Companies House

MR01(ef)

Registration of a Charge

Company Name: **COLORMAGIC LTD**
Company Number: **04215664**

Received for filing in Electronic Format on the: **24/06/2021**

XA7CZ07K

Details of Charge

Date of creation: **24/06/2021**

Charge code: **0421 5664 0004**

Persons entitled: **ABN AMRO ASSET BASED FINANCE N.V.**

Brief description: **THE INSTRUMENT CONTAINS CHARGES (NOT EXPRESSED TO BE FLOATING CHARGES) OVER ALL RIGHTS IN ANY LAND AND INTELLECTUAL PROPERTY BUT NO LAND OR INTELLECTUAL PROPERTY IS SPECIFIED. SEE THE INSTRUMENT FOR MORE DETAILS**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **LEIANA ALI**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4215664

Charge code: 0421 5664 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th June 2021 and created by COLORMAGIC LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th June 2021 .

Given at Companies House, Cardiff on 25th June 2021

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

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

ABN·AMRO Commercial Finance

Debenture

Dated 24th June 2021

(1) **ABN AMRO ASSET BASED FINANCE N.V., UK BRANCH**
as ABN AMRO

(2) **THE PERSONS LISTED IN SCHEDULE 1** as Chargors

TABLE OF CONTENTS

1. Definitions and interpretation 3
2. Payment of the Secured Liabilities 7
3. Creation of Security Interests 7
4. Perfection of Security and Further Assurance 9
5. Representations and warranties 10
6. Negative pledge and disposals 10
7. Undertakings 11
8. Other covenants of general application 11
9. Enforcement – general provisions 13
10. Right of appropriation 14
11. Receivers 14
12. Powers of Security Enforcement Parties 15
13. Appointment of Administrator 16
14. Dealing with proceeds 16
15. General security provisions 17
16. Power of attorney 18
17. Release of security 19
18. Costs 19
19. Indemnity 19
20. Set-off 20
21. Changes to the Parties 20
22. Notices 20
23. Calculations and certificates 20
24. Partial invalidity 21
25. Remedies and waivers 21
26. Amendments 21
27. Entire agreement 21
28. Confidentiality and disclosure 21
29. Code of good practice 21
30. Counterparts 22
31. Third party rights 22
32. Governing law 22
33. Enforcement 22

Schedules

1. The Chargors 23
2. Specified Assets 24
   - Part 1: Registered land 24
   - Part 2: Unregistered land 24
   - Part 3: Plant and Machinery 24
   - Part 4: Blocked Accounts 24

This Debenture ("Debenture") is dated 24th June 20 21 and made between:

(1) **ABN AMRO ASSET BASED FINANCE N.V., UK BRANCH** registered in England and Wales with UK establishment number BR016670 whose registered office is at 5 Aldermanbury Square, London EC2V 7HR, a branch office of ABN AMRO Asset Based Finance N.V., a company incorporated and registered in the Netherlands (registered number 30099465) whose registered office is at 1010 Beneluxlaan, 3526 Kk Utrecht, The Netherlands ("**ABN AMRO**"); and

(2) **THE PERSONS** listed in Schedule 1 (*The Chargors*) (each a "**Chargor**" and together the "**Chargors**").

THIS DEED WITNESSES that:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture:

"**ABN AMRO Group**" means ABN AMRO Bank N.V. and all its associated companies, any direct or indirect subsidiary, any organisation directly or indirectly controlled by ABN AMRO Bank N.V. or any affiliate.

"**Administrator**" means any administrator appointed under this Debenture to manage the affairs, business and assets of a Chargor.

"**Associate**" means:

(a) any person who is an "Associate" as defined in section 1152 of the Companies Act 2006; or;

(b) a "subsidiary undertaking" or "parent undertaking" within the meaning of section 1162 of the Companies Act 2006.

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

"**Blocked Account**" means any bank account listed or referred to in Schedule 2 (*Blocked Accounts*) or any other bank account designated as a 'Blocked Account' by a Chargor and ABN AMRO.

"**Debt**" means any monetary claim or obligation (including applicable tax, duty or interest) of a third party arising under a Sale Contract, whether present, future or contingent, together with all Related Rights and, where the context permits, shall include part of a Debt.

"**Debt Purchase Agreement**" means any subsisting form of agreement for the sale and purchase or factoring or discounting of Debts between a Chargor and ABN AMRO and any variation, replacement or supplement made thereto from time to time.

"**Default Rate**" means 4% above the base rate of Barclays Bank plc;

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by ABN AMRO or a Receiver.

"**Discharge Date**" has the meaning given to it in Clause 17.1 (*Definitions relating to release of this Security*).

"**Enforcement Event**" means the occurrence of any of the following events or circumstances:

(a) a termination event or event of default (howsoever described) is continuing under any agreement between ABN AMRO and any Chargor;

(b) a breach by a Chargor of the covenant to pay in Clause 2.1 (Covenant to pay);

(c) any action, steps or proceedings are taken to appoint (or have appointed) a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Chargor; or

(d) the enforcement of any Security Interest over any assets of a Chargor.

"**Export Debt**" means a Debt which is evidenced by an original sales invoice issued by a Chargor and addressed to a debtor domiciled outside of the UK.

"**IA**" means the Insolvency Act 1986.

"**Insolvency Event**" means in relation to any Chargor:

(a) the inability to pay debts as they fall due;

(b) intending or actually ceasing to trade;

(c) the exercise of any distress, execution, injunction, sequestration, attachment or other legal process against assets;

(d) any proposal or convening of a meeting with a view to a composition, assignment or arrangement with or the granting of a trust deed for credits;

(e) the convening of a meeting for the purpose of considering or passing of any resolution for winding-up or administration;

(f) the service of a notice of intention to appoint or the appointment of an administrator or a receiver;

(g) the service of a statutory demand;

(h) the presentation of a petition for the administration, winding-up or bankruptcy;

(i) the making of an order for winding-up or administration or the appointment of provisional liquidator or judicial factor;

(j) the taking of steps towards or the coming into force of a statutory moratorium; or

(k) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (j) above.

"**Insurance**" means any policy or contract of insurance. In relation to a Chargor, "**Its Insurances**" means all insurances in which it has any rights (including as loss payee or additional insured).

"**Intellectual Property**" means all patents, utility models, trade and service marks, trade names, domain names, design rights, copyrights, moral rights, topography rights, rights in databases, trade secrets, know-how and other intellectual property, whether or not registered or registrable, and including registrations and applications for registration of any of these and rights to apply for the same, and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of those anywhere in the world. In relation to a Chargor, "**Its Intellectual Property**" means all Intellectual Property in which it has any rights.

"**Investment**" means any share, stock, debenture, bond, partnership interest or other security or investment. In relation to a Chargor, "**Its Investments**" means all Investments in which it has any rights and all its rights against any nominee or other trustee, fiduciary, custodian or clearing system with respect to any Investments.

"**Lease**" means any lease, tenancy, licence, sub-lease, sub-licence or other occupational right.

"**Losses**" means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

"**LPA**" means the Law of Property Act 1925.

"**Mortgaged Properties**" means the Properties and any other land in which a Chargor has any rights from time to time, "**Mortgaged Property**" means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of each relevant Mortgaged Property.

"**Non-Vesting Debts**" means Non-Vesting Domestic Debts and Non-Vesting Export Debts.

"**Non-Vesting Domestic Debts**" means any Debts (other than any Export Debts) purportedly assigned to, or held in trust for, ABN AMRO under a Debt Purchase Agreement but which are not for any reason validly, absolutely and effectively assigned to, or held in trust for, ABN AMRO.

"**Non-Vesting Export Debts**" means any Export Debts purportedly assigned to, or held in trust for, ABN AMRO under a Debt Purchase Agreement but which are not for any reason validly, absolutely and effectively assigned to, or held in trust for, ABN AMRO.

"**Notice of Security**" means a notice of assignment and/or charge relating to a Security Asset in a form and substance satisfactory to ABN AMRO.

"**Occupational Lease**" means any Lease to which a Mortgaged Property may at any time be subject.

"**Other Debts**" means, other than any Non-Vesting Debts, any book or other debt, revenue or claim. In relation to a Chargor, "**its Other Debts**" means all Other Debts in which it has any rights.

"**Party**" means a party to this Debenture.

"**Properties**" means the properties brief details of which are set out in Schedule 2 (*Specified Assets*), "**Property**" means any of them and any reference to one or more of the Properties includes all or any part of each relevant Property.

"**Receiver**" means any receiver, receiver and manager or administrative receiver appointed under this Debenture by ABN AMRO over all or any of the Security Assets whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"**Related Rights**" means a Chargor's rights relating to a Debt or Sale Contract including:

(a) its rights as an unpaid seller other than rights relating to ownership of goods but without any obligation on ABN AMRO to complete the Sale Contract;

(b) documents of title to goods;

(c) the benefit of insurances;

(d) all Remittances, Security Interests, bonds, guarantees and indemnities;

(e) accounting records;

(f) any document evidencing a Sale Contract or Debt, including any quotation, purchase order, invoice, sales acknowledgment, delivery note, completion certificate, books, accounts, computer and other records, any correspondence and any other documents relating to Debts;

(g) the ownership of any goods relating to a Debt which are rejected or returned by a debtor; and

(h) interest.

"**Remittances**" means any cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, orders, drafts, promissory notes, electronic payments and any other form of payment received by ABN AMRO, a Chargor or any agent or representative of a Chargor in payment of a Debt including monies recovered under any credit insurance policy, a refund of the VAT element of a Debt or a dividend payable in respect of a Debt.

"**Sale Contract**" means a contract between a Chargor and a third party for the sale or hire of goods, or provision of services, or work done or materials supplied under which a Debt arises.

"**Secured Liabilities**" means all monies from time to time due or owing, and all obligations and other actual or contingent liabilities from time to time incurred, by any Chargor to any Secured Party on any account whatsoever, including under any Debt Purchase Agreement:

(a) in whatever currency;

(b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and

(c) including monies and liabilities purchased by or transferred to the relevant Secured Party,

but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Debenture to be unlawful or prohibited by any applicable law or regulation.

"**Secured Party**" means ABN AMRO, a Receiver or any Delegate.

"**Security Assets**" means the assets from time to time the subject of this Security. "**Security Asset**" means any of them and any reference to one or more of the Security Assets includes all or any part of it or each of them.

"**Security Interest**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

1.2 **Interpretation**

(a) In this Debenture, unless a contrary indication appears any reference to:

(i) **"ABN AMRO"**, the **"Chargors"**, any **"Party"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under this Debenture;

(ii) **"ABN AMRO"** shall be construed as to include any name or style by which ABN AMRO may carry on its business and all and any of its divisions or departments;

(iii) **"ABN AMRO may"** shall be construed as to mean ABN AMRO making a determination or decision or undertaking an action that it is permitted to determine, decide or undertake in its sole discretion or opinion without reference to, or consent from, any Chargor or any other person and without notice;

(iv) **"assets"** includes present and future properties, revenues, rights and other assets of every description. Any reference to **an asset** includes any proceeds of disposal of all or part of that asset and any other monies paid or payable in respect of that asset and any reference to a **particular type or category of assets** includes any present or future assets of that type or category;

(v) any reference to a **"Clause"** or to a **"Schedule"** is to a clause of or a schedule to this Debenture (as the case may be);

(vi) a **"disposal"** includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly);

(vii) a **"document** is a reference to that document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional, extended and/or replacement facilities or an increase in any other amount or rate);

(viii) **"including"** means "including without limitation" (with related words being construed accordingly). **"in particular"** means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;

(ix) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(x) a **provision of law** is to that provision as amended, re-enacted or replaced from time to time and includes any subordinated legislation in force under it from time to time;

(xi) a **"right"** includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future. Any reference to **a Chargor's rights** in any document or asset (or any type or category of documents or assets) includes any rights that it holds from time to time in, to, under, in respect of or derived from that document or asset (or any document or asset of that type or in that category);

(xii) **"this Security"** means the Security Interests constituted by or pursuant to this Debenture; and

(xiii) **this Debenture** includes the Schedules which form part of this Debenture for all purposes.

(b) Clause and Schedule headings are for ease of reference only.

(c) Words implying the singular shall include the plural (and vice versa).

(d) Where there is more than one Chargor, reference to a Chargor is a reference to all or any of the Chargors as the context so permits.

(e) This document is the deed of each Chargor even if it has not been duly executed by ABN AMRO or has been executed by ABN AMRO but not as a deed.

1.3 **Disposition of land**

The terms of any document between a Chargor and ABN AMRO are incorporated into this Debenture to the extent necessary for any purported disposition of land contained in this Debenture to be valid in accordance with s2(1) Law of Property (Miscellaneous Provisions) Act 1989.

1.4 **Joint and several**

Where there is more than one Chargor, each representation, warranty, covenant and other obligation given or entered into by the Chargors in or pursuant to this Debenture is given or entered into by them jointly and severally. Each Chargor shall be bound by this Debenture even if any person who was intended to execute it or be bound by it as a Chargor has not duly executed or become bound by it.

2 PAYMENT OF THE SECURED LIABILITIES

2.1 **Covenant to pay**

Each Chargor covenants with ABN AMRO to pay and discharge, or procure the payment or discharge of, each of the Secured Liabilities immediately on demand.

2.2 **Interest**

If a Chargor fails to pay any amount payable by it under Clause 2.1 (*Covenant to pay*) on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment). This interest shall accrue at the rate and on the terms from time to time applicable under the relevant document (or in the absence of an applicable rate and applicable terms, shall be calculated and accrue default interest at the Default Rate) and shall be payable on demand and, to the extent not paid, shall be compounded monthly in arrears.

3 CREATION OF SECURITY INTERESTS

3.1 **General provisions regarding Security Interests**

(a) Each of the charges and assignments created under this Debenture:

(i) secures the payment and discharge of the Secured Liabilities; and

(ii) is made with full title guarantee.

(b) Each assignment under this Debenture is subject to a proviso for re-assignment on redemption in accordance with Clause 17.2 (*Release of this Security*).

(c) If, to the extent and for so long as any charge or assignment under this Debenture fails to take effect over a Chargor's rights in any asset because an Authorisation necessary for it to do so has not been obtained or made, the relevant Chargor shall use its reasonable endeavours to obtain or make the Authorisation as soon as possible and until it is obtained or made, hold the relevant rights on trust for ABN AMRO.

3.2 **Land**

(a) Each Chargor charges:

(i) by way of first legal mortgage, all estates or interests owned by it at the date of this Debenture in the Properties;

(ii) by way of first legal mortgage, all estates or interests owned by it at the date of this Debenture in any other land in England and Wales; and

(iii) by way of first fixed charge, all of its other rights in any land.

(b) In this Debenture, unless a contrary indication appears any reference to the Properties or any other land includes all buildings, plant, machinery and other fixtures and fittings from time to time on that land.

(c) Each Chargor assigns absolutely all of its rights in any Occupational Lease, including rights to rental income and other payments, and any guarantee or other right relating to an Occupational Lease.

3.3 **Plant & machinery and equipment**

(a) Each Chargor charges by way of first fixed charge all of its rights:

(i) in all plant and machinery brief details of which are set out in Schedule 2 (*Specified Assets*); and

(ii) in any other plant & machinery.

(b) In this Debenture, unless a contrary indication appears any reference to any plant and machinery includes:

(i) all spare parts, replacements, modifications for or to the plant and machinery;

(ii) the benefit of all obligations and warranties given by any manufacturer or supplier of the plant and machinery to or in favour of the Chargor; and

(iii) the benefit of all maintenance agreements relating to the plant and machinery entered into between the Chargor and any third party,

but excludes any plant, machinery or equipment which forms part of the Chargor's stock-in-trade or work in progress.

3.4 **Debts**

(a) Each Chargor charges by way of first fixed charge all of its rights:

(i) in any Non-Vesting Domestic Debts;

(ii) in any Non-Vesting Export Debts; and

(iii) in its Other Debts.

(b) In this Debenture, unless a contrary indication appears any reference to:

(i) a Non-Vesting Debt includes the benefit of any Related Rights or other right in relation to that Non-Vesting Debt; and

(ii) an Other Debt includes the benefit of any Security Interest, guarantee or other right in relation to that Other Debt.

3.5 **Goodwill and uncalled capital**

Each Chargor charges by way of first fixed charge all of its rights:

(a) in any of its goodwill and uncalled capital from time to time; and

(b) to future calls in respect of capital.

3.6 **Investments**

(a) Each Chargor charges by way of first fixed charge all of its rights in its Investments.

(b) In this Debenture, unless a contrary indication appears any reference to an Investment includes:

(i) any associated dividends and interest and any other payments and distributions; and

(ii) any right, money or assets accruing or offered at any time in respect of the Investment by way of redemption, exchange, bonus or otherwise.

3.7 **Intellectual Property**

Each Chargor charges by way of first fixed charge all of its rights in its Intellectual Property.

3.8 **Insurances**

Each Chargor assigns absolutely all of its rights in its Insurances.

3.9 **Bank accounts**

Each Chargor charges by way of first fixed charge all of its rights:

(a) in any credit balances on the Blocked Accounts and the indebtedness represented by them; and

(b) in any credit balances on any other bank accounts and the indebtedness represented by them.

3.10 **Documents and licences**

Each Chargor charges by way of first fixed charge:

(a) all licences, consents and other Authorisations held in connection with its business or the use of any Security Assets and all of its rights in connection with them; and

(b) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets which are not effectively assigned under Clause 3.8.

3.11 **Assignment of documents**

(a) Each Chargor assigns absolutely all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Security Assets.

(b) For the avoidance of doubt, each Chargor will remain at all times liable in respect of all of its obligations under each document assigned under Clause 3.11(a).

3.12 **Floating charge**

(a) Each Chargor charges by way of first floating charge the whole of its undertaking and other assets.

(b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by each Chargor in this Debenture.

(c) ABN AMRO may at any time by notice to a Chargor convert the floating charge created by that Chargor in this Debenture into a fixed charge with immediate effect as regards any Security Asset specified in the notice if:

(i) ABN AMRO considers that it may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or

(ii) ABN AMRO considers that it is desirable to protect the priority of this Security.

(d) The floating charge created by a Chargor in this Debenture shall automatically be converted into a fixed charge with immediate effect as regards all assets subject to it if:

(i) that Chargor breaches Clause 6 (*Negative pledge and disposals*) or attempts to do so;

(ii) any person levies or attempts to levy any distress, execution, sequestration or other process against any of those assets; or

(iii) any steps are taken to appoint (or have appointed) an administrator of that Chargor or wind it up or if an administrator is appointed.

(e) Nothing in this Clause 3.12:

(i) shall affect the crystallisation of the floating charge created by a Chargor under applicable law and regulation; or

(ii) shall permit the floating charge created by a Chargor to be crystallised solely as a result of the obtaining of, or of anything done with a view to obtaining, a moratorium under s1A IA.

4 **PERFECTION OF SECURITY AND FURTHER ASSURANCE**

4.1 **Notice of Security**

(a) Each Chargor shall deliver a Notice of Security (with a copy to ABN AMRO), duly completed immediately upon request by ABN AMRO to any person or bank with which it has rights in respect of any asset which that Chargor has granted a Security Interest in this Debenture.

(b) Each Chargor shall use all reasonable endeavours to procure that each addressee of a Notice of Security promptly acknowledges that Notice of Security in the form attached to that Notice of Security (or in such other form as ABN AMRO may approve).

4.2 **Further assurance**

(a) Each Chargor shall promptly and at its own expense take such action as ABN AMRO or any Receiver may reasonably require:

(i) to improve, preserve, perfect or protect the security created (or intended to be created) by this Debenture or the priority of it; or

(ii) to facilitate the realisation or enforcement of any Security Asset or the exercise any of the rights of ABN AMRO in relation to the same.

(b) The action required under Clause 4.2(a) may include the execution of any Security Interest, assignment or transfer over or of any asset, any notice of this Security or any other document.

5. REPRESENTATIONS AND WARRANTIES

Each Chargor makes the following representations and warranties for the benefit of ABN AMRO on the date of this Debenture and on each day that any of the Secured Liabilities are outstanding, with reference to the facts and circumstances then subsisting.

(a) It has the power to own its assets and carry on its business as it is then being conducted and it has taken all necessary steps to authorise its entry into and performance of this Debenture.

(b) It has the power to enter into, perform and deliver, and has taken all necessary action and obtained all necessary authorisations to authorise its entry into, performance and delivery of, this Debenture.

(c) The obligations expressed to be assumed by it in this Debenture are legal, valid, binding and enforceable obligations.

(d) Its entry into and the performance by it of, and the transactions contemplated by this Debenture:

(i) do not and will not conflict with (A) any law or regulation applicable to it; (B) its constitutional documents; or (C) any agreement binding on it or its assets; and

(ii) do not and will not (with or without the passage of time or the giving of notice or other conditions) constitute a termination event or event of default or default (howsoever described) under any agreement or instrument which is binding on it or any of its assets or result in the creation, imposition or enforceability of any Security Interest or encumbrance over any of its assets.

(e) No litigation, arbitration or administrative proceedings have been started or threatened against it.

(f) It is not subject to any Insolvency Event and neither is an Insolvency Event pending or threatened.

(g) Its payment obligations under this Debenture rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

(h) For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **"Regulation"**), its centre of main interests (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no establishment (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

(i) It has provided ABN AMRO with all information and documentation about its or any Associate's business which would influence ABN AMRO's decision to enter into this Debenture.

(j) All information provided to ABN AMRO in connection with this Debenture was true, accurate and complete as at the date it was provided and is not misleading in any respect and no information has been omitted or withheld that results in the information provided being untrue or misleading.

(k) It has taken independent legal advice on its obligations under this Debenture and has not relied on ABN AMRO to provide financial advice concerning this Debenture.

6. NEGATIVE PLEDGE AND DISPOSALS

6.1 Negative pledge

Each Chargor undertakes that it will not create or permit to subsist any Security Interest over any of its Security Assets or grant any guarantees to any person other than in favour of ABN AMRO or with ABN AMRO's prior written consent.

6.2 No disposals

(a) Each Chargor undertakes that it will not dispose of (or agree to dispose of) any Security Asset except:

(i) any trading stock or cash which is disposed of in the ordinary course of trading; or

(ii) with the prior written consent of ABN AMRO.

(b) Each Chargor undertakes that it will not transfer in whole or in part any of its business to any other person.

7. UNDERTAKINGS

The following undertakings are made by each Chargor and shall remain in force from the date of this Debenture for so long as any amount of the Secured Liabilities is outstanding.

(a) Each Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any authorisation required under any law or regulation of its jurisdiction of incorporation to:

(i) enable it to perform its obligations under this Debenture; and

(ii) carry on its business.

(b) Each Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under this Debenture.

(c) No Chargor shall change the nature of its business without ABN AMRO's prior written consent.

(d) No Chargor shall incur financial indebtedness to or borrow from anyone except ABN AMRO, without the prior written consent of ABN AMRO.

(e) No Chargor shall make any loans to any of its directors, other officers, partners or any Associate without the prior written consent of ABN AMRO unless such transaction or loan is to enable any of them to perform their contract of employment with that Chargor.

(f) Each Chargor shall promptly upon becoming aware of it, notify ABN AMRO of:

(i) any change in the ownership or management of any Chargor;

(ii) any Chargor or any Associate of a Chargor becoming subject to an Insolvency Event; or

(iii) the enforcement of any Security Interest against any Chargor or any Associate of a Chargor.

(g) Each Chargor shall promptly do all such acts or execute all such documents as ABN AMRO may reasonably specify (and in such form as ABN AMRO may reasonably require) and take all such action as is available to it as may be necessary for the purpose of the creation, perfection, protection or maintenance of the Security conferred or intended to be conferred on ABN AMRO by or pursuant to this Debenture.

(h) Each Chargor shall provide to ABN AMRO any other information as ABN AMRO may reasonably require from time to time.

8. OTHER COVENANTS OF GENERAL APPLICATION

8.1 Compliance with obligations

Each Chargor shall manage its Security Assets in a proper and efficient manner. In particular, it shall:

(a) keep its Security Assets in good and substantial repair and working order;

(b) obtain, maintain and comply with the terms of any Authorisation required or desirable in connection with any Security Asset and all laws concerning the Security Assets;

(c) not without the prior written consent of the ABN AMRO make, permit or allow any alterations or additions of a material nature to any of its Security Assets or carry out any works of demolition on them;

(d) not do, permit or allow to be done anything which might in any way depreciate, jeopardise or otherwise prejudice the security held by ABN AMRO or the value of any of that Chargor's Security Assets;

(e) punctually pay all outgoings relating to the Security Assets and produce receipts therefor to ABN AMRO on request;

(f) insure and keep insured those parts of Security Assets that are of an insurable nature with such insurer and against such risks as ABN AMRO shall require to their full insurable value and, if requested by ABN AMRO, ensure that ABN AMRO is co-insured or joint insured and that its interest is noted as first loss payee and/or sole loss payee (as ABN AMRO may specify);

(g) pay all premiums in respect of any insurance policies when due and promptly upon becoming aware, notify ABN AMRO if any of its insurance policies lapse or are cancelled; and

(h) immediately inform ABN AMRO of anything which occurs which might have the effect referred to in Clause 8.1(d).

8.2 **Registration at Land Registry**

(a) The Chargors shall do all things requested by ABN AMRO to facilitate the registration of this Security against any Land Registry title comprised in the Mortgaged Properties from time to time. In particular, each Chargor shall

(i) apply to the Chief Land Registrar for a restriction to be entered on each such title 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 Debenture dated [•] in favour of [•] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer"; and

(ii) if ABN AMRO so requests, certify that the security over the Mortgaged Properties created by this Debenture does not contravene any of the provisions of its constitutional documents.

(b) No Chargor shall permit any other person to be registered at the Land Registry as proprietor of any of the Mortgaged Properties (or of any interest in any of the Mortgaged Properties).

(c) No Chargor shall create or permit to arise or subsist in or over any of the Mortgaged Properties any interest which falls within any of the paragraphs of Schedule 3 Land Registration Act 2002 or any interest preserved by the transitional provisions of Schedule 12 Land Registration Act 2002.

8.3 **Deposit of Mortgaged Property title documents**

(a) Each Chargor shall effect or procure the deposit with (or to the order of) ABN AMRO of all title deeds and documents (including all local land charges, land charges, Land Registry search certificates and planning and other statutory consents) relating to the Mortgaged Properties.

(b) On completion of the registration of this Debenture against any Land Registry title comprised in the Mortgaged Properties, the relevant Chargor shall supply ABN AMRO with a copy of the title information document for that title.

8.4 **Bank accounts**

(a) No Chargor shall close, open, maintain or vary the terms applicable to any Blocked Account without the prior written consent of ABN AMRO.

(b) No Chargor may make any withdrawal from a Blocked Account except with the prior written consent of ABN AMRO.

(c) In respect of any bank account which is not a Blocked Account:

(i) prior to the occurrence of an Enforcement Event a Chargor has the right to receive, withdraw or otherwise transfer any credit balance from time to time on any such bank account in the ordinary course of its business; and

(ii) after the occurrence of an Enforcement Event or the crystallisation of any floating charge over any such bank account , no Chargor shall withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any such bank account without the prior written consent of ABN AMRO and ABN AMRO shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.

(d) If any time deposit matures on any bank account of a Chargor with ABN AMRO after this Security has become enforceable, the time deposit shall automatically be renewed for a further period of a duration determined by ABN AMRO in its discretion. This is without prejudice to Clauses 8.4(b) and 8.4(c)(ii) and any set-off rights of ABN AMRO.

8.5 **Non-Vesting Debts and Other Debts**

(a) Each relevant Chargor shall only deal with the Non-Vesting Debts, their Related Rights and the proceeds thereof as if they had been effectively assigned to ABN AMRO in accordance with the applicable Debt Purchase Agreement.

(b) Each Chargor shall pay into such account as ABN AMRO may require all moneys which it may receive in respect of the Other Debts and pay or otherwise deal with such moneys standing in such account only in accordance with any directions from time to time given in writing by ABN AMRO.

(c) Each Chargor shall deal with such Other Debts in accordance with any directions from time to time given in writing by ABN AMRO and, for the avoidance of doubt, shall not sell, assign, factor or discount any Other Debt in any way).

8.6 **Plant and machinery**

Upon request by ABN AMRO the relevant Chargor shall, at its own cost, affix (and ensure there appears at all times thereafter) a clearly visible and legible notice to such plant and machinery as specified by ABN AMRO, in wording approved by ABN AMRO stating that such Plant & Machinery is charged to ABN AMRO and may not be sold, removed or disposed of or dealt with in any other way without the prior written consent of ABN AMRO.

9. ENFORCEMENT – GENERAL PROVISIONS

9.1 **Enforcement**

(a) On or at any time after the occurrence an Enforcement Event, this Security shall become immediately enforceable and ABN AMRO may enforce this Security, and its rights under this Debenture, in the manner and on the terms it thinks fit.

(b) In particular, it may without further notice exercise in relation to the Security Assets:

(i) the power of sale and all other powers conferred on mortgagees by the LPA or otherwise by law, in each case as extended or otherwise amended by this Debenture;

(ii) to the extent that Clause 10 (*Right of appropriation*) applies, the power to appropriate the relevant Security Assets in accordance with Clause 10.2 (*Exercise of right of appropriation*); and

(iii) (whether or not it has appointed a Receiver) any or all of the rights which are conferred by this Debenture (whether expressly or by implication) on a Receiver.

9.2 **LPA provisions**

(a) The Secured Liabilities shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Debenture.

(b) ABN AMRO and any Receiver is entitled to all of the privileges, immunities and other rights conferred on mortgagees and receivers respectively under the LPA.

(c) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) LPA (application of proceeds of sale) and s109(1) LPA (restricting the power to appoint a receiver) shall not apply to this Security.

9.3 **Protection of third parties**

(a) No purchaser, mortgagee or other person dealing with a Secured Party shall:

(i) be bound to enquire whether its entitlement to exercise any of its rights has arisen or become exercisable or whether any Secured Liabilities remain outstanding; or

(ii) be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Secured Party.

(b) All of the protection to purchasers contained in ss104 and 107(1) LPA and s42(3) 1A shall apply to any person purchasing from or dealing with a Secured Party as if the Secured Liabilities had become due and the statutory powers of sale and of appointing a Receiver in relation to the Security Assets had arisen on the date of this Debenture.

9.4 **Delegation**

(a) ABN AMRO and (to the extent his or her appointment so permits) a Receiver (the "**Appointor**") may delegate to any person or persons all or any of the rights which are exercisable by it under this Debenture. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Appointor may think fit.

(b) A delegation under Clause 9.4(a) shall not preclude the subsequent exercise of the relevant rights by the Appointor nor preclude the Appointor from making a subsequent delegation of them to another person or from revoking that delegation.

(c) Neither ABN AMRO nor any Receiver shall be liable or responsible to a Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

9.5 **No liability**

Neither a Secured Party nor any Administrator shall be liable as a mortgagee in possession or otherwise to account in relation to all or any part of the Security Assets for any loss on realisation or for any other action, default or omission for which a mortgagee in possession might but for this Clause 9.5 be liable.

10. **RIGHT OF APPROPRIATION**

10.1 **Application of right of appropriation**

This Clause 10 applies to the extent the Security Assets constitute "financial collateral" and this Debenture constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

10.2 **Exercise of right of appropriation**

(a) If and to the extent that this Clause 10 applies, ABN AMRO may appropriate the Security Assets in or towards discharge of the Secured Liabilities in such order as ABN AMRO may determine.

(b) If ABN AMRO exercises its right of appropriation then it shall for these purposes value:

(i) any relevant Blocked Account or other bank account at the amount standing to the credit of that account, together with any accrued interest not credited to the account, at the time of the appropriation; and

(ii) any other relevant Security Asset by reference to an independent valuation or other procedure determined by ABN AMRO, acting reasonably, at the time of the appropriation.

11. **RECEIVERS**

11.1 **Appointment of Receiver**

(a) Subject to the remainder of this Clause 11.1, ABN AMRO may appoint one or (at the same or different times) more persons as a receiver of all or any part of the Security Assets if this Security has become enforceable or the relevant Chargor so requests in writing at any time.

(b) No appointment may be made pursuant to Clause 11.1:

(i) solely as a result of the obtaining of, or with a view to obtaining, a moratorium under s1A IA; or

(ii) of an administrative receiver if that appointment would contravene s72A IA.

(c) If at any time two or more persons hold office as Receivers, each of those Receivers shall (subject to the terms of his or her appointment) be entitled to exercise individually all of the rights conferred on Receivers under this Debenture to the exclusion of the other or others.

11.2 **Remuneration**

ABN AMRO may fix the remuneration of any Receiver from time to time, without being limited by the maximum rate specified in s109(6) LPA.

11.3 **Removal and replacement**

ABN AMRO may:

(a) subject to obtaining a court order if required by law, remove any Receiver by written notice; and

(b) replace (by appointment pursuant to Clause 11.1) any Receiver whose appointment has terminated.

11.4 **Agent of the relevant Chargor**

(a) Any Receiver appointed under this Debenture whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA.

(b) The relevant Chargor shall be solely responsible for the acts, omissions, defaults, losses and misconduct of any Receiver and for his or her remuneration. ABN AMRO shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver.

12. POWERS OF SECURITY ENFORCEMENT PARTIES

12.1 General

(a) A Receiver has:

(i) all of the rights set out below in this Clause 12;

(ii) all of the rights granted by the LPA to any receiver or mortgagor or mortgagee in possession; and

(iii) whether or not it is an administrative receiver, all of the rights granted by the IA to any administrative receiver,

in each case as such rights are varied and extended by this Debenture.

(b) ABN AMRO has after this Security has become enforceable the rights referred to in Clause 12.1(a), whether or not it has appointed a Receiver.

(c) A Delegate has the rights referred to in Clause 12.1(a) to the extent provided in its, his or her appointment.

(d) Any reference in this Clause 12 to any Security Assets includes, in the case of a Receiver or Delegate, only those Security Assets over or in respect of which it, he or she has been appointed.

(e) A Secured Party may exercise its, his or her rights under this Clause 12 in such manner and on such terms as it, he or she thinks fit.

12.2 Collection, leasing and disposal of Security Assets

(a) The right to enter into, take possession of, give up possession of, get in and collect any Security Asset.

(b) The right to grant, vary, surrender or accept the surrender of Leases, easements or other rights over or in respect of Security Assets on such terms as the Secured Party may think fit, without the need to comply with ss99 and 100 LPA.

(c) The right to sell or otherwise dispose of any Security Asset on any terms and for any consideration as the Secured Party may think fit. This consideration may include cash, debentures, obligations, shares or other security and may be payable in a lump sum or instalments.

(d) The right to sever any plant, machinery or other fixtures from the premises to which they are attached and the right to dispose of them separately in accordance with Clause 12.2(c).

(e) The right, in connection with or to facilitate any disposal, to release or discharge, whether or not for any consideration, any Debts comprised in the Security Assets.

(f) The right to give a valid receipt for any money and execute any discharge, assurance or other document which may be proper or desirable to realise any Security Asset.

12.3 Upkeep of Security Assets

(a) The right to repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Security Assets.

(b) The right to develop any Security Asset and for that purpose to apply for any Authorisations, enter into any documents and carry out any works.

(c) The right to insure any Security Assets.

12.4 Carrying on business

(a) The right to carry on any business of a Chargor.

(b) The right to appoint or dismiss officers, employees, agents, contractors, advisors and others.

(c) The right to purchase, lease or otherwise acquire any assets.

(d) The right to borrow or otherwise raise money either unsecured or on the security of the Security Assets (whether ranking in priority to, pari passu with or behind this Security).

(e) The right to lend money or advance credit to any customer of a Chargor.

12.5 **Contracts and proceedings**

(a) The right to perform, repudiate, terminate, amend or enter into any contract or other document relating to any Security Asset.

(b) The right to bring, prosecute, defend, enforce and discontinue any action, suit, arbitration or other proceedings relating to any Security Assets.

(c) The right to pursue, settle, arrange, compromise or submit to arbitration any claim, account, dispute or demand relating to, or to make any VAT election in respect of, any Security Asset.

12.6 **Other rights**

(a) The right to form a subsidiary of a Chargor and the right to lease, license or transfer any Security Asset to it.

(b) The right to do any other act or thing which the Secured Party may consider desirable or necessary to protect, preserve or realise any Security Asset or incidental or conducive to any rights conferred on the Secured Party under or by virtue of this Debenture or by law.

(c) The right to exercise and do in relation to any Security Asset all the rights and things which the Secured Party would be capable of exercising or doing if it, he or she were the absolute beneficial owner of that Security Asset.

(d) The right to use the name of a Chargor to exercise any of the rights referred to in this Clause 12.

13. **APPOINTMENT OF ADMINISTRATOR**

13.1 **Appointment of Administrator**

(a) ABN AMRO may without notice appoint any one or more persons to be an administrator of a Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.

(b) Clause 13.1(a) shall not apply to a Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed.

(c) Any appointment under Clause 13.1(a) shall be made in the prescribed form by ABN AMRO.

13.2 **Replacement of an Administrator**

ABN AMRO may apply to the court for the termination of the appointment of any Administrator and/or the appointment of a replacement for any Administrator whose appointment ends for any reason.

14. **DEALING WITH PROCEEDS**

14.1 **Application of proceeds of enforcement, etc**

(a) Any monies received by ABN AMRO or any Receiver under this Debenture after this Security has become enforceable shall be applied in the following order of priority:

(i) in or towards payment of, or provision for, all amounts due to or Losses incurred by any Secured Party under or in connection with this Debenture and all remuneration due to any Receiver under or in connection with this Debenture;

(ii) in or towards discharge of the Secured Liabilities in such order as ABN AMRO in its absolute discretion thinks fit; and

(iii) if no Chargor is under any further actual or contingent liability to the Secured Parties, in payment of the surplus (if any) to the person or persons entitled to it.

(b) Notwithstanding Clause 14.1(a), until the Discharge Date ABN AMRO or any Receiver may:

(i) refrain from applying or enforcing any other monies, Security Interests or other rights held or received by it in respect of the Secured Liabilities or apply and enforce them in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and no Chargor shall be entitled to the benefit of the same; and

(ii) hold in an interest-bearing suspense account any monies received from a Chargor or on account of the Secured Liabilities.

(c) Clause 14.1(a) is without prejudice to the right of ABN AMRO to recover any shortfall from the Chargors.

14.2 **Security accounts**

Until the Discharge Date (and whether or not an Event of Default has occurred) ABN AMRO may, in its discretion, apply any part of the monies standing to the credit of any Blocked Account and any bank account referred to in Clause 3.9 (*Bank accounts*) in accordance with Clause 14.1.

14.3 **Insurance proceeds**

(a) All monies received by a Chargor by virtue of any Insurance on the Security Assets, whether or not effected under this Debenture:

(i) shall be part of the Security Assets; and

(ii) shall (subject to any rights of third parties arising under any applicable law and regulation or under any Occupational Lease) be paid to ABN AMRO (and until so paid shall be held on trust for ABN AMRO).

This Clause 14.3(a) shall apply whether the event pursuant to which those monies became payable occurred before, on or after the date of this Debenture.

(b) Any monies so paid to ABN AMRO (or otherwise received by any Secured Party by virtue of any insurance on the Security Assets) shall be applied at the discretion of ABN AMRO either in reduction of the Secured Liabilities or in or towards making good the loss or damage in respect of which they became payable. Each Chargor waives any right it may have to require that those monies be applied in or towards making good the loss or damage in respect of which they became payable.

15. **GENERAL SECURITY PROVISIONS**

15.1 **Continuing security**

This Security is, and shall remain in force as, a continuing security for the Secured Liabilities, regardless of any intermediate payment or discharge, unless and until it is released and discharged in writing by ABN AMRO.

15.2 **Additional security**

This Security is in addition to and is not in any way prejudiced by any other guarantee or Security Interest now or subsequently held by or on behalf of any Secured Party.

15.3 **Waiver of defences**

The obligations of each Chargor under this Debenture will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 15.3, would reduce, release or prejudice any of its obligations under this Debenture, including (whether or not known to it or any Secured Party):

(a) any time, waiver or consent granted to, or composition with, any person;

(b) the release of any person under the terms of any composition or arrangement with any creditor;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over the assets of, a Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any document or any failure to take, or failure to realise the full value of, any Security Interest;

(d) any supplement, extension, restatement, other amendment or novation or replacement of any security or other document, however fundamental that amendment, novation and replacement may be and whether or not more onerous, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility or other Security Interest or other document;

(e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or constitution or status of any person;

(f) any unenforceability, illegality or invalidity of any of the Secured Liabilities or any other obligation of any person or any other document or Security Interest; or

(g) any insolvency or similar proceedings.

15.4 **Non-competition**

(a) Until the Discharge Date, no Chargor shall exercise any rights it may have by reason of its being a party to this Debenture or paying (or having any liability to pay) any amount under it:

(i) to claim any indemnity or contribution from any person;

(ii) to take (by way of subrogation or otherwise) the benefit of any right of any Secured Party; or

(iii) to claim or prove as a creditor of any person in competition with any Secured Party.

(b) Each Chargor shall hold any payment or other benefit received by it contrary to this Clause 15.4 on trust for ABN AMRO and promptly pay or transfer the same to ABN AMRO for application in accordance with Clause 14.1 (*Application of proceeds of enforcement, etc*).

15.5 **Immediate recourse**

Each Chargor waives any right it may have of first requiring ABN AMRO to enforce any Security Interest or other right, or claim payment from or proceed against any other person, before claiming from it under this Debenture. This waiver applies irrespective of any applicable law and regulation or any provision of any other document between ABN AMRO and a Chargor to the contrary.

15.6 **Redemption of prior Security Interests**

(a) ABN AMRO may at any time:

(i) redeem, or procure the transfer to itself of, any prior Security Interest over any Security Assets; or

(ii) settle and pass the accounts of the holder of any prior Security Interest. Any accounts so settled and passed shall in the absence of manifest error be conclusive and binding on the relevant Chargor.

(b) All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption, transfer or settlement under Clause 15.6(a) shall be paid by the Chargors to ABN AMRO on demand, in each case together with default interest calculated in the manner referred to in Clause 2.2 (*Interest*).

15.7 **Subsequent Security Interests**

(a) At any time following:

(i) the receipt by ABN AMRO of notice (either actual or constructive) of any subsequent Security Interest affecting any Security Assets;

(ii) any insolvency or similar proceedings occurring in relation to a Chargor; or

(iii) any disposal of any Security Assets in breach of Clause 6.2 (*No disposals*),

ABN AMRO may open a new account or accounts in the name of the relevant Chargor (whether or not it permits any existing account to continue). If ABN AMRO does not open such a new account, it shall nevertheless be deemed to have done so at the time of receipt of the notice, the commencement of the insolvency or similar proceedings or the disposal.

(b) From that time all payments received by ABN AMRO for the account of the relevant Chargor shall be credited or treated as having been credited to the new account (or deemed new account) and shall not operate to reduce the amount secured by this Security at the time of receipt of the notice, the commencement of the insolvency or similar proceedings or the disposal.

16. **POWER OF ATTORNEY**

(a) Each Chargor irrevocably and by way of security appoints each Secured Party severally to be its attorney, in its name or otherwise, on its behalf and as its act and deed to execute, deliver and perfect any document and do any other act or thing which may be required or which the attorney may consider desirable:

(i) to carry out any obligation imposed on that Chargor by this Debenture; or

(ii) in the exercise of any rights conferred on any Secured Party by this Debenture or by applicable law and regulation.

(b) Each Chargor undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of this power of attorney.

17 RELEASE OF SECURITY

17.1 Definitions relating to release of this Security

(a) In this Debenture, "**Discharge Date**" means the date on which ABN AMRO (with any necessary approval from the Agent) determines that all of the Secured Liabilities have been unconditionally and irrevocably paid or discharged in full. For this purpose, a Secured Liability will not be considered to have been irrevocably paid or discharged if ABN AMRO, acting reasonably, considers that any payment made in respect of it is capable of being avoided.

(b) In this Clause 17:

(i) "**avoided**" means avoided, restored or adjusted in whole or part under any law relating to insolvency (and "**avoidance**" shall be construed accordingly); and

(ii) "**settlement**" means a release, settlement, discharge, re-assignment or arrangement.

17.2 Release of this Security

(a) If a Chargor so requests on or following the Discharge Date, ABN AMRO shall as soon as reasonably practicable release and discharge this Security and re-assign the assets assigned to ABN AMRO under this Debenture without recourse, representation or warranty and subject to the rights of any person having prior rights over those assets.

(b) Any settlement made by ABN AMRO on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided.

(c) If any avoidance occurs as referred to in Clause 17.2(b) (including by reason of a concession or compromise referred to in Clause 17.2(d)), then the settlement given by ABN AMRO shall have no effect and shall not prejudice the right of ABN AMRO to enforce this Security in respect of the Secured Liabilities. As between the Chargors and ABN AMRO, this Security shall (notwithstanding the settlement) be deemed to have remained at all times in effect and held by ABN AMRO as security for the Secured Liabilities.

(d) ABN AMRO may concede or compromise any claim that an assurance, security or payment is liable to avoidance.

18 COSTS

18.1 Costs and Expenses

The Chargors will pay to ABN AMRO, on demand all costs and expenses (together with any applicable VAT) incurred by any Secured Party in connection with:

(a) the negotiation, preparation, execution and perfection of this Debenture;

(b) any amendment, extension, waiver, consent or suspension or rights relating to this Debenture;

(c) the failure by any Chargor to perform any of its obligations under this Debenture;

(d) the enforcement of, or the preservation of or release of any rights under, this Debenture; and

(e) any proceedings instituted by or against any Secured Party as a consequence of taking or holding this Debenture or enforcing these rights.

18.2 Stamp taxes

The Chargors shall pay and, promptly on demand, indemnify ABN AMRO against any Loss ABN AMRO incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Debenture.

19 INDEMNITY

19.1 Indemnity to the Secured Parties

The Chargors will, on demand, indemnify each Secured Party against all Losses sustained or incurred under this Debenture by any Secured Party for any reason including costs, expenses and taxes in connection with a failure by any Chargor to comply with any of its obligations under this Debenture or the enforcement or preservation of rights under this Debenture.

19.2 **Lien on Security**

Each Secured Party may, in priority to any payment to the Secured Parties, indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in Clause 19.1 and shall have a lien on this Security and the proceeds of the enforcement of this Security for all moneys payable to it.

20. **SET-OFF**

ABN AMRO may set off, debit, transfer or apply any present or future obligation due from a Chargor to a Secured Party under this Debenture against any present or future obligation owed by that Secured Party to the relevant Chargor under this Debenture, without prior notice, both before and after demand. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

21. **CHANGES TO THE PARTIES**

(a) ABN AMRO may assign or transfer any of its rights and obligations under this Debenture to any other person.

(b) No Chargor may assign or transfer any of its rights or obligations or sub-contract the performance of any of its duties under this Debenture without the prior written consent of ABN AMRO.

22. **NOTICES**

(a) ABN AMRO may notify a Chargor or serve notice on a Chargor under this Debenture:

(i) by delivering or posting to the Chargor's address in Schedule 1 (*The Chargors*), the Chargor's registered office or any address at which the Chargor carries on business or resides;

(ii) by email to the Chargor's email address in Schedule 1 (*The Chargors*); or

(iii) by delivery to any officer, member or partner of the Chargor.

(b) A notice by ABN AMRO will be deemed served under this Debenture:

(i) If delivered in person, at the time of delivery;

(ii) If delivered by post, on the day after posting; or

(iii) If delivered by email, at the time of sending.

(c) A Chargor shall serve notice in connection with this Debenture on ABN AMRO by delivering or posting to ABN AMRO at:

Address: Sheencroft House, 10-12 Church Road, Haywards Heath RH16 3SN

Attention: Relationship Management,

or to such other contact address or email address as notified by ABN AMRO to the Chargors from time to time.

(d) Any communication or document to be made or delivered to ABN AMRO will be effective only when actually received by ABN AMRO and then only if it is expressly marked for the attention of the department or officer specified in Clause 22(c).

(e) ABN AMRO may rely upon any email, signature, act or communication sent by a person purporting to be authorised to act on behalf of a Chargor even if that person lacked the relevant authority.

23. **CALCULATIONS AND CERTIFICATES**

23.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with this Debenture, the entries made in the accounts maintained by ABN AMRO are prima facie evidence of the matters to which they relate.

23.2 **Certificates and determinations**

Any certification or determination of ABN AMRO as to any matter provided for in this Debenture is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23.3 **Day count convention**

Any interest, commission or fee accruing under this Debenture will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the London interbank market differs, in accordance with that market practice.

24. **PARTIAL INVALIDITY**

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

25. **REMEDIES AND WAIVERS**

(a) A waiver of any right or remedy by ABN AMRO under this Debenture or by law, or any consent given under this Debenture by ABN AMRO, is only effective if given in writing and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent ABN AMRO from subsequently relying on the relevant provision.

(b) No failure to exercise, nor any delay in exercising, on the part of ABN AMRO, any right or remedy under this Debenture shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy.

(c) The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

26. **AMENDMENTS**

Any term of this Debenture may be amended only with the written consent of ABN AMRO and the Chargors and any such amendment or waiver will be binding on all Parties.

27. **ENTIRE AGREEMENT**

This Debenture constitutes the entire agreement between ABN AMRO and the Chargors and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

28. **CONFIDENTIALITY AND DISCLOSURE**

ABN AMRO will not disclose confidential information (being information which is confidential in nature and not public information or identified as non-confidential information) relating to any Chargor to any third party without that Chargor's consent unless such disclosure is to:

(a) any member of the ABN AMRO Group or to any officer, director or employee of the ABN AMRO Group;

(b) any professional advisors, auditors, partners, manager, insurers, insurance brokers or reinsurers of the ABN AMRO Group;

(c) any prospective assignee, transferee, participant, security trustee, agent or arranger under this Debenture and any of their Associates;

(d) any third party service providers including industry associations and their members or ombudsmen and any agents, delegates, nominees, attorneys, trustees or custodians acting on ABN AMRO's or any member of the ABN AMRO Group's behalf; or

(e) a third party that is a court of competent jurisdiction, a governmental, banking, taxation, supervisory, industry association or other similar body or a stock exchange or the information is required or requested to be disclosed pursuant to any applicable law or regulation or in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes,

and ABN AMRO will use reasonable endeavours to advise such third parties of the confidential nature of such information.

29 **CODE OF GOOD PRACTICE**

ABN AMRO is a member of the UK Finance ("**UK Finance**"). It subscribes to UK Finance's Code (of good practice) which sets out a number of important principles which ABN AMRO will adopt in its relationship with the Chargors. The Code can be found at http://www.abfa.org.uk . In the unlikely event that a Chargor has cause to

make an official complaint alleging breach by ABN AMRO of the Code or this Agreement then that Chargor should firstly raise it with a director of ABN AMRO. He/she will arrange for it to be investigated and then let the Chargor have a final decision within 12 weeks. If the Chargor is dissatisfied with ABN AMRO's decision then the Chargor may raise the matter with UK Finance, if it relates to an alleged breach of the Code. Details of the UK Finance's Complaint Procedure can also be found at http://www.abfa.org.uk/standards. If the Chargor's turnover is below £6.5 million, UK Finance will arrange for the complaint to be dealt with through The Ombudsman Service Limited ("**OSL**"). OSL's award cannot exceed £25,000. The turnover limit and the maximum award may from time to time be subject to variation by UK Finance and OSL.

30. **COUNTERPARTS**

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

31. **THIRD PARTY RIGHTS**

(a) A person who is not a Party (other than any Receiver, Delegate or Administrator) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Debenture.

(b) Notwithstanding Clause 31(a), the consent of any person who is not a Party is not required to rescind or vary this Debenture at any time.

32. **GOVERNING LAW**

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

33. **ENFORCEMENT**

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or any non-contractual obligations arising out of or in connection with this Debenture) ("**Dispute**").

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

(c) This Clause 33 is for the benefit of ABN AMRO and the other Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

EXECUTION:

This Debenture has been entered into on the date stated at the beginning of this Debenture and executed as a deed by the Chargors and is intended to be and is delivered by the Chargors as a deed on the date specified above.

SCHEDULE 1

THE CHARGORS

Name of Chargor	Jurisdiction of incorporation	Registered office address	Registered number	Notice Details
Colormagic Ltd	England and Wales	Suite 6 Banters House Banters Lane Business Park, Main Road, Great Leighs, Chelmsford, England, CM3 1QX	04215664	For the attention of: Simon Lance Address: Unit 6 Banters Lane Business Park, Main Road, Great Leighs, Essex, CM3 1QX Email: simon.lance@colormagicink.com

SCHEDULE 2

SPECIFIED ASSETS

Part 1
Registered land

(Freehold (including commonhold) or leasehold property (if any) in England and Wales of which a Chargor is registered as the proprietor at Land Registry)

None at the date of this Deed

Part 2
Unregistered land

(Freehold (including commonhold) or leasehold property (if any) in England and Wales to which is not registered at Land Registry of which a Chargor is the owner)

None at the date of this Deed

Part 3
Plant and Machinery

[*Insert details of plant and machinery*]

None at the date of this Deed

Part 4
Blocked Accounts

None at the date of this Deed

EXECUTION of the Debenture:

ABN AMRO ASSET BASED FINANCE N.V., UK BRAN

SIGNED for and on behalf of **ABN AMRO ASSET BASED FINANCE N.V., UK BRANCH** under power of attorney:

[redacted]

Signature

[redacted]

Signature

Gemma Guppy

Print name

CHARGORS

SIGNED and delivered on the date specified above as a deed by an authorised signatory for and on behalf of ***COLORMAGIC LTD*** in the presence of:

[redacted]

Signature

SIMON LANGE

Print name

[redacted]

Witness' signature:

Witness' name (in capitals):

JULIA TURNER

Witness' address:

[redacted]

INDEPENDENT WITNESS MUST NOT BE A FAMILY MEMBER