



Registration of a Charge

Company name: **SECTORMATCH LIMITED**

Company number: **02542683**



X2Z1SHC3

Received for Electronic Filing: **07/01/2014**

Details of Charge

Date of creation: **23/12/2013**

Charge code: **0254 2683 0008**

Persons entitled: **BARCLAYS BANK PLC**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS LEICESTER COURT HOTEL AT 41 QUEENS GATE GARDENS AND 15 ATHERSTONE MEWS, KENSINGTON (TITLE NUMBER NGL101749); THE LEASEHOLD PROPERTY KNOWN AS THE WHITE HALL HOTEL AT 2-5 MONTAGU STREET AND THE LAND AT THE REAR OF THE WHITE HALL HOTEL AND BLOOMS HOTEL AT 6 AND 7 MONTAGU STREET, LONDON (TITLE NUMBERS NGL763229 AND NGL752431); THE FREEHOLD PROPERTY KNOWN AS 31, 33 AND 35 LANGHAM STREET AND 71 GREAT TITCHFIELD STREET, LONDON (TITLE NUMBER NGL785587); THE LEASEHOLD PROPERTY KNOWN AS THE GRANGE LANGHAM COURT HOTEL AT 31, 33 AND 35 LANGHAM STREET, LONDON (TITLE NUMBER NGL541073); AND THE LEASEHOLD PROPERTY KNOWN AS THE GRANGE FITZROVIA HOTEL AT ST CLEMENTS HOUSE, 20 TO 28 BOLSOVER STREET, LONDON (TITLE NUMBER NGL677165).**

Contains fixed charge(s).

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

Notification of addition to or amendment of charge.

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: **CLINT DEMPSEY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2542683

Charge code: 0254 2683 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd December 2013 and created by SECTORMATCH LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th January 2014 .

Given at Companies House, Cardiff on 7th January 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

23 December

2013

- (1) GLOBALGRANGE LIMITED
- (2) THE COMPANIES LISTED IN SCHEDULE 1
- (3) BARCLAYS BANK PLC

Debenture

We certify this document as a true copy of the original
save for material redacted pursuant
to S.8954 Companies Act 2006
Date 24/12/2013
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CONTENTS

Clause	Page
1 INTERPRETATION	1
2 COVENANT TO PAY	7
3 CHARGING CLAUSE.....	8
4 FURTHER ASSURANCE.....	12
5 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS.....	15
6 REPRESENTATIONS AND WARRANTIES	15
7 UNDERTAKINGS	16
8 ENFORCEABILITY.....	21
9 ENFORCEMENT OF SECURITY.....	21
10 APPLICATION OF PROCEEDS	22
11 PROTECTION OF THIRD PARTIES.....	23
12 PROTECTION OF SECURITY TRUSTEE.....	23
13 POWER OF ATTORNEY	24
14 APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS.....	25
15 OTHER MISCELLANEOUS PROVISIONS	26
16 COMMUNICATIONS	29
17 GOVERNING LAW	29
18 THIS DEED	29
Schedules	
1 The Chargors other than the Company	31
2 Bank accounts.....	32
3 Charged Contracts	33
4 Details of Property	34
5 Shares	40
6 Specifically Identified chattels.....	41
7 Notices	42
8 Form of notice to bank operating secured account	47
9 Form of Deed of Accession.....	49
10 Property warranties and undertakings	53
11 Receiver's specific powers.....	64

This deed is made on 23 December 2013 between:

- (1) **GLOBALGRANGE LIMITED** a company incorporated in England and Wales with company number 1503192 of 58 Rochester Row, Westminster, London SW1P 1JW (the "**Company**"); and
- (2) The companies listed in Schedule 1 (together with the Company and each company which becomes a Party by executing a Deed of Accession, each a "**Chargor**" and together the "**Chargors**"); and
- (3) **BARCLAYS BANK PLC** a company incorporated in England and Wales with company number 01026167 of 1 Churchill Place, London E14 5HP in its capacity as Security Trustee.

1. **INTERPRETATION**

1.1 **Expressly defined terms**

In this deed:

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

"**Bank Balances**" means all monies (including interest) from time to time standing to the credit of any and all present or future accounts which any Chargor has, or has an interest in, with any bank, financial institution, or other person (including the accounts (if any) specified in Schedule 2 (*Bank Accounts*) and any other cash cover or suspense account established pursuant to any of the Finance Documents), and all debts represented by any such accounts (in each case other than the Trust Property)

"**Beneficiaries**" shall have the same meaning as is given to the term "Secured Parties" in the Facilities Agreement

"**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are open for general business in London or, for the purpose of clause 16 (*Communications*), in the principal financial centre in the jurisdiction in which the relevant communication is delivered

"**Charged Contracts**" means (in relation to any Chargor) those contracts (if any) brief particulars of which are set out in Schedule 3 (*Charged Contracts*) in respect of such Chargor

"**Charged Debts**" means all book and other debts and all other rights and claims charged to the Security Trustee under this deed

"**Chargor's Intellectual Property**" means in relation to any Chargor the Intellectual Property owned or used by such Chargor from time to time

"**Collection Account**" means in relation to any Chargor such specially designated account with the Security Trustee or such other account with such other bank as the Security Trustee may from time to time direct for the purposes of clause 7.7.1 (*Collection of Book Debts, etc.*)

"**Deed of Accession**" means a deed substantially in the form set out in Schedule 9 (*Form of Deed of Accession*) subject to such variations as the Security Trustee shall agree

"Delegate" means any delegate, agent, attorney or trustee appointed by the Security Trustee

"Default Rate" means one per cent. per annum above the highest rate of Interest ordinarily applicable to the Secured Obligations from time to time

"Discharge Date" means the date with effect from which the Security Trustee confirms to the Company that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Beneficiaries cancelled

"Distribution Rights" means:

- (a) all dividends, distributions, interest and other income paid or payable on the relevant Investment or Shares;
- (b) all shares or other property derived from the relevant Investment or Shares (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise); and
- (c) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Shares

"Enforcement Party" means any of the Security Trustee, a Receiver or a Delegate

"Event of Default" means the occurrence of any of the events or circumstances defined in the Facilities Agreement as an Event of Default

"Expenses" means: all fees, discounts, commissions and other banking or service charges, legal and other professional fees, premiums, costs or expenses, in each case calculated on a full indemnity basis and together with VAT, incurred by any Enforcement Party in connection with the Secured Assets, the preparation, negotiation and creation of this deed, taking, perfecting, enforcing or exercising any power under this deed, the appointment of any Receiver or Delegate, the breach of any provision of this deed and/or the protection, realisation or enforcement of this deed, and includes the costs of transferring to the Security Trustee or the Receiver any security ranking in priority to the security constituted by this deed, or the amount required to be paid to secure the unconditional and irrevocable discharge of such security, or any of the foregoing as the context shall require

"Excluded Shares" means the shares held by the Company in 4 Howley Place Limited (company number 06329732)

"Facilities Agreement" means the facilities agreement dated on or about the date of this deed and made between (1) the Company (2) the Chargors as Original Borrowers (3) the Chargors as Original Guarantors (4) Barclays Bank PLC as Arranger (5) various financial institutions listed in Part II, Schedule 1 thereof as Original Lenders (6) Barclays Bank PLC as Facility Agent and (7) the Security Trustee as Security Trustee, as the same may be varied, amended, modified, supplemented or replaced.

"Fixtures" means any fixtures (but excluding landlord's fixtures), fittings, fixed plant or machinery from time to time situated on or forming part of the Property

"Floating Charge Asset" means, at any time, all of the Secured Assets which are at that time the subject of the floating charge created under this deed

"Insurances" means all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of any Chargor or (to the extent of its relevant interest) in which any Chargor has an interest other than any contract or policy of insurance relating solely to the City Hotel and/or any Fixtures and/or any other assets relating to the City Hotel

"Insurance Proceeds" means the proceeds of any insurance claim received by any Chargor, after deduction of any reasonable expenses incurred in relation to the relevant claim and payable by such Chargor to any person which is not a member of the Group together with the benefit of all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of any Chargor's ownership of any Insurances and all interest on any of the foregoing in each case excluding any proceeds, bonuses, profits, returns of premium and other benefits and interests under or in connection with any Insurances in relation to the City Hotel and/or any Fixtures and/or any other assets relating to the City Hotel.

"Insolvency Act" means Insolvency Act 1986

"Intellectual Property" means all rights in confidential information, copyright and like rights, database rights, design rights, rights in design, knowhow, rights in inventions, patents, service marks, trade marks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by any Chargor or in which any Chargor has an interest from time to time, and the benefit of any Chargor's applications and rights to use such assets, throughout the world now and in the future.

"Intercreditor Agreement" means the Intercreditor agreement dated on or about the date of this deed and made between the Company, the other Obligors, Lombard, the Security Trustee, the Facility Agent, the Lenders, the Ancillary Lenders, the Hedge Counterparty and others.

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as specified for the purposes of Section 22 of the Financial Services and Markets Act 2000 as at the date of this deed) now or in the future owned by any Chargor including (save where the context otherwise requires) the Shares

"Interest" means interest at the rate provided and calculated and compounded as agreed between the Security Trustee and the Company from time to time, and if not so agreed, in accordance with the practice of the Security Trustee from time to time both before and after judgement

"Lloyds Share Charge" means the charge over securities dated on or around the date of this agreement between (1) the Company and (2) Lloyds Bank PLC in respect of the Excluded Shares

"Lombard" means Lombard North Central Plc (company number 00337004) 93 Princess Way, Redhill RH1 1NP

"LPA" means Law of Property Act 1925

"Party" means a party to this deed

"Property" means the Real Property from time to time owned by each Chargor or in which any Chargor has an interest (including the Real Property, if any, specified in Schedule 4 (*Details of Property*) in respect of each relevant Chargor) together with (in every case) all proceeds of sale deriving from any such Real Property, the benefit of all covenants given in respect of such Real Property and any monies paid or payable in respect of such covenants

Any reference to **"Property"** includes a reference to each separate property of which particulars are set out in Schedule 4 (*Details of Property*) and to any part or parts of such property

"Real Property" means any freehold, leasehold or immovable property and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of any such property.

"Receiver" means any one or more receivers and managers or (if the Security Trustee so specifies in the relevant appointment) receivers appointed by the Security Trustee pursuant to this deed in respect of any Chargor or in respect of the Secured Assets of any Chargor

"Secured Assets" means the assets charged, assigned or otherwise the subject of any security created by or pursuant to this deed and includes any part or parts of such assets

"Secured Obligations" means all indebtedness and all obligations or liabilities of any kind which may now or at any time in the future be due, owing or incurred by each of the Obligors under any of the Finance Documents to the Beneficiaries (or any of them), whatever their nature or basis, in any currency or currencies and however they are described together with Interest and Expenses

"Security Period" means the period beginning on the date of this deed and ending on the Discharge Date

"Security Trustee" means Barclays Bank PLC acting in its capacity as trustee and security agent for the Beneficiaries (including itself) in relation to the Security Documents, or such other trustee and security agent as may from time to time be appointed in that capacity pursuant to clause 13 of the Intercreditor Agreement

"Senior Management" means Rajeshpal Singh Matharu, Harpal Singh Matharu, Tejinderpal Singh Matharu and such other person(s) forming the senior management team as approved by the Majority Lenders from time to time

"Shares" means (in relation to each Chargor) all shares (if any) specified in Schedule 5 (*Shares*) in respect of such Chargor and also all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by such Chargor from time to time or any in which it has an interest other than the Excluded Shares

"Subsidiary" means a subsidiary undertaking within the meaning of section 258 of the Companies Act

"Trust Notice" means the trust notice dated the date of this Deed from the Company, 4 Howley Place Limited (company number 06329732) and Lloyds Bank PLC addressed to the Security Trustee.

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999

"Trust Property" has the meaning given to it in the Trust Notice

"VAT" means value added tax as provided for in the Value Added Taxes Act 1994 and any other tax of a similar fiscal nature

1.2 Construction

In this deed:

1.2.1 any reference to:

- 1.2.1.1 the word **"assets"** includes present and future property, revenue, rights and interests of every kind;
- 1.2.1.2 the word **"guarantee"** includes any guarantee or indemnity and any other financial support (including any participation or other assurance against loss and any deposit or payment) in respect of any person's indebtedness;
- 1.2.1.3 the word **"indebtedness"** includes any obligation for the payment or repayment of money, whatever the nature or basis of the relevant obligation (and whether present or future, actual or contingent);
- 1.2.1.4 the word **"law"** includes law established by or under statute, constitution, treaty, decree, regulation or judgment, common law and customary law; and the word **"lawful"** and similar words and phrases are to be construed accordingly;
- 1.2.1.5 the word **"person"** includes any individual, company, corporation, firm, government, state or any agency of a state and any association, partnership or trust (in each case, whether or not it has separate legal personality);
- 1.2.1.6 the word **"regulation"** includes all guidelines, official directives, regulations, requests and rules (in each case, whether or not having the force of law) of any governmental, inter-governmental or supranational agency, body or department or of any regulatory or other authority or organisation (whether statutory or non-statutory, governmental or non-governmental);
- 1.2.1.7 the word **"security"** includes any assignment by way of security, charge, lien, mortgage, pledge or other security interest securing any obligation of any person and any other agreement or arrangement having a similar effect;
- 1.2.1.8 the word **"set-off"** includes analogous rights and obligations in other jurisdictions; and
- 1.2.1.9 the word **"tax"** includes any tax, duty, impost or levy and any other charge or withholding of a similar nature (including any interest or penalty for late payment or non-payment);

- 1.2.2 except where this deed expressly states otherwise, each term used in this deed which is defined in the Facilities Agreement has the same meaning as in the Facilities Agreement, construed in accordance with the Facilities Agreement;
- 1.2.3 where something (or a list of things) is introduced by the word **"including"**, or by the phrase **"in particular"**, or is followed by the phrase **"or otherwise"**, the intention is to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used);
- 1.2.4 each reference to any **"Chargor"**, the **"Company"**, the **"Security Trustee"** or any **"Party"**, or any of the **"Beneficiaries"**, or **"Obligors"** includes its successors in title, and its permitted assignees or permitted transferees;
- 1.2.5 unless this deed expressly states otherwise or the context requires otherwise, (a) each reference in this deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this deed) and (b) each reference in this deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this deed and whether amended or re-enacted since the date of this deed);
- 1.2.6 each reference to this deed (or to any other agreement or deed) means, at any time, this deed (or as applicable such other agreement or deed) as amended, novated, re-stated, substituted or supplemented at that time, provided that the relevant amendment, novation, re-statement, substitution or supplement does not breach any term of this deed or of any of the Finance Documents;
- 1.2.7 each reference to the singular includes the plural and vice versa, as the context permits or requires;
- 1.2.8 the Index and each heading in this deed is for convenience only and does not affect the meaning of the words which follow it;
- 1.2.9 each reference to a clause or Schedule is (unless expressly provided to the contrary) to be construed as a reference to the relevant clause or Schedule to this deed;
- 1.2.10 wherever this deed states that any Chargor must not take a particular step without the consent of the Security Trustee, the Security Trustee has discretion whether to give its consent and can impose conditions on any such consent it gives;
- 1.2.11 an Event of Default is **"continuing"** if it has not been waived;
- 1.2.12 references to assets, matters or things specified, identified, included, Inserted, particularised or referred to in a Schedule are, in relation to any Chargor who becomes a Party upon the execution and delivery of a Deed of Accession, to be deemed to include any assets, matters or things specified, identified, included, inserted particularised or referred

to in any corresponding or analogous schedule to such Deed of Accession;

- 1.2.13 references to the "**date of this deed**" or to the "**execution of this deed**" are to be deemed to include, in relation to a Chargor who becomes a Party upon the execution and delivery of a Deed of Accession, the date of or execution of such Deed of Accession;
- 1.2.14 references to security given made or created by this deed are to be deemed to include security given made or created by any Deed of Accession; and
- 1.2.15 this deed, in relation to each Chargor, is to be read and construed as if it were a separate deed in relation to such Chargor to the intent that if any security created by any other Chargor in this deed shall be invalid or liable to be set aside for any reason, this shall not affect any security created under this deed by such first Chargor.

1.3 Third Party Rights

- 1.3.1 A person who is not an Enforcement Party has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this deed except to the extent that this deed or any other of the Finance Documents expressly provides for it to do so.
- 1.3.2 No consent of any person who is not a Party is required to rescind or vary this deed at any time.
- 1.3.3 This clause 1.3 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act

1.4 Incorporation of other terms

The terms of the other Finance Documents under which the Secured Obligations arise and of any side letters between any Chargor and any of the Beneficiaries relating to the Secured Obligations are incorporated in this deed to the extent required for any purported disposition of the Secured Assets contained in this deed to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;

2. COVENANT TO PAY

2.1 Covenant

Each Chargor hereby, as primary obligor and not merely as surety, covenants with the Security Trustee that it will pay, discharge and perform the Secured Obligations on demand as and when due in the manner provided in the Finance Documents.

2.2 Default Interest

Any amount which is not paid under this deed on the due date shall bear interest (as well after as before judgment) payable on demand at the Default Rate from time to time from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full, save to the extent that interest at such rate on such amount and for such period is charged

pursuant to the Finance Documents relevant to that liability and itself constitutes part of the Secured Obligations.

3. CHARGING CLAUSE

3.1 Grant of security

Each Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations, charges as security in favour of the Security Trustee the following assets:

3.1.1 First legal mortgage on specified land and buildings

by way of first legal mortgage, all its Property (if any) identified in Schedule 4 (*Details of Property*);

3.1.2 First fixed charge on other land and buildings

by way of first fixed charge, all its Property (but excluding any Property made subject to a valid legal mortgage under clause 3.1.1 above), all other interests in its Property, and any rights under any licence or other agreement or document which gives such Chargor a right to enter upon or use land wherever situated;

3.1.3 First fixed charge on plant and machinery

by way of first fixed charge (other than those assets subject to the Lombard Chattel Mortgage, which will be by way of second fixed charge), all plant and machinery (including those items of plant and machinery, if any, listed in respect of such Chargor in Schedule 6 (*Specifically identified chattels*)), now or in the future owned by it (but not including plant and machinery made subject to a valid legal mortgage or valid fixed charge under clauses 3.1.1 or 3.1.2 above nor any chattels mentioned in clause 3.1.4 below) and the benefit of all contracts, licences and warranties relating to the same;

3.1.4 First fixed charge on other chattels

by way of first fixed charge (other than those assets subject to the Lombard Chattel Mortgage, which will be by way of second fixed charge), all vehicles, computers (including those vehicles and computers, if any, listed in respect of such Chargor in Schedule 6 (*Specifically identified chattels*)), now or in the future owned by it and its interest in any vehicles and /or computers, in its possession (but not including any such chattels for the time being forming part of such Chargor's stock in trade or work in progress) and the benefit of all contracts, licences and warranties relating to the same;

3.1.5 First fixed charge on Investments

by way of first fixed charge, all Investments together with all Distribution Rights from time to time accruing to or on such Investments;

3.1.6 First fixed charge on Insurances

to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to clause 3.2.2 (*Assignment of Insurances and Insurance Proceeds*) but are capable of being effectively charged, by way of first fixed charge, the Insurances applicable to such Chargor and all Insurance Proceeds either now or in the future held by, written in favour of, or payable to such Chargor or in which such Chargor is otherwise interested;

3.1.7 First fixed charge on Book Debts etc

by way of first fixed charge, all present and future book and other debts, revenues and monetary claims of such Chargor and all rights and claims of whatever nature of such Chargor now or which may at any time be held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims;

3.1.8 First fixed charge on Bank Balances

by way of first fixed charge, all of its Bank Balances;

3.1.9 First Fixed Charge on Intellectual Property

(to the extent that the Intellectual Property is incapable for any reason of being effectively assigned pursuant to clause 3.2.3 (*Assignment of Intellectual Property*)) by way of first fixed charge, all Intellectual Property (if any) owned by such Chargor or in which such Chargor shall have an interest.

3.1.10 First Fixed Charge on Authorisations, compensation etc

by way of first fixed charge, the benefit of all Authorisations held or utilised by such Chargor in connection with its business or the use of any of its assets (to the extent that such Authorisations are capable of being effectively charged) and the right to recover and receive all compensation which may at any time become payable to it in respect of such Authorisations to the extent permitted by the terms of such Authorisations and save in so far as any such Authorisations are effectively subject to any valid assignment to the Security Trustee pursuant to this deed; and

3.1.11 First Fixed Charge on goodwill and uncalled capital

by way of first fixed charge, all the goodwill and uncalled capital of such Chargor.

3.2 Assignment by way of security

As further continuing security for the payment of the Secured Obligations each Chargor assigns (to the fullest extent capable of assignment) to the Security Trustee all its rights, title and interest in the following assets:

3.2.1 Assignment of Charged Contracts

the Charged Contracts and also any and all damages, compensation, remuneration, profit, royalties, fees, rent or income which such Chargor may derive from or be awarded or entitled to in respect of the Charged Contracts;

3.2.2 Assignment of Insurances and Insurance Proceeds

the Insurances and the benefit of all Insurance Proceeds; and

3.2.3 Assignment of Intellectual Property

the Intellectual Property (if any) together with all damages, compensation, remuneration, profit, royalties, fees, rent or income which such Chargor may derive from or be awarded or entitled to in respect of such Intellectual Property, but in the case of any such assignment of Intellectual Property the Security Trustee shall grant to such Chargor a licence to use such Intellectual Property in the ordinary course of its business and for so long as no Event of Default exists and is continuing upon such terms as may be specified by the Security Trustee.

3.3 Notice of assignment or charge

3.3.1 Each Chargor shall forthwith give notice of each such assignment of its right, title and interest (if any) in and to the Insurances and Insurance Proceeds, by sending a notice in the form of Part 1 of Schedule 7 (*Notices*) (with such amendments as the Security Trustee may agree) duly completed to each of the other parties to the Insurances and shall procure that within 14 days of the date of its receiving such request each such other party delivers an acknowledgement to the Security Trustee in the form of the acknowledgement of notice contained in the notice set out in Part 1 of Schedule 7 (*Notices*), with such amendments as the Security Trustee may agree.

3.3.2 Each Chargor shall sign and provide to the Security Trustee on the date of this deed notice of each such assignment of its right, title and interest (if any) in and to the Charged Contracts by sending a notice in the form of Part 2 of Schedule 7 (*Notices*) (with such amendments as the Security Trustee may agree) duly completed to each of the other parties to the Charged Contracts. The Security Trustee shall not serve such notice on the other parties to the Charged Contracts until the occurrence of a Default which is continuing.

3.3.3 Upon service of the notice referred to in clause 3.3.2 on the other parties to the Charged Contracts, each Chargor shall procure that within 14 days of the date of its receiving such request each such other party delivers an acknowledgement to the Security Trustee in the form of the acknowledgement of notice contained in the notice set out in Part 2 of Schedule 7 (*Notices*), in each case with such amendments as the Security Trustee may agree.

3.4 Exercise of rights under Charged Contracts

3.4.1 Whilst no Event of Default exists and is continuing the Security Trustee shall permit the relevant Chargor to exercise its rights under any of the Charged Contracts to which it is party, provided that the exercise of those rights in the manner proposed would not result in an Event of Default.

3.4.2 Where an Event of Default exists and is continuing the relevant Chargor shall exercise its rights under any of the Charged Contracts in accordance with the instructions of the Security Trustee.

3.5 Floating charge

As further continuing security for the payment to the Security Trustee of the Secured Obligations each Chargor hereby charges in favour of the Security Trustee, by way of first floating charge, all its assets and undertakings whatsoever and wheresoever both present and future not effectively charged by way of legal mortgage or fixed charge pursuant to the provisions of clause 3.1 (*Fixed charges*) or effectively assigned by way of security pursuant to clause 3.2 (*Assignment by way of security*).

3.6 Conversion of floating charge

The Security Trustee may at any time by notice in writing to any Chargor convert the floating charge created pursuant to clause 3.5 (*Floating Charge*) into a fixed charge as regards such assets as it shall specify in the notice in the event that:

- 3.6.1 such Chargor has failed to comply with, or takes or threatens to take any action which in the opinion of the Security Trustee is likely to result in its failing to comply with its obligations under clause 5 (*Negative Pledge and Disposal Restrictions*); or
- 3.6.2 the Security Trustee is of the view that:
 - 3.6.2.1 such assets are in danger of being seized; or
 - 3.6.2.2 any legal process or execution is being enforced against such assets; or
 - 3.6.2.3 such assets are otherwise in jeopardy; or
 - 3.6.2.4 steps have been taken which would, in the reasonable opinion of the Security Trustee, be likely to lead to the appointment of an administrator in relation to such Chargor (or such administrator has been appointed) or to the winding-up of such Chargor;

and by way of further assurance such Chargor shall promptly execute a fixed charge over such assets in such form as the Security Trustee shall reasonably require.

3.7 Automatic conversion of floating charge

In addition to any circumstances in which the floating charge created by clause 3.5 (*Floating charge*) of this deed will crystallise automatically under the general law, and without prejudice to the operation of clause 3.6 (*Conversion of floating charge*):

- 3.7.1 if any Chargor creates (or purports to create) any security on or over any Floating Charge Asset (other than a Permitted Security) without the prior written consent of the Security Trustee such floating charge will automatically, without any notice being given under clause 3.6 (*Conversion of floating charge*) and immediately upon such event occurring, be converted into a fixed charge over the relevant Floating Charge Asset; and
- 3.7.2 if any Chargor convenes any meeting of its members to consider a resolution to wind up or not to wind up such Chargor, or if a liquidator,

Receiver or administrator or another similar officer is appointed in respect of such Chargor or any of its assets, such floating charge shall in like manner immediately upon the happening of such event be converted into a fixed charge over all the assets which immediately prior to such conversion comprised the Floating Charge Asset.

3.8 Continuing security

All the security granted or created by this deed is to be a continuing security which shall remain in full force and effect notwithstanding any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by any Chargor or any other person of the whole or any part of the Secured Obligations.

3.9 Full title guarantee and implied covenants

All the security created or given under this deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.10 Miscellaneous

The fact that no or incomplete details of any particular Secured Assets are included or inserted in any relevant Schedule shall not affect the validity or enforceability of the charges created by this deed.

4. FURTHER ASSURANCE

4.1 General

4.1.1 Each Chargor must (and the Company shall procure that each other Chargor will) at its own expense promptly do all such acts and things and execute such documents (including deeds, assignments, transfers, mortgages, charges, notices, instructions, assurances, agreements and instruments) as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s):

4.1.1.1 to perfect and protect (including against any change in or revised interpretation of any law or regulation) the security created (or intended to be created) under or evidenced by this deed or for the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to the Finance Documents or by law; or

4.1.1.2 to confer on the Security Trustee or any other Beneficiary security over any property or assets of any Chargor located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this deed; or

4.1.1.3 (in its absolute discretion) to facilitate the realisation of the assets which are, or are intended to be, the subject of this deed; or

4.1.1.4 otherwise for enforcing the same or exercising any of the Security Trustee's rights, powers, authorities or discretions under this deed,

and each Chargor shall take all such action as is available to it (including the making of all filings and registrations and the payment of all fees and taxes) as may be necessary for the creation, perfection protection, maintenance or enhancement of any security conferred or intended to be conferred on the Security Trustee or any other of the Beneficiaries pursuant to this deed.

- 4.1.2 Any security document required to be executed by any Chargor pursuant to clause 4.1.1 will be prepared at the cost of such Chargor, and will be in such form and will contain such provisions as the Security Trustee may reasonably require.

4.2 Land Registry - application for restriction

- 4.2.1 In relation to all present and future registered Property (and any other unregistered Property subject to compulsory first registration at the date of this deed) each Chargor is to apply to the Land Registrar to enter on the register against the title number of or to be allocated to the relevant Property) of:

- 4.2.1.1 on The Land Registry form RX1, a restriction in the following terms:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [*date of this deed*] in favour of [*Security Trustee*] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its duly authorised officer."

and, where applicable, notice of an obligation to make further advances

- 4.2.2 The relevant Chargor must submit the relevant applications no later than the date of submission of the application for registration of security created by this deed and pay the Expenses Incurred in connection with the applications.
- 4.2.3 The Security Trustee, in its absolute discretion, may make any of the applications referred to in clause 4.2.1 in place of such Chargor. In such a case, such Chargor consents to the entry of the relevant restriction and will pay the Expenses Incurred in connection with the application.

4.3 Exempt information document

- 4.3.1 Each Chargor must at its own expense do whatever the Security Trustee may reasonably require in connection with:
- 4.3.1.1 any application by the Security Trustee to have this deed designated an exempt information document under Land Registration Rules 2003 rule 136; and
- 4.3.1.2 any person's application under Land Registration Rules 2003 rule 137 for disclosure of this deed following its designation as an exempt information document.

4.3.2 Each Chargor must notify the Security Trustee in writing:

4.3.2.1 before making any application to have this deed designated an exempt information document under Land Registration Rules 2003 rule 136;

4.3.2.2 as soon as it receives notice of any person's application under Land Registration Rules 2003 rule 137 for disclosure of this deed following its designation as an exempt information document; and

4.3.2.3 before making any application under Land Registration Rules 2003 rule 138 for removal of any such designation.

4.4 **Delivery of deed to Land Registry**

Each Chargor submitting this deed or any counterpart to The Land Registry must on each occasion also submit a certified copy of this deed and request the return of the original and upon the return of the original it must deliver such original to the Security Trustee.

4.5 **Registration of security over Intellectual Property**

Each Chargor must, at the request of the Security Trustee and at its own cost, prepare, execute and lodge for registration, recording and/or filing (as the case may require) all documents and forms necessary for:

4.5.1 this deed and any other deed executed pursuant to this deed relating to its Intellectual Property (or requisite particulars);

4.5.2 the Security Trustee's interest in such Chargor's Intellectual Property, present and future;

4.5.3 any licences or other interests affecting such Chargor's Intellectual Property; and

4.5.4 any pending or future patents, registered designs, registered trade marks, registered service marks or applications to register any of the same in the name of such Chargor,

to be registered, recorded or filed (as the case may be) on the relevant register maintained by any relevant patent office or registry whether in the United Kingdom or elsewhere and shall do all acts and things necessary, including payment of fees, to give effect to such registration, recording or filing or to such future grant of patent.

4.5.5 Each Chargor must perform its obligations under clause 4.5.1 promptly and efficiently so as to ensure that the particulars of this deed and of the Security Trustee's interest are recorded as soon as practicable after the date of this deed but in any event within 6 months of the date of this deed and in relation to other deeds or any future filings or registrations of other Intellectual Property within 6 months of the date of such other deed, or of the date of such filing, or of such Chargor's obtaining any relevant rights.

4.5.6 Each Chargor hereby appoints the Security Trustee to act as its agent, at such Chargor's expense, to prepare all such documents and do all

things necessary, in the event that such Chargor fails to comply with its obligations under clause 4.5.1.

5. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

5.1 Negative pledge

During the Security Period, no Chargor shall create, extend or permit to subsist any Security over any of the Secured Assets, nor may it:

- 5.1.1 sell, transfer or otherwise dispose of any of its assets on terms that they are or may be leased to or re-acquired by any of the Obligors or by any other member of the Group;
- 5.1.2 sell, transfer or otherwise dispose of any of its receivables;
- 5.1.3 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- 5.1.4 enter into any other preferential arrangement having a similar effect,

In circumstances where the arrangement or transaction is entered into primarily as a method of raising indebtedness (whether actual or contingent and whatever the nature, structure or characteristic of the arrangement or transaction under which the relevant liability arises) or of financing the acquisition of an asset.

5.2 Exceptions

Clause 5.1 does not apply:

- 5.2.1 to the security created or required to be created by this deed;
- 5.2.2 to the Permitted Security; nor
- 5.2.3 to any security or transaction to which the Security Trustee has given its written consent

6. REPRESENTATIONS AND WARRANTIES

Each Chargor represents and warrants to the Security Trustee on the date of this deed and on each day during the Security Period on which representations and warranties set out in clause 22 of the Facilities Agreement are or are deemed to be made or repeated as follows :

6.1 No Event of Default

- 6.1.1 No Event of Default has occurred or is continuing or might reasonably be expected to result from the execution of this deed or from effect being given to its provisions;
- 6.1.2 No person who holds any security of a kind mentioned in clause 5.2 (*Exceptions*) over any asset of such Chargor has enforced or given notice of its intention to enforce such Security.

6.2 Property

It represents and warrants as set out in Part 2 of Schedule 10 (*Property warranties and undertakings*).

6.3 Matters affecting Shares

6.3.1 The Shares specified in Schedule 5 (*Shares*) opposite its name are at the date of this deed the only Shares legally and beneficially owned by it in respect of each Subsidiary named in Schedule 5 (*Shares*);

6.3.2 It is and will (save as otherwise permitted by the Facilities Agreement) remain the sole beneficial owner of the Shares and (save where the Shares have been registered in the name of the Security Trustee or its nominee pursuant to the provisions of this deed and save as otherwise permitted by the Facilities Agreement) it and/or its nominee is and will remain the absolute legal owner of the Shares;

6.3.3 The Shares are fully paid and neither the Shares nor the Distribution Rights are subject to any lien, charge, equity, encumbrance, option to purchase or similar rights of any person other than the Security Trustee;

6.3.4 The Security Trustee is entitled to be registered or to require a nominee to be registered as member of each of the relevant companies to which such Shares relate without any right of the board of directors of any such company to refuse registration or to consent to such registration only subject to satisfaction of conditions.

7. UNDERTAKINGS

Each Chargor undertakes to the Security Trustee in the terms of the following provisions of this clause 7, all such undertakings to commence on the date of this deed and to continue throughout the Security Period:

7.1 Perform

It will at all times comply with the terms (express or implied) of this deed and of all contracts relating to the Secured Obligations.

7.2 Not to jeopardise security

It will not do anything or allow anything to be done which may in any way depreciate, jeopardise or otherwise prejudice the value to the Security Trustee of the security constituted by this deed or the priority of its ranking as expressed in this deed or in the Intercreditor Agreement.

7.3 Maintenance

It will keep the Property and such other Secured Assets which are material to its business in a good and substantial state of repair, working order and condition.

7.4 Insurance

Except to the extent that it is provided otherwise in paragraph 8 (*Insurance*) of Part 3 of Schedule 10 (*Property warranties and undertakings*) and in addition to the Company's obligations under clause 25.19 of the Facilities Agreement it will

obtain, maintain and renew (all at its own expense) insurance indemnity or similar cover with reputable insurance companies or underwriters in respect of its business and assets against such risks and to the extent as is usual for companies carrying on the same or substantially similar business (and if applicable in accordance with the recommendations of any insurance report delivered to the Security Trustee in contemplation of or at or around the date of this deed).

7.5 Maintain Intellectual Property

7.5.1 It will observe and perform all covenants and stipulations from time to time affecting the Intellectual Property or the mode of user or the enjoyment of the same, make all payments, carry out all registrations or renewals and generally take all such steps as may be necessary to preserve, maintain and renew when necessary or desirable all Intellectual Property.

7.5.2 It will not do (or fail to do) anything or permit anything to be done, if that might infringe any Intellectual Property owned or used by it or affect the existence or value of any such Intellectual Property or its right or ability to use it.

7.6 Property

It will comply with the provisions of Part 3 of Schedule 10 (*Property warranties and undertakings*).

7.7 Collection of book debts, etc.

It will:

7.7.1 collect (as agent for the Security Trustee) all Charged Debts and pay into such specially designated account with the Security Trustee or such other account with such other bank as the Security Trustee may from time to time direct all money which it shall receive in respect of such Charged Debts forthwith on receipt and pending such payment it will hold all such money upon trust for the Security Trustee;

7.7.2 not, without the prior written consent of the Security Trustee, charge, factor, discount or assign any of the Charged Debts, in favour of any other person or purport to do so;

7.7.3 where the Collection Account attributable to it is not maintained with the Security Trustee in its capacity as Security Trustee but with the Security Trustee in some other capacity or with some other bank or financial institution, and where any other Bank Balances are charged to the Security Trustee pursuant to the provisions of clause 3.1.8 (*First fixed charge on Bank Balances*), procure that the Security Trustee (if such account is maintained with the Security Trustee in some other capacity than as Security Trustee) or such other bank or financial institution with whom the Collection Account attributable to it is maintained or where such other Bank Balances are held has received a notice in the form set out in Schedule 8 (*Form of notice to bank operating secured account*) and has issued a receipt and confirmation in respect of that notice as provided in such form.

7.8 Shares and other Investments

- 7.8.1 It will immediately upon receipt of the same deliver to the Security Trustee copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares.
- 7.8.2 It will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so the Security Trustee may pay the calls or other payments on its behalf.
- 7.8.3 Save with the prior written consent of the Security Trustee, it will not:
- 7.8.3.1 take any action by or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this deed increased;
 - 7.8.3.2 participate in any rights issue relating to the Shares; nor
 - 7.8.3.3 apply for, or consent to, the conversion of any Shares held in certificated form into uncertificated form.
- 7.8.4 Forthwith upon execution of this deed or upon any subsequent acquisition by it of Shares which are held within CREST or otherwise in uncertificated form, it will provide to the Security Trustee particulars of such Shares in which it is interested and will give such instructions and enter into such documents as the Security Trustee may reasonably require to perfect the security over such Shares created by this deed.
- 7.8.5 Forthwith upon execution of this deed it will deliver to the Security Trustee (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the same executed in blank (except for the number and class of Shares and the name of the transferor) and left undated.
- 7.8.6 If it acquires Investments, whether pursuant to its Distribution Rights or for any other reason, after the date of this deed the provisions of clause 7.8.3 and the remaining provisions of this clause 7.8 shall apply to such Investments.
- 7.8.7 The Security Trustee may at any time if the Security Trustee reasonably considers that the security constituted by this deed is in jeopardy complete the instruments of transfer on behalf of such Chargor in favour of itself or such other person as it shall select, and such Chargor shall procure that such instruments of transfer are forthwith registered in the relevant Company and that share certificates in the name of the Security Trustee and/or its nominee(s) in respect of the Shares to which such instrument of transfer relates are delivered to the Security Trustee as soon as reasonably practicable, but in any event no later than 5 days after the date upon which the Security Trustee has delivered the relevant instrument of transfer.
- 7.8.8 Until the occurrence of an Event of Default but not thereafter while such Event of Default is continuing:

- 7.8.8.1 such Chargor will be entitled to receive and retain all dividends, distributions, interest and other monies paid on or derived from the Investments; and
 - 7.8.8.2 will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of the Security Trustee to realise, the security created by this deed; and
 - 7.8.8.3 shall give to the Security Trustee reasonable notice of the manner in which it proposes to exercise the rights and powers referred to in clause 7.8.8.2.
- 7.8.9 Upon the occurrence of an Event of Default and while it is continuing any dividends, distributions interest or other monies paid on or derived from the Investments will be received by such Chargor on trust for the Security Trustee and paid into a separate account or otherwise dealt with as directed by the Security Trustee, and such Chargor shall if the Security Trustee so requires thereafter exercise all voting and other rights and powers attaching to the Shares as the Security Trustee shall direct.
- 7.8.10 At any time when any Investments are registered in the name of the Security Trustee or its nominee and for so long as there is no Event of Default which is continuing the Security Trustee will (so far as is consistent with the security created by this deed) exercise any applicable voting or other rights and powers in accordance with the directions of such Chargor and account to such Chargor for any dividends, payments or other distributions attributable to such Investments, but upon the occurrence of an Event of Default and so long as it is continuing the Security Trustee may exercise or refrain from exercising such voting or other rights and powers as it thinks fit and may retain any such dividends, payments or other distributions, but in any case the Security Trustee will not be under any duty to ensure that any dividend, distributions or other monies payable in respect of those Investments are duly and promptly paid or received by it or its nominee or to verify that the correct amounts are paid or received by it or its nominee or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Investments.

7.9 Charged Contracts

It will:

- 7.9.1 perform all its obligations under the Charged Contracts in a diligent and timely manner;
- 7.9.2 not make or agree to make any amendments or modifications to the Charged Contracts or waive any of its rights under the Charged Contracts or exercise any right to terminate any of the Charged

Contracts except with the prior written consent of the Security Trustee (such consent not to be unreasonably withheld); and

- 7.9.3 promptly inform the Security Trustee of any material disputes relating to the Charged Contracts.

7.10 Access

It will permit the Security Trustee and its professional advisers, agents and contractors free access at all reasonable times and on reasonable notice (at the risk and cost of such Chargor) (a) to the premises, assets, books, accounts and records of such Chargor and (b) to meet and discuss matters with Senior Management.

7.11 Deposit of documents

It will promptly at the Security Trustee's request deposit with the Security Trustee (or as the Security Trustee directs):

- 7.11.1 all deeds and documents of title relating to the Property including official copies of Land Registry entries, counterpart leases, licences, and any other deeds or documents necessary or desirable to assist the Security Trustee to enforce the security created by this deed;
- 7.11.2 policies of insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this deed; and
- 7.11.3 all such other documents relating to the Secured Assets as the Security Trustee may from time to time reasonably require.

7.12 Retention of documents

The Security Trustee may retain any document delivered to it pursuant to clause 7.11 (*Deposit of Documents*) or otherwise until the Discharge Date and if, for any reason it ceases to hold any such document before such time, it may by notice to such Chargor require that the relevant document be redelivered to it and such Chargor must immediately comply (or procure compliance) with such notice.

7.13 Power to remedy

If such Chargor fails to comply with any of the covenants and undertakings set out or referred to in Clauses 7.1 to 7.11 inclusive and Part 3 of Schedule 10 (*Property warranties and undertakings*) it will allow (and hereby irrevocably authorises) the Security Trustee and/or such persons as the Security Trustee nominates to take such action (including the making of payments) on behalf of such Chargor as is necessary to ensure that such covenants are complied with.

7.14 Expenses

It will pay all Expenses on demand. If it does not do so, the Expenses will bear Interest at the Default Rate from and including the date of demand to and including the date of actual payment.

7.15 Indemnity

It will indemnify the Security Trustee and will keep the Security Trustee indemnified against all losses and Expenses incurred by the Security Trustee as a result of a breach by such Chargor of its obligations under clauses 7.1 to 7.11 inclusive and Part 3 of Schedule 10 (*Property warranties and undertakings*) and in connection with the exercise by the Security Trustee of its rights contained in clause 7.13 above (*Power to remedy*). All sums the subject of this indemnity will be payable by such Chargor to the Security Trustee on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with Monthly rests.

8. ENFORCEABILITY

For the purposes of all powers implied by the LPA or any other applicable statute, the Secured Obligations shall be deemed to have become due and payable and this deed will become immediately enforceable and the powers of the Security Trustee and any Receiver will become exercisable on the date of this deed, but, as between the Security Trustee and each Chargor, the power of sale shall be exercisable only upon the occurrence of an Event of Default and for so long as it is continuing unless there has been a request from such Chargor to the Security Trustee for the appointment of a Receiver, in which case it will be exercisable at any time following the making of such request.

9. ENFORCEMENT OF SECURITY

9.1 At any time after the Security Trustee's power of sale has become exercisable, the Security Trustee may without further notice:

9.1.1 appoint one or more than one Receiver in respect of the Secured Assets or any of them and if more than one Receiver is appointed the Receiver may act jointly and severally or individually; or

9.1.2 take possession of the Secured Assets; or

9.1.3 in its absolute discretion enforce all or any part of the security created by this deed in such other lawful manner as it thinks fit.

9.2 The Security Trustee may remove the Receiver and appoint another Receiver and the Security Trustee may also appoint an alternative or additional Receiver.

9.3 The Receiver will, so far as the law permits, be the agent of each Chargor and such Chargor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. The Security Trustee will not be responsible for any misconduct, negligence or default of the Receiver.

9.4 The powers of the Receiver will continue in full force and effect following the liquidation of any Chargor.

9.5 The remuneration of the Receiver may be fixed by the Security Trustee but will be payable by the relevant Chargor. The amount of the remuneration will form part of the Secured Obligations.

9.6 The Receiver will have the power on behalf and at the cost of each Chargor:

9.6.1 to do or omit to do anything which he considers appropriate in relation to the Secured Assets; and

- 9.6.2 to exercise all or any of the powers conferred on the Receiver or the Security Trustee under this deed or conferred upon administrative receivers by the Insolvency Act (even if he is not an administrative receiver), or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision).
- 9.7 Without prejudice to the general powers set out in clause 9.6 a Receiver will also have the powers and discretions set out in Schedule 11 (*Receiver's specific powers*).
- 9.8 The Security Trustee or any Receiver may sever any Fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Obligations.
- 9.9 If the Security Trustee or the Receiver obtains possession of the Property, the Security Trustee or the Receiver may use and remove, store or sell any chattels on the Property, whether or not forming part of the Secured Assets, without being under any liability to any Chargor other than to account for their net proceeds of the sale. All Expenses and liabilities incurred by the Security Trustee or the Receiver in connection with the removal, storage and sale of such chattels will form part of the Secured Obligations.
- 9.10 If (notwithstanding any representation or warranty to the contrary contained in this deed) there shall be any security affecting the Secured Assets or any of them which ranks in priority to the security created by this deed and the holder of such prior security takes any steps to enforce such security, the Security Trustee or any Receiver may, at its option, take a transfer of, or repay the indebtedness secured by, such security.
- 9.11 The Security Trustee may, at any time after this deed has become enforceable pursuant to clause 8 (*Enforceability*), exercise, to the fullest extent permitted by law, all or any of the powers authorities and discretions conferred on a Receiver by this deed, whether as attorney of any Chargor or otherwise and whether or not a Receiver has been appointed.
- 9.12 The Security Trustee may, in writing, either in its appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on Receivers by this deed.
- 9.13 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charges created under this deed.

10. APPLICATION OF PROCEEDS

10.1 Recoveries by Receiver

The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Obligations, be applied by or at the direction of the Receiver in or towards discharging or satisfying, in the following order of priority:

- 10.1.1 the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;

10.1.2 any costs, charges, expenses and liabilities of or incurred by any Enforcement Party in the exercise of any of its powers including all rents, taxes, rates and outgoings whatever affecting the Secured Assets, all premiums on Insurances properly payable under this deed or any applicable statute, the cost of executing necessary or proper repairs to the Secured Assets, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Obligations;

10.1.3 the Secured Obligations, in accordance with the provisions of the Finance Documents and otherwise in such order as the Security Trustee may determine; and

10.1.4 the claims of those persons entitled to any surplus.

10.2 Right of appropriation

The Security Trustee is entitled to appropriate money and/or assets to Secured Obligations in such manner or order as it thinks fit and any such appropriation shall override any appropriation by any Chargor.

10.3 Insurances

All monies received by virtue of any Insurances maintained or effected in respect of the Secured Assets shall be applied in accordance with clauses 25.19.7 and 25.19.8 of the Facilities Agreement.

10.4 Suspense Account

The Security Trustee may place (for such time as it thinks prudent) any money received by it pursuant to this deed to the credit of a separate or suspense account (without liability to account for interest thereon) for so long and in such manner as the Security Trustee may from time to time determine without having any obligation to apply that money or any part of it in or towards discharge of the Secured Obligations.

11. PROTECTION OF THIRD PARTIES

11.1 No duty to enquire

A buyer from, tenant or other person dealing with any Enforcement Party will not be concerned to enquire whether any of the powers which it has exercised or purported to exercise has arisen or become exercisable and may assume that it is acting in accordance with this deed.

11.2 Receipt conclusive

The receipt of the Security Trustee or any Receiver shall be an absolute and a conclusive discharge to a purchaser of the Secured Assets and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or any Receiver.

12. PROTECTION OF SECURITY TRUSTEE

12.1 Security Trustee's receipts

The Security Trustee shall not be obliged to account to any Chargor, nor to any other person, for anything other than its own actual receipts which have not been distributed or paid to the person entitled (or who the Security Trustee, acting reasonably, believes to be entitled) in accordance with the requirements of this deed.

12.2 Exclusion of liability

- 12.2.1 No Enforcement Party will be liable to any Chargor for any expense, loss liability or damage incurred by such Chargor arising out of the exercise of its rights or powers or any attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.
- 12.2.2 No Chargor may take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this deed.
- 12.2.3 Any officer, employee or agent of any Enforcement Party may rely on this clause 12 under the Third Parties Act.

12.3 Effect of possession

If the Security Trustee or any Receiver enters into possession of the Secured Assets or any of them, this will not oblige either the Security Trustee or the Receiver to account as mortgagee in possession, and if the Security Trustee enters into possession at any time of the Secured Assets or any of them it may at any time at its discretion go out of such possession.

12.4 Chargor's indemnity

Each Chargor agrees with the Security Trustee to indemnify the Security Trustee and any Receiver or Delegate on demand against any costs, loss or liability incurred by any of them in respect of:

- 12.4.1 any exercise of the powers of the Security Trustee or the Receiver or any attempt or failure to exercise those powers; and
- 12.4.2 anything done or omitted to be done in the exercise or purported exercise of the powers under this deed or under any appointment duly made under the provisions of this deed.

13. POWER OF ATTORNEY

13.1 Grant of power

Each Chargor irrevocably and by way of security appoints the Security Trustee and each Receiver and any person nominated for the purpose by the Security Trustee or the Receiver (in writing, under hand, signed by an officer of the Security Trustee or by the Receiver) severally to be the attorney of such Chargor (with full power of substitution and delegation) for the purposes set out in clause 13.2 below.

13.2 Extent of power

The power of attorney granted in clause 13.1 above allows the Security Trustee, the Receiver or such nominee, in the name of the relevant Chargor, on its behalf and as its act and deed to:

- 13.2.1 perfect the security given by such Chargor under this deed; and
- 13.2.2 execute, seal and deliver (using such Chargor's seal where appropriate) any document or do any act or thing which such Chargor may, ought or has agreed to execute or do under this deed or which the Security Trustee, the Receiver or such nominee may in their absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of the Security Trustee or the Receiver under, or otherwise for the purposes of, this deed.

13.3 Ratification

Each Chargor covenants with the Security Trustee to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this clause 13.

14. APPLICATION, VARIATION AND EXTENSION OF STATUTORY PROVISIONS

14.1 Application of statutory covenants

The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind a Chargor only if, in any case, the relevant covenant imposes upon such Chargor a burden, liability or obligation that would not otherwise arise under this deed.

14.2 Conditions applicable to power of sale etc.

- 14.2.1 For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of clause 8 (*Enforceability*)), the conditions set out in that section as to when such powers arise do not apply and the Secured Obligations become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this deed; and
- 14.2.2 the Security Trustee and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this deed.

14.3 Extension of powers of sale, etc.

- 14.3.1 The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise the Security Trustee in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this deed.
- 14.3.2 The Security Trustee and any Receiver shall also have and enjoy all the other powers, privileges, rights and protections conferred by the LPA and the Insolvency Act on mortgagees, receivers or administrative receivers (each as amended and extended by this deed and whether or not a receiver or administrative receiver has been appointed) but so

that if there is any ambiguity or conflict between the powers contained in such statutes and those contained in this deed, those contained in this deed shall prevail.

14.4 Consolidation of mortgages

The restriction on the consolidation of mortgages in Section 93 of the LPA does not apply to this deed nor to any security given to the Security Trustee pursuant to this deed.

14.5 Powers of leasing, etc -Chargor

The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by any Chargor in relation to the Secured Assets or any part thereof without the prior written consent of the Security Trustee.

14.6 Powers of leasing, etc -Security Trustee

The restrictions on the powers of the Security Trustee or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this deed.

14.7 LPA provisions relating to appointment of Receiver

Section 109(1) of the LPA shall not apply to this deed.

14.8 Application of proceeds

Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to the Security Trustee nor to a Receiver appointed under this deed.

15. OTHER MISCELLANEOUS PROVISIONS

15.1 Powers, rights and remedies cumulative

The powers, rights and remedies provided in this deed are in addition to (and not instead of) powers, rights and remedies under law.

15.2 Exercise of powers, rights and remedies

If an Enforcement Party fails to exercise any power, right or remedy under this deed or delays its exercise of any power, right or remedy, this does not mean that it waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it cannot exercise such power right or remedy again, fully or in part.

15.3 Discretion

15.3.1 The Security Trustee may decide:

15.3.1.1 whether and, if so, when, how and to what extent (i) to exercise its rights under this deed and (ii) to exercise any other right it might have in respect of any Chargor (or otherwise); and

15.3.1.2 when and how to apply any payments and distributions received for its own account under this deed,

and no Chargor has the right to control or restrict the Security Trustee's exercise of this discretion.

15.3.2 No provision of this deed will interfere with the Security Trustee's right to arrange its affairs as it may in its absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.

15.4 Set-off and combination of accounts

15.4.1 No right of set-off or counterclaim it may be exercised by any Chargor in respect of any payment due to the Security Trustee under this deed.

15.4.2 The Security Trustee may at any time after this deed has become enforceable and without notice to a Chargor:

15.4.2.1 combine or consolidate all or any of such Chargor's then existing accounts with, and liabilities to, the Security Trustee;

15.4.2.2 set off or transfer any sums standing to the credit of any one or more of such accounts; and/or

15.4.2.3 set-off any other obligation owed by the Security Trustee to such Chargor (whether or not matured at such time),

in or towards satisfaction of any of the Secured Obligations. The Security Trustee is to notify such Chargor in writing that such a transfer has been made.

15.4.2.4 If any amount is in a different currency from the amount against which it is to be set off, the Security Trustee may convert either amount (or both) at any reasonable time and at any reasonable rate.

15.5 Power to establish new account

If the Security Trustee receives notice of a subsequent mortgage or charge relating to the Secured Assets, it will be entitled to close any account and to open a new account in respect of the closed account. If the Security Trustee does not open such new account, it will in any event be treated as if it had done so at the time when it received such notice.

15.6 Information

Each Chargor authorises the holder of any prior or subsequent security to provide to the Security Trustee, and the Security Trustee to receive from such holder, details of the state of account between such holder and such Chargor.

15.7 No assignment by Chargor

No Chargor shall assign, novate or otherwise deal with its rights or obligations under or interests in this deed, except with the prior written consent of the Security Trustee.

15.8 Transfer by Security Trustee

- 15.8.1 Save as otherwise provided in the Facilities Agreement, the Security Trustee may at any time assign, novate or otherwise deal with any rights or obligations under or interests in this deed.
 - 15.8.2 The Security Trustee may disclose any information about any Chargor, the Secured Assets and/or this deed to any person to whom it proposes to assign, novate or transfer (or has assigned, novated or transferred) any rights or obligations under or interests in this deed, or with whom it proposes to enter into (or has entered into) any other dealings in relation to any such rights, obligations or interests.
 - 15.8.3 Any person to whom the benefit of all such rights has been transferred, subject to such obligations, may enforce this deed in the same way as if it had been a Party instead of the Security Trustee.
- 15.9 If the Security Trustee transfers part only of its rights in respect of the Secured Obligations to any person, then this deed shall thereupon be deemed to have been entered into by the Security Trustee as trustee for the Beneficiaries and such other person.

15.10 Avoidance of settlements and other matters

- 15.10.1 Any payment made by a Chargor, or settlement or discharge between such Chargor and the Security Trustee, is conditional upon no security or payment to the Security Trustee by such Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, administration or liquidation for the time being in force and accordingly (but without limiting the Security Trustee's other rights under this deed) the Security Trustee shall be entitled to recover from such Chargor the value which the Security Trustee has placed upon such security or the amount of any such payment as if such payment, settlement or discharge had not occurred.
- 15.10.2 If the Security Trustee, acting reasonably, considers that any amount paid by a Chargor in respect of the Secured Obligations is capable of being avoided or ordered to be refunded or reduced for the reasons set out in clause 15.10.1, then for the purposes of this deed such amount shall not be considered to have been irrevocably paid.

15.11 Time Deposits

Without prejudice to the provisions of clause 15.4 (*Set-off and combination of accounts*), if during the Security Period a time deposit matures on any account which any Chargor holds with the Security Trustee and an Event of Default has arisen which is continuing but no amount of Secured Obligations has fallen due and payable such time deposit shall be renewed for such further maturity as the Security Trustee may in its absolute discretion determine.

15.12 Perpetuity Period

The perpetuity period applicable to the trusts created by this deed is 80 years.

15.13 Release of security

On the Discharge Date (but subject to clause 15.10 (*Avoidance of settlements and other matters*)) the Security Trustee shall at the request and cost of each Chargor execute and do all deeds, acts and things as may be necessary to release the Secured Assets from the security constituted hereby or pursuant hereto.

16. COMMUNICATIONS

Any communication to be made under or in connection with this deed shall be effective only if made in accordance with clause 34 of the Facilities Agreement.

17. GOVERNING LAW

This deed is governed by English law.

18. THIS DEED

18.1 Consideration

Each Chargor has entered into this deed in consideration of the Beneficiaries or some of them agreeing to provide (or to continue to provide) finance facilities to it on the terms set out in the Finance Documents.

18.2 Execution of this deed - counterparts

If the Parties execute this deed in separate counterparts, this deed will take effect as if they had all executed a single copy.

18.3 Execution of this deed - formalities

This deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds.

18.4 Conflict

If there is any conflict between the provisions of the Facilities Agreement and the provisions of this deed, the provisions of the Facilities Agreement shall prevail.

18.5 Partial invalidity

18.5.1 If, at any time, any provision of this deed is or is found to have been illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this does not affect the legality, validity or enforceability of the other provisions of this deed, nor the legality, validity or enforceability of the affected provision under the law of any other jurisdiction.

18.5.2 If any Party is not bound by this deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this deed (or under the relevant part).

18.6 Other security

This deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other security or guarantee which the

Security Trustee may now or at any time after the date of this deed hold for or in respect of the Secured Obligations.

18.7 Ownership of this deed

This deed and every counterpart is the property of the Security Trustee.

This deed is made and delivered as a deed on the date given on page 1.

SCHEDULE 1

The Chargers other than the Company

Sectormatch Limited

Place of Incorporation	:	England and Wales
Registered Office	:	58 Rochester Row Westminster London SW1P 1JU
Registered Number	:	2542683

Grange (Prescot Street) Limited

Place of Incorporation	:	England and Wales
Registered Office	:	58 Rochester Row Westminster London SW1P 1JU
Registered Number	:	5392479

The City Hotel Management Limited

Place of Incorporation	:	England and Wales
Registered Office	:	58 Rochester Way London SW1P 1JU
Registered Number	:	03765528

The Holborn Hotel Limited

Place of Incorporation	:	England and Wales
Registered Office	:	58 Rochester Way London SW1P 1JU
Registered Number	:	03613258

Grange Hotels Limited

Place of Incorporation	:	England and Wales
Registered Office	:	58 Rochester Way London SW1P 1JU
Registered Number	:	04906361

SCHEDULE 2

Bank accounts

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SCHEDULE 3

Charged Contracts

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SCHEDULE 4

Details of Property

1. **Globalgrange Limited**

1.	Address of Property:	The property known as The Grange Holborn Hotel at Sentinel House, 50 to 60 Southampton Row, Holborn
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL352103
	County and District (or London Borough):	Camden
2.	Address of Property	The property known as Faraday Building (North), Carter Lane, London EC4V 4BU
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL844255
	County and District (or London Borough):	City of London
3.	Address of Property	The property known as The Buckingham Hotel at 39 and 40 Bedford Place, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL774980
	County and District (or London Borough):	Camden

4.	Address of Property:	The property known as The Clarendon Hotel at 34 to 37 (odd) Bedford Place, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL774978
	County and District (or London Borough):	Camden
5.	Address of Property:	The property known as The Portland Hotel at 31 and 32 Bedford Place, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL774977
	County and District (or London Borough):	Camden
6.	Address of Property:	The property known as Lion House at 72 to 75 Red Lion Street, Holborn
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL60653
	County and District (or London Borough):	Camden
7.	Address of Property:	The property known as The Beauchamp, 24 - 27 Bedford Place, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL774976

	County and District (or London Borough):	Camden
8.	Address of Property:	The property known as Kings College Hostel, St Vincents Square, London
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	LN189036
	County and District (or London Borough):	City of Westminster
9.	Address of Property:	The property known as Land on the south side of Staines Road, Feltham
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL193868
	County and District (or London Borough):	Hounslow
10.	Address of Property:	The property known as The Lancaster Hotel at 4 to 6 Bedford Place, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL893089
	County and District (or London Borough):	Camden
11.	Address of Property:	The property known as The Grange Rochester Hotel, 69 Vincent Square, London
	Freehold/Leasehold	Freehold

	Estate:	
	Title Details (where applicable):	LN169817
	County and District (or London Borough):	Westminster
12.	Address of Property:	9 Creed lane, London, EC4V 5DY
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	9 Creed Place/Lane, London as shown edged red on the plan attached to the lease dated 23 September 2013 and made between (1) Royal Co-operative Insurance Society Limited and (2) Globalgrange Limited
	County and District (or London Borough):	City of London

2. Sectormatch Limited

1.	Address of Property:	The property known as Leicester Court Hotel at 41 Queens Gate Gardens and 15 Atherstone Mews, Kensington
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL101749
	County and District (or London Borough):	Kensington & Chelsea
2.	Address of Property:	The property known as The White Hall Hotel at 2-5 Montagu Street and the land at the rear of The White Hall Hotel and Blooms Hotel at 6 and 7 Montagu Street, London
	Freehold/Leasehold Estate:	Leasehold

	Title Details (where applicable):	NGL763229 NGL752431
	County and District (or London Borough):	Camden
3.	Address of Property:	The property known as 31, 33 and 35 Langham Street and 71 Great Titchfield Street, London
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL785587
	County and District (or London Borough):	City of Westminster
4.	Address of Property	The property known as The Grange Langham Court Hotel at 31,33 and 35 Langham Street, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL541073
	County and District (or London Borough):	City of Westminster
5.	Address of Property:	The property known as The Grange Fitzrovia Hotel at St Clements House, 20 to 28 Bolsover Street, London
	Freehold/Leasehold Estate:	Leasehold
	Title Details (where applicable):	NGL677165
	County and District (or London Borough):	City of Westminster

3. Grange (Prescot Street) Limited

1.	Address of Property:	Land lying to the north of Prescott Street, London
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL281644
	County and District (or London Borough):	Tower Hamlets

4. **The Holborn Hotel Limited**

1.	Address of Property:	The property known as Central St Martins College of Art & Design, Southampton Row, London
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	NGL883126
	County and District (or London Borough):	Camden

5. **Grange Hotels Limited**

1.	Address of Property:	London Metropolitan University, 100 Minories, London, EC3N 1JY
	Freehold/Leasehold Estate:	Freehold
	Title Details (where applicable):	School of Navigation - NGL702224, land on the east side of Vine Street - NGL810078 and link bridges oversailing Hammet Street - NGL710223
	County and District (or London Borough):	City of London

SCHEDULE 5

Shares

	Name of Owing Chargor	Company No	Name of Subsidiary	Company No	No and Class of Shares (and where held by nominees names of nominees)
1	Globalgrange Limited	1503192	Sectormatch Limited	02542683	1000 ordinary shares of £1.00 each
2	Sectormatch Limited	02542683	Grange (Prescot) Street Limited	05392479	1 ordinary share of £1.00 each
3	Globalgrange Limited	1503192	The City Hotel Management Limited	03765528	1 ordinary share of £1.00 each
4	Globalgrange Limited	1503192	The Holborn Hotel Limited	03613258	1 ordinary share of £1.00 each
5	Globalgrange Limited	1503192	Grange Hotels Limited	04906361	1 ordinary share of £1.00 each

SCHEDULE 5

Specifically identified chattels

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SCHEDULE 6

Notices

Part 1

Notice by way of assignment

(For attachment by way of Endorsement to the Insurances)

TO: *[name and address of insurer]*

Re: The policies of insurance referred to in the Schedule below (the "Policies")

We, *[Chargor]* (the "**Chargor**"), hereby give you notice that, by a debenture dated *[date]* (the "**Debenture**") and made by the Chargor in favour of Barclays Bank PLC (the "**Security Trustee**") (as trustee and security agent for itself and certain other banks and financial institutions referred to in the Debenture as the "Beneficiaries"), the Chargor has assigned to the Security Trustee, as first priority assignee all of the respective Policies taken out by the Chargor or on its behalf with you as are assignable or as are capable of being assigned by law, and all their right, title and interest under and in respect of the Policies (including, but not limited to, the benefit of all sums assured by the Policies and all bonuses, profits, returns of premium and other benefits of whatever nature arising by virtue of the Chargor's ownership of the Policies and all interest on any of the foregoing) as security for certain obligations now or hereafter owed by the Chargor to the Security Trustee and the other Beneficiaries.

We hereby irrevocably and unconditionally authorise you:

1. to note the Security Trustee's interest as co-insured and sole loss payee of the proceeds of such Policies; and
2. to issue a letter of undertaking, in the form attached, to the Security Trustee and to act on the instructions of the Security Trustee in the manner provided in that letter without any further reference to or authorisation from us.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) by way of acknowledgement of this notice and confirmation that you agree:

- A. to the terms set out in this notice and to act in accordance with its provisions; and
- B. to disclose to us without any reference to or further authority from the Chargor such information relating to the Policies as we may at any time reasonably request;
- C. not to cancel or decline renewal of any of the Policies without giving us 14 days prior written notice;
- D. Not to cancel the Policies, nor allow the Policies to lapse, at the request of the Chargor, without first obtaining our consent;.

For and on behalf of:

[Chargor]

By:.....

THE SCHEDULE

The Policies*

***To be completed by the Chargor and approved by the Security Trustee and to include all relevant policies with the named Insurer**

	Policy number	Name and address of insurer	Name and address of broker	Brief description of assets insured	Date of expiry of policy*
1.	[number]				
2.	[number]				
3.	[number]				
4.	[number]				
5.	[number]				

*Not required if policies are annually renewable
Dated [date]

[to be endorsed on copy notice]

To: Barclays Bank PLC as agent and trustee for the Beneficiaries (as referred to in a Debenture dated [date] granted to you by the Chargor)
Copy to:[name and address of Chargor]

We hereby acknowledge receipt of the above notice and confirm our agreement to the matters set out in paragraphs A to D (inclusive) above.

Signed:.....

for and on behalf of [name of insurer]
Dated: [date]

Part 2

Form of notice to counterparties of Charged Contracts

To: [name and address of counterparty]

Dated: [date]

Dear Sirs,

[here identify relevant Charged Contract] [the "**Contract**"] made between (1) [Chargor] (the "**Chargor**" and (2) [here insert name of counterparty]

We [Chargor] hereby notify you that by a debenture dated [date] (the "**Debenture**") made by the Chargor in favour of Barclays Bank PLC (the "**Security Trustee**") (as trustee and security agent for itself and certain other banks and financial institutions referred to in the Debenture as the "Beneficiaries"), the Chargor has assigned to the Security Trustee as first priority chargee and assignee all of the Chargor's rights, title and interest in the Contract as security for certain obligations now or hereafter owed by the Chargor to the Security Trustee and other Beneficiaries.

We further notify and irrevocably and unconditionally instruct and authorise you that:

1. the Chargor may not agree to amend, modify or terminate the Contract without the prior written consent of the Security Trustee;
2. subject to paragraph 1 above, you may continue to deal with the Chargor in relation to the Contract until you receive written notice to the contrary from the Security Trustee. Thereafter the Chargor will cease to have any right to deal with you in relation to the Contract and therefore from that time you should deal only with the Security Trustee;
3. you are authorised to disclose information in relation to the Contract to the Security Trustee on request without any enquiry by you as to the justification for such disclosure or reference to or further authority from the Chargor;
4. you must pay or release all monies to which the Chargor is entitled under the Contract direct to the Security Trustee (and not to the Chargor) unless the Security Trustee otherwise agrees in writing;
5. you must supply copies of all notices and other information under the Contract to the Security Trustee; and
6. the provisions of this notice may only be revoked with the written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) by way of confirmation that:

- A. you agree to the terms set out in this notice and to act in accordance with its provisions; and

- B. you have not received notice that the Chargor has assigned its rights under the Contract to a third party or created any other interest (whether by way or security or otherwise) in the Contract in favour of a third party.

The provisions of this notice are governed by English law.

Yours faithfully,
for and on behalf of
[Chargor]

[to be endorsed on copy notice]

To: Barclays Bank PLC

Copy to: [name and addresses of Chargor]

We hereby acknowledge receipt of the above notice and confirm our agreement to the matters set out in paragraphs A and B above.

Signed:.....

for and on behalf of [name of counterparty]

Dated: [date]

SCHEDULE 7

Form of notice to bank operating secured account

To: [name and address of account bank] (the "Account Bank")

Dated: [date]

Dear Sirs,

Re: **Account No:** [insert account number] [the "Account"]
 Account Branch [insert branch name and address]
 Account Holder: [name of Chargor] (the "Chargor")

We hereby notify you that by a debenture dated [date] (the "Debenture") made by the Chargor in favour of Barclays Bank PLC (the "Security Trustee") the Chargor has charged to the Security Trustee (as trustee and security agent for itself and certain other banks and financial institutions referred to in the Debenture as the "Beneficiaries"), all its right, title and interest in the monies from time to time standing to the credit of the Account [and of any other accounts from time to time maintained with you by the Chargor] (the "Charged Account[s]") and to all interest (if any) accruing on the Charged Account[s].

We hereby irrevocably and unconditionally authorise and instruct you:

1. to hold all monies from time to time standing to the credit of the Charged Account[s] to the order of the Security Trustee and accordingly to pay all or any part of those monies to the Security Trustee (or as it may direct) promptly following receipt of written instructions from the Security Trustee to that effect;
2. to disclose to the Security Trustee such information relating to the Chargor and the Charged Account[s] as the Security Trustee may from time to time request you to provide.

We also advise you that:

- (a) the Chargor may not withdraw any monies from the Charged Account[s] without first having produced to you the prior written consent of the Security Trustee to such withdrawal; and
- (b) the provisions of this Notice may only be revoked or varied with the prior written consent of the Security Trustee.

Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to the Chargor) by way of your confirmation that:

- A. you agree to act in accordance with the provisions of this notice;
- B. you have not received notice that the Chargor has assigned its rights to the monies standing to the credit of the Charged Account[s] or otherwise granted any security or other interest over those monies in favour of any third party; and
- C. you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Account[s].

By counter-signing this notice the Security Trustee confirms that the Chargor may make withdrawals from the Charged Account[s] until such time as the Security Trustee shall notify you (with a copy to the Chargor) in writing that such permission is withdrawn. Such permission may be withdrawn or modified by the Security Trustee in its absolute discretion at any time.

The provisions of this notice are governed by English law.

Yours faithfully

for and on behalf of
[Chargor]

Countersigned by

.....
for and on behalf of
Barclays Bank PLC

To: Barclays Bank PLC

Copy to: [name and address of Chargor]

We hereby acknowledge receipt of the above notice and confirm the matters set out in paragraphs A, B and C above.

for and on behalf of
[name and address of Account Bank]

Dated: [date]

SCHEDULE 8

Form of Deed of Accession

THIS DEED OF ACCESSION dated [date] is made between:

- (1) [name of acceding company] a company incorporated in England and Wales with company number [number] / [alternative corporate description, as appropriate] of [address] (the "**New Chargor**");
- (2) [name of Company] a company incorporated in England and Wales with company number [number] / [alternative corporate description, as appropriate] of [address] for itself and as agent for and on behalf of each of the other Chargors named in the Debenture referred to below, (the "**Company**"); and
- (3) **BARCLAYS BANK PLC** a company incorporated in England and Wales with company number 01026167 of 1 Churchill Place, London E14 5HP in its capacity as Security Trustee in its capacity as trustee and security agent for the Beneficiaries (including itself) in relation to the Security Documents (the "**Security Trustee**" which expression includes such other trustee and security agent as may from time to time be appointed in that capacity pursuant to clause 12 of the Intercreditor Agreement).

BACKGROUND

- (A) The New Chargor is a wholly owned subsidiary of the Company.
- (B) The Company entered into a debenture dated [date] (as supplemented and amended by Deeds of Accession or otherwise from time to time, the "**Debenture**") made between amongst others the Company, each of the other companies named therein as Chargors, and the Security Trustee as trustee and security agent for itself and certain other banks and financial institutions referred to in the Debenture as the "**Beneficiaries**".
- (C) The New Chargor has at the request of the Company and in consideration of the Beneficiaries making or continuing to make facilities available to the Company or any other member of the Group determined to enter into this deed and thereby become a Chargor under the Debenture.

OPERATIVE PROVISIONS:

1. DEFINITIONS

Terms defined and construed (whether directly or by reference) in the Debenture shall have the same meaning and construction in this deed.

2. ACKNOWLEDGEMENT

The New Chargor acknowledges that:

- 2.1 It has given due consideration to the terms and conditions of the Finance Documents (including the Debenture) and has satisfied itself that there are reasonable grounds for believing that by executing this deed the New Chargor will derive commercial benefit; and
- 2.2 that it enters into this deed in good faith and for the purposes of its business.

3. **AGREEMENT**

The New Chargor hereby agrees to accede and become a party to and to be bound by the terms of the Debenture as a Chargor with immediate effect.

4. **EFFECT OF ACCESSION**

The Debenture shall henceforth be read and construed for all purposes as if the New Chargor had been an original party thereto in the capacity of Chargor (but so that the security created consequent on such accession shall be created on the date of this deed).

5. **REPRESENTATIONS, WARRANTIES ETC**

The New Chargor hereby gives and agrees and undertakes to be bound by all the representations, warranties, covenants, undertakings, indemnities and agreements in the Debenture which are expressed to be given by or binding on a Chargor.

6. **GRANT OF SECURITY**

6.1 **Full title guarantee**

All the security created or given by the New Chargor, whether under this deed or by the Debenture is given and made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

6.2 **Implied Covenants**

The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind the New Chargor only if, in any case, the relevant covenant imposes upon the New Chargor a burden, liability or obligation that would not otherwise arise under this deed or the Debenture.

6.3 **General provisions**

All the security created or given by the New Chargor, whether under this deed or by the Debenture is granted in favour of the Security Trustee as trustee and security agent for the Beneficiaries as a continuing security for the payment, discharge and performance of the Secured Obligations.

6.4 **Security over all assets**

The New Chargor now grants to the Security Trustee in relation to its assets and undertaking the same mortgages, charges, assignments and other security as are set out in clause 3 (*Charging clause*) of the Debenture, to the intent that its mortgages, charges, assignments and other security shall be effective and binding upon it and its assets and undertaking and shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other party's execution of the Debenture or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Debenture or in any other Deed of Accession.

6.5 Specific security

Without limiting the generality of clause 6.4 (*Security over all assets*) or of the Debenture, the New Chargor:

- 6.5.1 [charges by way of first legal mortgage all the Property (if any) now belonging to it brief descriptions of which are specified in Schedule 1 (*Details of Real Property owned by the New Chargor*) to this deed];
- 6.5.2 [charges by way of first fixed charge all plant and machinery, vehicles and computers listed in Schedule 2 (*Specifically identified chattels owned by the New Chargor*), and the benefit of all contracts, licences and warranties relating to any of such chattels];
- 6.5.3 [confirms that for the purposes of the first fixed charge over the Investments (if any) now belonging to it set out at clause 3.1.5 of the Debenture such charge shall extend to those Shares listed in Schedule 3 (*Details of Shares owned by the New Chargor*) to this deed together with all Distribution Rights from time to time accruing thereto or thereon];
- 6.5.4 [[subject to the provisions of clause 3.9 (*Contractual arrangements containing prohibition on charging*) of the Debenture,] assigns and agrees to assign all of its right, title and interest (if any) in and to each of the contracts and agreements specified in Schedule 4 (*Details of Charged Contracts*) to this deed, each of which is deemed to be included in the definition of "Charged Contracts" for the purposes of the Debenture.];
- 6.5.5 [confirms that for the purposes of clause 3.1.3 (*First fixed charge on plant and machinery*) and clause 3.1.4 (*First fixed charge on other chattels*) of the Debenture it specifically identifies those chattels owned by it and listed in Schedule 5 (*specifically identified chattels*)]

7. AGREEMENT AND CONSENT BY CHARGORS

The Company, for itself and as agent for and on behalf of all other Chargors under the Debenture, hereby agrees and consents to all matters provided for in this deed.

8. CONSTRUCTION

The Debenture shall continue in full force and effect but amended with effect from the date of this deed in the manner and to the extent provided in this deed; and the Debenture and this deed shall henceforth be read as one and so that references in the Debenture to "**this deed**", "**herein**" and similar phrases shall be deemed to include this deed.

9. GOVERNING LAW

This deed shall be governed by and construed in all respects in accordance with English law.

10. OWNERSHIP OF DEED

This deed and every counterpart is the property of the Security Trustee.

This deed of accession is made and delivered as a deed on the date given on page 1.

[insert Schedules as appropriate]

[insert execution provisions as appropriate]

SCHEDULE 9

Property warranties and undertakings

Part 1

Definitions applicable to Schedule 10

"Adverse Property Effect" means in the reasonable opinion of the Security Trustee a material and adverse effect on:

- (a) the value or marketability of the Property;
- (b) the ability of the relevant Chargor to use the Property for the purposes for which it is currently used; or
- (c) the validity or enforceability of, or the effectiveness or ranking of the security created or purported to be created by this deed in relation to the Property or the rights or remedies of the Security Trustee under this deed;

and so that:

- (i) in this Schedule 10- the words "would have an Adverse Property Effect" are to be construed as meaning "would or might reasonably be expected to have an Adverse Property Effect"; and
- (ii) reference in any part of this Schedule 10 to matters, events or circumstances having an Adverse Property Effect are to be construed as if such matters, events or circumstances were taken together with all other matters, events or circumstances arising under any paragraph of such part of Schedule 10 which would, on such construction, in aggregate have an Adverse Property Effect

"Certificate of Title" means a certificate of title prepared by any of the Chargors' lawyers relating to the Property at and addressed to, and/or capable of being relied upon by, the Security Trustee

"Direction" means any notice or order served on or issued to a Chargor by any local or other authority (whether under the Planning Acts or otherwise) in respect of Property

"Contamination" means the presence, retention or accumulation of any Hazardous Materials in, at or under any Property

"Environment" means all or any media of any nature including the following: air (including air within buildings or other structures or erections and whether above or below ground); water (including territorial, coastal and inland waters, ground waters (as identified in section 104(1)(d) of the Water Resources Act 1991), drains and sewers); and land (including buildings and other structures or erections in, on or under it, anything below the surface of land and the seabed, river beds and other land under any water, surface land and sub-surface land)

"Environmental Authority" means any authority, whether statutory or non-statutory, governmental or non-governmental, having responsibility for Environmental Matters under Environmental Law

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person (including any Environmental Authority) relating to Environmental Matters or arising as a result of any breach of Environmental Law

"Environmental Laws" means all applicable laws and regulations relating to or concerning Environmental Matters

"Environmental Matters" means all or any matters relating to or concerning any aspect of the Environment and/or any Hazardous Materials including:

- (a) pollution or Contamination or protection of the Environment;
- (b) harm, whether actual or potential, to, or the protection of, the health or safety of any human and/or of any other living organism in the ecological systems;
- (c) the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling, release, spillage, deposit, escape, discharge, leak or migration of Hazardous Materials; and
- (d) the creation, emission, leak or discharge into the Environment of noise, vibration, dust, fumes, gas, odour, smoke, steam, effluvia, heat, light, radiation, infection, electricity and any matter or thing capable of constituting a common law or statutory nuisance or an actionable tort of any kind in respect of such matters or other adverse impact on the Environment

"Environmental Permits" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of any business conducted on or from the Property

"Granted Lease" means any lease, agreement for lease, tenancy, contractual licence or other document which gives a person who is not the relevant Chargor the right to occupy, use or enjoy the Property

"Hazardous Materials" means any element or substance, whether natural or artificial, whether consisting of gas, liquid, solid or vapour and whether on its own or in any combination with any other element or substance, which is capable of causing harm to the health or safety of any human and/or of any other living organism in the ecological systems or damage to the Environment and/or to public health or welfare.

"Licensing Acts" means the Licensing Act 2003, the Licensing Act 1964 (to the extent not repealed) the Betting Gaming and Lotteries Act 1963, the Gaming Act 1968 and all other legislation in force for the time being relating to the regulation and sale of alcohol, the provision of entertainment and late night refreshment or the regulation of betting, gaming or lotteries or the location or provision of gaming or amusement machines

"Planning Acts" means the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any order, regulations or permission made or granted under or by virtue of such Acts or any of them

"Relevant Lease" means any lease, agreement for lease, tenancy, contractual licence or other document which gives the relevant Chargor the right to occupy use or enjoy the Property

Part 2

Property Warranties

1. CERTIFICATE OF TITLE

- 1.1 The information provided to the lawyers who have signed or were engaged in the preparation of the Certificate of Title was true and complete in all material respects at the date upon which it was given;
- 1.2 such information did not omit any factual matter which, if disclosed, would have an Adverse Property Effect; and
- 1.3 since the date upon which the information referred to at paragraph 1.1 above was first supplied to such lawyers no event or circumstance has arisen, nor further information come to the knowledge of such Chargor, which would render that information first supplied untrue or misleading in any material respect or which, if disclosed, would have an Adverse Property Effect.

2. MATTERS AFFECTING THE PROPERTY

Subject to matters expressly disclosed in the Certificate of Title relating to the Property:

- 2.1 such Chargor is the legal and beneficial owner of the Property for the estate set out in relation to each part of the Property in Schedule 4 (Details of Property);
- 2.2 the Property is free from security or third party rights of any kind whatever save as mentioned in clause 5.2;
- 2.3 the Property is free from any tenancies or licences to occupy which would have an Adverse Property Effect;
- 2.4 nothing has arisen or been created or is subsisting which would be an overriding interest over the Property which, when taken with all like events, would have an Adverse Property Effect;
- 2.5 there is no dispute regarding boundaries, easements, covenants or other matters relating to any part of the Property or its use which such Chargor believes, or has reasonable grounds to believe, is likely to be adversely determined and, which if so, would have an Adverse Property Effect;
- 2.6 all material covenants (whether affecting the freehold or leasehold titles to the Property) have been properly performed and observed and such Chargor has received no notice of any outstanding breach of any material covenant as regards the Property which would have an Adverse Property Effect;
- 2.7 all Authorisations required or desirable for the continued use of the Property for its present purpose have been obtained and have not been (and such Chargor is not aware of any circumstance having arisen whereby they might be) withdrawn;
- 2.8 there is no covenant, restriction, burden, stipulation or outgoing (other than usual business outgoings) affecting the Property which is of an onerous or unusual nature (either generally or in the context of the present use of the Property) or which conflicts with its present use and which would have an Adverse Property Effect;

2.9 there subsists no material breach of any Planning Acts or other law, regulation or covenant which would have an Adverse Property Effect; and

2.10 it has not received notice of any adverse claim by any person in respect of the ownership of the Property or any interest in the Property which would have an Adverse Property Effect, nor has any acknowledgement been given to any person in respect of any such claim or interest.

3. **ENVIRONMENTAL LAWS**

3.1 It is in compliance with paragraph 7 (*Environmental compliance*) of Part 3 of this Schedule 10 (*Property undertakings*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have an Adverse Property Effect.

3.2 No Environmental Claim has been started or (to the best of its knowledge and belief (having made due and careful enquiry)) or is threatened against it which has or, if adversely determined, is reasonably likely to have an Adverse Property Effect.

Part 3

Property undertakings

1. NO CHANGES TO THE PROPERTY

It will not without the prior written consent of the Security Trustee:

- 1.1 make any application for the grant of planning permission within the meaning of the Planning Acts; nor
- 1.2 demolish all or any part of the Property; nor
- 1.3 destroy or remove from the Property any other of the Secured Assets now or at any time after the date of this deed located in or on the Property; nor
- 1.4 make any additions or structural or other material alteration to the Property; nor
- 1.5 create or permit to arise any overriding interest, easement or right over the Property; nor
- 1.6 enter into negotiations with any competent agency of local or national government with a view to the compulsory acquisition of the Property nor consent to such acquisition; nor
- 1.7 enter into any agreement under section 106 of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or any other agreement with any local government, planning or regulatory authority to build roads or carry out other works; nor
- 1.8 change the use of the Property or do or suffer to be done anything in relation to the Property which constitutes development (as that expression is defined in the Town and Country Planning Act 1990);

2. COMPLY WITH COVENANTS

It will observe and perform all other covenants, agreements, restrictions, stipulations and conditions from time to time affecting its interest in the Property or the mode of user or the enjoyment of it and will promptly pay all present and future tax, rates, assessments and outgoings of whatsoever nature imposed upon or payable in respect of the Property, or by the owner or occupier thereof.

3. COMPLY WITH AUTHORISATIONS AND STATUTES

It will observe and comply with the terms of all Authorisations relating to the Property and will not do or allow or omit to be done any act, matter or thing whereby any provisions of, or regulations made under, the Planning Acts or any other statute having application to the Property may be infringed

4. INSPECTION

It will permit the Security Trustee and/or such person or persons as it nominates at all reasonable times during business hours and on not less than 24 hours' written notice to such Chargor to enter into and upon the Property to view its state and condition and forthwith after service by the Security Trustee of notice of any defect or want of repair without delay promptly remedy such defect or want of repair.

5. **DISPOSALS OF FIXTURES**

It will not sever or dispose of any Fixtures now or at any time hereafter affixed to the Property otherwise than in the ordinary course of maintenance or replacement.

6. **GRANTED LEASES**

It will:

- 6.1 not grant any Granted Lease or otherwise part with or share possession of the Property (except where the prior written consent of the Security Trustee has been obtained);
- 6.2 in the case of a Granted Lease to which the Security Trustee has given its consent:
 - 6.2.1 not exercise any right of re-entry, nor accept the surrender of the whole or any part of the premises comprised in such Granted Lease nor vary the terms of such Granted Lease, without in any such case having first obtained the written consent of the Security Trustee;
 - 6.2.2 not agree to any reduction in, nor capitalisation of, the rent payable under such Granted Lease, nor agree any rent review, nor grant any approval or consent, without in any such case having first obtained the written consent of the Security Trustee;
 - 6.2.3 use all reasonable endeavours to procure the payment by such tenant, lessee, licensee or grantee to whom any Granted Lease has been granted of the rents or other fees or monies reserved by and the observance and performance of the covenants, stipulations and conditions contained in such Granted Lease and itself observe and perform the covenants, stipulations and conditions on the part of such Chargor to be observed and performed under such Granted Lease; and
 - 6.2.4 give prompt notice in writing to the Security Trustee if any tenant, lessee, licensee or grantee under any Granted Lease withholds any rent or other monies falling due or exercises any right of set-off or purport or threaten to do any of the forgoing.

7. **ACQUISITIONS**

- 7.1 It will notify the Security Trustee immediately in writing :
 - 7.1.1 before contracting or otherwise committing itself to purchase any estate or interest in freehold or leasehold property and supply the Security Trustee with such details of the proposed purchase as the Security Trustee may from time to time request; and
 - 7.1.2 upon completion of its acquisition of any freehold or leasehold property ("**Acquired Property**").
- 7.2 If title to any Acquired Property is, or is required to be, registered at The Land Registry, the relevant Chargor must as soon as reasonably practicable notify the Security Trustee of the relevant title number and will request the Chief Land Registrar to enter a notice of this deed on the Charges Register for the relevant Acquired Property in accordance with clause 4.2 (*Land Registry - application for*

registration), and in the case of any other Acquired Property in England and Wales, unless the title deeds and documents relating thereto have been deposited with the Security Trustee, such Chargor shall apply to register this Deed at the Land Charges Department of The Land Registry, and in every case shall promptly provide all necessary application forms and pay all fees and charges payable in respect of such applications.

- 7.3 Forthwith upon being requested so to do by the Security Trustee, the relevant Chargor must at its own expense execute and deliver to the Security Trustee a legal mortgage (in such form as the Security Trustee may reasonably require) in favour of the Security Trustee of any Acquired Property in England and Wales by way of security for payment of the Secured Obligations, and in the case of Acquired Property in any other jurisdiction it will take such steps to grant to the Security Trustee such analogous Security as the Security Trustee shall reasonably require and shall comply with any requirements in such jurisdiction for the effective registration or filing of such security.
- 7.4 If the Acquired Property includes any Property held by relevant Chargor under a Relevant Lease such Chargor will within 21 days of its acquisition serve on each of the other parties to each Relevant Lease a notice of the security constituted by this Deed and shall use its reasonable endeavours to procure that each of such other parties shall countersign the acknowledgement contained in such notice.

8. INSURANCE

Save in respect of any leasehold property which is insured by the relevant landlord pursuant to an obligation arising under a Relevant Lease, it will insure and keep insured the Property in accordance with the terms of clause 25.19 of the Facilities Agreement and:

- 8.1 against loss or damage by fire, explosion, storm, flood, lightning, earthquake, impact, aircraft and articles dropped from aircraft, riot, civil commotion, malicious damage, bursting or over-flowing pipes or tanks, oil leakage, subsidence, landslip and heave, public liability and liability under the Defective Premises Act 1972, terrorism to the fullest extent available on the insurance market from time to time, (and in the time of war, against war risks and any statutory insurance scheme which may be applicable to the Property) and such other risks and contingencies as the Security Trustee from time to time reasonably requires;
- 8.2 upon terms to include three years' loss of rent from the Property as a result of its destruction or damage to it in consequence of any insured risk or, in the case of any unoccupied part of the Property, an amount specified by the Security Trustee to be equal to its estimate of three years' interest that would be payable on the Secured Obligations for any period during which the Secured Obligations are or are expected to be outstanding; and
- 8.3 otherwise in such form and upon such terms as the Security Trustee agrees (such agreement not to be unreasonably withheld or delayed).

9. ENVIRONMENTAL COMPLIANCE

It will:

- 9.1 comply with all Environmental Laws;

9.2 obtain, maintain and ensure compliance with all requisite Environmental Permits;
and

9.3 Implement procedures to monitor compliance with and to prevent liability under
all Environmental Laws,

where failure to do so has or is reasonably likely to have an Adverse Property
Effect.

10. **ENVIRONMENTAL CLAIMS ETC**

It will promptly upon becoming aware of the same, inform the Security Trustee
in writing of:

10.1 any facts or circumstances which are reasonably likely to result in an
Environmental Claim being started or threatened;

10.2 any Environmental Claim having been started or being threatened against such
Chargor which relates (directly or indirectly) to the Property;

10.3 any suspension, revocation or material variation of any Environmental Permit
(save where such suspension or revocation arises solely by reason of, and is
immediately followed by, the issue of an Environmental Permit in substantially
the same terms);

10.4 any investment required to maintain, acquire or renew any Environmental Permit
or to comply with any Environmental Laws; or

10.5 the presence, storage or use of any Hazardous Materials at the Property,

where, in each case, the relevant event or circumstance has or is reasonably
likely to have an Adverse Property Effect.

11. **RELEVANT LEASES**

In respect of each Relevant Lease, it will:

11.1 on the due date, pay all rents, fees or other payments on its part to be paid
which are reserved by or otherwise covenanted to be paid under it;

11.2 perform and observe all covenants, agreements, stipulations and conditions on
its part to be performed or observed and which are contained in it;

11.3 not, without first obtaining the written consent of the Security Trustee, alter or
vary, or agree to alter or vary, its terms or allow it to be forfeited, nor surrender,
cancel or dispose of it;

11.4 not do or suffer to be done any act or thing whereby it may become liable to
forfeiture or otherwise be determined prior to the expiration of its term;

11.5 use all reasonable endeavours to procure the observance and performance by
the relevant landlord of the covenants, stipulations and conditions to be
performed on the part of such landlord; and

11.6 give immediate notice to the Security Trustee if it receives any notice under
Section 146 of the LPA or any proceedings are commenced against it for the
forfeiture of any Relevant Lease.

12. DIRECTIONS

Within seven days after receipt by it of any Direction served on or issued to it by any local or other authority (whether under the Planning Acts or otherwise) in respect of the Property it will:

- 12.1 give full particulars of the Direction to the Security Trustee and, if so requested by the Security Trustee, produce the Direction or a copy of it to the Security Trustee; and
- 12.2 advise the Security Trustee from time to time of the steps taken or proposed to be taken by it to comply with the terms of the Direction; and
- 12.3 without delay (unless otherwise directed by the Security Trustee) take all reasonable or necessary steps to comply with the Direction; and
- 12.4 at the request of the Security Trustee (but at the cost of the relevant Chargor) make or join with the Security Trustee in making such objections or representations against or in respect of any proposal contained in the Direction as the Security Trustee deems expedient in order to protect the Security Trustee's security interest in the Property; and
- 12.5 apply any compensation received as a result of the implementation of the Direction in the reduction of the Secured Obligations or (at the option of the Security Trustee) deposit the same with the Security Trustee upon such terms as to set-off, assignment and/or charge or otherwise as the Security Trustee requires.

13. LICENSED PREMISES

If at any time during the Security Period such Chargor (or any officer or employee of such Chargor) holds any licence or registration certificate or other Authorisation under the Licensing Acts allowing intoxicating liquors to be sold, or the provision of entertainment or late night refreshments or betting or gaming facilities from or the location of gaming or amusement machines on the Property, such Chargor agrees with the Security Trustee:

- 13.1 to procure that there shall be obtained, renewed and maintained the proper licence, certificate of registration or other Authorisation in a form acceptable to the Security Trustee and, if requested by the Security Trustee, to produce such licence, certificate or other Authorisation to the Security Trustee;
- 13.2 not to do or omit or allow anything to be done which may prejudice the continued existence or renewal of such licence, certificate or other Authorisation;
- 13.3 as soon as it becomes aware of anything which is likely to affect the continued existence of such licence, certificate or other Authorisation or result in the conditions to such licence or certificate being varied, to advise the Security Trustee in writing;
- 13.4 so far as it is usual within the trade to do so, to insure, and to keep such licence, certificate or Authorisation insured, against loss, termination or non-renewal and the provisions of paragraphs 8 and 9 of this part of Schedule 10 apply to such insurance as if they were now repeated; and
- 13.5 at any time after this deed has become enforceable, such Chargor will upon the request of any Enforcement Party do anything or sign any documents which such

Enforcement Party may require to assist in the transfer of such licence, certificate or other Authorisation to any other person.

SCHEDULE 10

Receiver's specific powers

The Receiver will have full power and authority:

1. POSSESSION

- 1.1 to enter upon, take possession of the Secured Assets;
- 1.2 to collect and get in all rents, fees, charges or other income of the Secured Assets;

2. CARRY ON BUSINESS

generally to manage the Secured Assets and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the relevant Chargor or any part of it as he may think fit;

3. SALE AND DISPOSAL

without restriction, to sell, charge, grant, vary the terms or accept surrenders of, leases or tenancies of, licences to occupy, or options or franchises over or otherwise deal with and dispose of the Secured Assets or any property acquired in exercise of its powers under this deed;

4. ACQUISITION

- 4.1 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- 4.2 to take a lease or tenancy of any property required or convenient for the business of the relevant Chargor or the exercise of the Receiver's powers under this deed;

5. LEASES

to exercise on behalf of the relevant Chargor and without the consent of or notice to such Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property;

6. BORROWING

for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this deed and/or for defraying any losses or Expenses which may be incurred by him in their exercise or for any other purpose, to raise or borrow moneys from the Beneficiaries or others or incur any other liability on such terms, whether secured or unsecured, as he may think fit, and whether to rank in priority to this security or not;

7. EMPLOYMENT ETC.

to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons,

workmen and others for any of the purposes of this deed or to guard or protect the Secured Assets upon such terms as to remuneration or otherwise as he may think fit and to discharge any such persons appointed by the relevant Chargor prior to his appointment;

8. LEGAL ACTIONS AND COMPROMISES

8.1 In the name of the relevant Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to such Chargor, the business of such Chargor or the Secured Assets as in any case he shall think fit;

8.2 to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the relevant Chargor or relating in any way to the Secured Assets;

9. RECEIPTS

to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Secured Assets;

10. WORKS AND MAINTENANCE

to obtain Authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;

11. CONTRACTS

to enter into, vary, cancel or waive any of the provisions of any contracts which he shall in any case think expedient in the interests of the relevant Chargor or the Security Trustee;

12. SUPPLIES

to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;

13. INSURANCES AND BONDS

to insure the Secured Assets, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver shall think fit, and obtain bonds and give indemnities and security to any bondsmen;

14. SEVERANCE RIGHTS

to sever fixed plant, machinery or other Fixtures and store, sell or otherwise deal with them separately from the Property to which they may be annexed;

15. CHATTELS

to remove, store, sell or otherwise deal with any chattels located at the Property

16. **FORM COMPANY**

- 16.1 to promote or establish any company or to acquire shares in any company (whether as a subsidiary of the relevant Chargor or otherwise) to facilitate the exercise of his powers under this deed;
- 16.2 to transfer to any such company all or any of the Secured Assets or other assets acquired by the Receiver in exercise of his powers;
- 16.3 to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company;

17. **VOTING RIGHTS**

to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the relevant Chargor and comprised in the Secured Assets in such manner as he may think fit;

18. **CALLS**

to make, or require the directors of the relevant Chargor to make, calls conditionally or unconditionally on the members of such Chargor in respect of uncalled capital; and take action to enforce payment of unpaid calls;

19. **TRANSACTION**

to carry into effect and complete any transaction;

20. **REDEEM SECURITY**

to redeem any prior security (or procure the transfer of such security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

21. **GENERAL**

either in the name of the relevant Chargor or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Secured Assets.

EXECUTION

The Company

Signed as a deed by **GLOBALGRANGE LIMITED**, acting by a director and its secretary or by two directors

Director



Director/Secretary



Communications to be delivered to:

Address: 58 ROCHESTER ROW
LONDON
SW1P 1JU

Fax number: 0207 931 0163

Attention: MR H S MATHARU

The Chargors (other than the Company)

Signed as a deed by **SECTORMATCH LIMITED**, acting by a director and its secretary or by two directors

Director



Director/Secretary



Communications to be delivered to:

Address: 58 ROCHESTER ROW
LONDON
SW1P 1JU

Fax number: 0207 931 0163

Attention: MR H S ^{H.M.} MATHARU

Signed as a deed by **GRANGE (PRESCOT STREET) LIMITED**, acting by a director and its secretary or by two directors

Director



Director/Secretary



Communications to be delivered to:

Address: 58 ROCHESTER ROW
LONDON
SW1P 1JU

Fax number: 0207 931 0163

Attention: MR H S MATHARU

Signed as a deed by **THE CITY HOTEL MANAGEMENT LIMITED**, acting by a director and its secretary or by two directors

Director

Director/Secretary

Communications to be delivered to:

Address: 58 Rochester Row
London
SW1P 1JU

Fax number: 0207 931 0163

Attention: Mr H S Matharu

Signed as a deed by **THE HOLBORN HOTEL LIMITED**, acting by a director and its secretary or by two directors

Director

Director/Secretary

Communications to be delivered to:

Address: 58 Rochester Row
London
SW1P 1JU

Fax number: 0207 931 0163

Attention: Mr H S Matharu

Signed as a deed by **GRANGE HOTELS LIMITED**, acting by a director and its secretary or by two directors

Director

Director/Secretary

Communications to be delivered to:

Address: 58 Rochester Row
London
SW1P 1JU

Fax number: 0207 931 0163

Attention: Mr H S Matharu

The Security Trustee

Signed as a deed by

authorised attorney on behalf of
BARCLAYS BANK PLC
in the presence of:

Authorised Signatory

Name of Witness:

Address:

Fax: