[s]**”).

On behalf of each of the Chargors, we confirm that:

- (a) the relevant Chargor will remain liable under [the]/[each] Relevant Contract to perform all the obligations assumed by it under [the]/[that] Relevant Contract; and
- (b) none of the Security Agent, its agents, any receiver or any other person will at any time be under any obligation or liability to you under or in respect of [the]/[any] Relevant Contract.

The relevant Chargor will also remain entitled to exercise all of its rights under [the]/[each] Relevant Contract and you should continue to give notice under [the]/[each] Relevant Contract to the relevant Chargor, unless and until you receive notice from the Security Agent to the contrary stating that the security has become enforceable. In this event, all of its rights will be exercisable by, and notices must be given to, the Security Agent or as it directs and each Chargor has agreed that it will not amend or waive any term of or terminate any of the Relevant Contract[s] without the prior consent of the Security Agent.

The instructions in this letter may not be revoked or amended without the prior written consent of the Security Agent.

Please send to the Security Agent at its offices at 5th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom with a copy to ourselves the attached acknowledgement confirming your agreement to the above and giving the further undertakings set out in the acknowledgement.

We acknowledge that you may comply with the instructions in this letter without any further permission from us or any other Chargor and without any enquiry by you as to the justification for or validity of any request, notice or instruction.

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

Yours faithfully

.....
(Authorised signatory)

For the Parent
for itself and as agent for each of the other Chargors named below

Chargors

[•]

Part 2

Acknowledgement of Counterparty

To: [Security Agent]

Copy: [the Parent/Chargor, as applicable]

[Date]

Dear Sirs

**Debenture dated [●] between [●] and others
and [●] (the “Debenture”)**

We confirm receipt from [●] (the “Parent”) on behalf of certain chargors (the “Chargors”) of a notice dated [●] of an assignment on the terms of the Debenture of all of each Chargor’s rights in respect of *[insert details of the Relevant Contract(s)]* (the “Relevant Contract[s]”).

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in [any of] the Relevant Contract[s];
and
- (c) upon receipt of notice from the Security Agent that the security has become enforceable, undertake not to amend or waive any term of or terminate [any of] the Relevant Contract[s] on request by the Parent or any of the [other] Chargors without your prior written consent.

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

Yours faithfully

.....
(Authorised signatory)

[Counterparty]

Schedule 6

Additional Rights of Receivers

Any Receiver appointed pursuant to Clause 17.2 (*Appointment of Receiver*) shall have the right, either in his own name or in the name of a Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

1. Enter into Possession

to take possession of, get in and collect the Security Assets (including any assets of any Chargor which when got in would be Security Assets), and to require payment to him or to any Secured Party of any book debts or credit balance on any Account;

2. Carry on Business

to manage and carry on any business of a Chargor in any manner as he thinks fit;

3. Contracts

to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which a Chargor is a party;

4. Deal with Security Assets

to sell, transfer, assign, exchange, hire out, lend or otherwise dispose of or realise the Security Assets to any person (including a new company formed pursuant to paragraph 5 (*Hive-Down*)) either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);

5. Hive-Down

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or part thereof or any rights attaching thereto;

6. Borrow and Lend Money

to borrow or raise money either unsecured or on the security of the Security Assets (either in priority to the Security created or intended to be created by this Debenture or otherwise) and to lend money or advance credit to any customer of any Chargor;

7. Covenants and Guarantees

to enter into bonds, covenants, guarantees, indemnities and other commitments and to make all payments needed to effect, maintain or satisfy them and give valid receipts for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset;

8. Dealings with Tenants

to grant leases, tenancies, licences and rights of user, grant renewals and accept surrenders of leases, tenancies, licences or rights of user, and otherwise to reach agreements and make arrangements with, and to make allowances to, any lessees, tenants or other persons (including a new company formed pursuant to paragraph 5 (*Hive-Down*)) from whom any rents and profits may be receivable (including those relating to the grant of any licences, the review of rent in

accordance with the terms of, and the variation of, the provisions of any leases, tenancies, licences or rights of user affecting the Security Assets);

9. Rights of Ownership

to manage and use the Security Assets and to exercise and do (or permit any Chargor or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Security Assets;

10. Insurance, Repairs, Improvements, Etc.

to insure the Security Assets on such terms as he thinks fit, to carry out decorations, repairs, alterations, improvements and additions to the Security Assets and to purchase or otherwise acquire or do anything in connection with the Security Assets and to commence and/or complete any building operations and apply for and maintain any planning permission, building regulation approval and any other authorisation in each case as he thinks fit;

11. Claims

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of a Chargor or relating to the Security Assets;

12. Legal Actions

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Security Assets or any business of any Chargor;

13. Redemption of Security

to redeem any Security (whether or not having priority to the Security) over the Security Assets and to settle the accounts of any person with an interest in the Security Assets;

14. Employees, Etc.

to appoint, hire and employ officers, employees, contractors, agents, advisors and others and to discharge any such persons and any such persons appointed, hired or employed by a Chargor, in each case on any terms as he thinks fit (subject to applicable law);

15. Insolvency Act 1986

to exercise all powers set out in Schedule 1, Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act 1986 as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule 2, as the case may be, after the date of this Debenture; and

16. Other Powers

to do anything else he may think fit for the realisation of the Security Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document to which any Chargor is party, the LPA or the Insolvency Act 1986.

17. Delegation

to delegate his powers in accordance with this Debenture.

Signatories

The Parent

M.K.M. BS (HOLDINGS) 2 LIMITED
Executed as a Deed

By: Mark Smith

}

[Redacted Signature]

Signature of Director

in the presence of

[Redacted Signature]

Signature of Witness

Name of witness: Barbara Smith

Address of witness:

Occupation of witness:

[Redacted Address and Occupation]

Signature page to Debenture

The Chargors

Aghoco 1854 Limited

Executed as a Deed

By: *Mark Smith*

}

[Redacted Signature]

.....
Signature of Director

in the presence of

[Redacted Signature]

.....
Signature of Witness

Name of witness: *Barbara Smith*

Address of witness: [Redacted]

Occupation of witness: [Redacted]

Signature page to Debenture

Aghoco 1855 Limited
Executed as a Deed

By: *Mark Smith*

}

[Redacted Signature]

Signature of Director

in the presence of

[Redacted Signature]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:

[Redacted Address and Occupation]

Signature page to Debenture

Aghoco 1856 Limited

Executed as a Deed

By: Mark Smith

}

[Redacted Signature]

Signature of Director

in the presence of

[Redacted Signature]

Signature of Witness

Name of witness: Barbara Smith

Address of witness:

[Redacted Address]

Occupation of witness:

[Redacted Occupation]

Signature page to Debenture

Aghoco 1857 Limited

Executed as a Deed

By: *Mark Smith*

}

[Redacted Signature]

.....
Signature of Director

in the presence of

[Redacted Signature]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness: [Redacted]

Occupation of witness: [Redacted]

Signature page to Debenture

Aghoco 1858 Limited

Executed as a Deed

By: *Mark Smith*

}

[Redacted Signature]

Signature of Director

in the presence of

[Redacted]

Signature of Witness

Name of witness: *Bartholomew Smith*

Address of witness:

Occupation of witness:

[Redacted Address and Occupation]

Signature page to Debenture

Aghoco 1859 Limited

Executed as a Deed

By: Mark Smith

}

[Redacted Signature]

.....
Signature of Director

in the presence of

[Redacted Signature]

.....
Signature of Witness

Name of witness: Barbara Smith

Address of witness: [Redacted Address]

Occupation of witness: [Redacted Occupation]

Aghoco 1860 Limited

Executed as a Deed

By: *Mark Smith*

}

.....
Signature of Director

in the presence of

[Redacted]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:

[Redacted]

Signature page to Debenture

Aghoco 1861 Limited

Executed as a Deed

By: *Mark Smith*

}

[Redacted Signature]

Signature of Director

in the presence of

[Redacted Signature]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness: [Redacted]

Occupation of witness: [Redacted]

[Redacted]

[Redacted]

Signature page to Debenture

Aghoco 1862 Limited
Executed as a Deed

By: *Mark Smith*

}

.....
Signature of Director

in the presence of

.....


Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:



Signature page to Debenture

Aghoco 1863 Limited
Executed as a Deed

By: *Mark Smith*

}

.....
Signature of Director

in the presence of

.....
[Redacted]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:

[Redacted]
[Redacted]
[Redacted]

Signature page to Debenture

Aghoco 1864 Limited
Executed as a Deed

By: *Mark Smith*

}

[Redacted Signature]

Signature of Director

in the presence of

[Redacted Signature]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:

[Redacted Address and Occupation]

[Redacted Address and Occupation]

Signature page to Debenture

Aghoco 1865 Limited
Executed as a Deed

By: *Mark Smith*

}

.....
Signature of Director

in the presence of

[Redacted]

Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:

[Redacted]

Signature page to Debenture

Ceramic Planet Limited
Executed as a Deed

By: *Mark Smith*

}

.....
Signature of Director

in the presence of

.....
Signature of Witness

Name of witness: *Barbara Smith*

Address of witness:

Occupation of witness:

Signature page to Debenture

Brooke Ceramics Limited
Executed as a Deed

By: Mark Smith

}

Signature of Director

in the presence of

Signature of Witness

Name of witness: Barbara Smith

Address of witness:

Occupation of witness:

Signature page to Debenture

The Security Agent

U.S. BANK TRUSTEES LIMITED

}



By: LAURENCE GRIFFITHS

Signature page to Debenture