

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Farrow & Ball Holdings Limited		08/07/2006	COMPANY: UNITED KINGDOM

RECEIVING PARTY DATA	
<b>Name:</b>	The Royal Bank of Scotland, Plc
<b>Street Address:</b>	CSF Portfolio 8th, floor, 280 Bishopsgate
<b>City:</b>	London
<b>State/Country:</b>	UNITED KINGDOM
<b>Postal Code:</b>	EC2M 4RB
<b>Entity Type:</b>	public limited company:

PROPERTY NUMBERS Total: 27

Property Type	Number	Word Mark
Serial Number:	76585070	COOKING APPLE GREEN
Serial Number:	76585069	EATING ROOM RED
Serial Number:	76585067	PALE HOUND
Serial Number:	76585066	FOLLY GREEN
Registration Number:	3088078	OVAL ROOM BLUE
Serial Number:	76585056	BONE
Registration Number:	3036345	MOUSE'S BACK
Registration Number:	3036344	BALLROOM BLUE
Registration Number:	3036343	OCTAGON YELLOW
Registration Number:	3036342	FARROW'S CREAM
Registration Number:	3036341	PRINT ROOM YELLOW
Registration Number:	3036340	STUDIO GREEN
Registration Number:	3036339	FOX RED
Registration Number:	3029909	SUGAR BAG LIGHT

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Registration Number:	3029908	GREEN SMOKE
Registration Number:	3029907	CARD ROOM GREEN
Registration Number:	3029906	DORSET CREAM
Registration Number:	3029905	CORD
Registration Number:	3029904	PARMA GRAY
Serial Number:	76585064	DEAD SALMON
Registration Number:	2920567	F & B
Registration Number:	2920566	F & B
Registration Number:	2907814	PICTURE GALLERY RED
Registration Number:	2441805	ARCHIVE
Registration Number:	2118088	FARROW & BALL
Registration Number:	2116036	FARROW & BALL
Registration Number:	2907815	STRING

**CORRESPONDENCE DATA**

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Address Line 4: Irvine, CALIFORNIA 92614

ATTORNEY DOCKET NUMBER: ULD45.001GUS

**DOMESTIC REPRESENTATIVE**

Name: Andrew Simpson  
Address Line 1: 2040 Main Street, Fourteenth floor  
Address Line 4: Irvine, CALIFORNIA 92614

NAME OF SUBMITTER: Andrew H. Simpson

Signature: /Andrew H. Simpson/

Date: 09/20/2006

Total Attachments: 32  
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THIS DEBENTURE is made on

7 AUGUST

2006

BETWEEN

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "Original Charging Companies"); and
- (2) THE ROYAL BANK OF SCOTLAND PLC (as security trustee for the Secured Parties (as defined below)) (in such capacity, the "Security Agent").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) during the First Period and the Third Period, terms defined in, or construed for the purposes of, the Senior Facilities Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed);
- (b) during the Second Period, terms defined in or construed for the purposes of the Mezzanine Facility Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and
- (c) at all times the following terms have the following meanings:

"Accession Deed" means an accession deed substantially in the form set out in schedule 6 (*Form of Accession Deed*);

"Account Bank" means:

- (a) National Westminster Bank PLC of 503 Ringwood Road, Ferndown, Dorset BH22 9BL; and/or
- (b) such other bank with which any Collection Account or Cash Collateral Account is maintained from time to time;

"Act" means the Law of Property Act 1925;

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*);

"Cash Collateral Accounts" means each:

- (a) Mandatory Prepayment Account; and
- (b) each Holding Account,

(each as defined in the Senior Facilities Agreement and/or the Mezzanine Facility Agreement) and including but not limited to the accounts (if any) specified as such in part 3 of schedule 2 (*Details of Security Assets*);

**"Charged Accounts"** means each:

- (a) Collection Account;
- (b) Cash Collateral Account; and
- (c) other account charged by or pursuant to this Deed;

**"Charged Investments"** means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities;

**"Charged Securities"** means:

- (a) the securities specified in part 2 of schedule 2 (*Details of Security Assets*); and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or *"investments"* (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Charging Company or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which such Charging Company has an interest at any time;

**"Charging Companies"** means:

- (a) the Original Charging Companies; and
- (b) any other company which accedes to this Deed pursuant to an Accession Deed;

**"Collection Account"** has the meaning given to that term in clause 11.7(a)(iii);

**"Debenture Security"** means the Security created or evidenced by or pursuant to this Deed or any Accession Deed;

**"Declared Default"** means an Event of Default in respect of which any notice has been issued or rights exercised by:

- (a) the agent under the Senior Facilities Agreement under clause 29.20 (*Acceleration*) of the Senior Facilities Agreement; or
- (b) the agent under the Mezzanine Facility Agreement under clause 25.20 (*Acceleration*) of the Mezzanine Facility Agreement;

**"Default Rate"** means the rates of interest determined in accordance with clause 15.3 (*Default Interest*) of the Senior Facilities Agreement and clause 11.4 of the Mezzanine Facility Agreement;

**"Delegate"** means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver;

**"Event of Default"** means each Event of Default as defined in the Senior Facilities Agreement and/or the Mezzanine Facility Agreement;

**"Finance Document"** means any Senior Finance Document and any Mezzanine Finance Document;

**"Finance Party"** means any Senior Finance Party and any Mezzanine Finance Party;

**"First Period"** has the meaning given to it in the Intercreditor Agreement;

**"Insurances"** means all policies of insurance which are at any time held by or written in favour of a Charging Company, or in which a Charging Company from time to time has an interest (including, without limitation:

- (a) all present and future Key-man Policies;
- (b) the Warranty Insurances; and
- (c) the policies of insurance (if any) specified in part 5 of schedule 2 (*Details of Security Assets*);

**"Intellectual Property"** means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of each member of the Group;

**"Intercreditor Agreement"** means the intercreditor agreement dated the same date as this Deed and made between the Parent, the Company, the companies listed in schedule 2 thereto as obligors, intra-group creditors and intra-group debtors, The Royal Bank of Scotland plc as Security Agent, The Royal Bank of Scotland plc as senior agent, The Royal Bank of Scotland plc as senior arranger, European Capital S.A.R.L. as mezzanine arrangers, European Capital Financial Services Limited as mezzanine agent, the Lenders, the Ancillary Lenders, the Royal Bank of Scotland plc as initial hedge counterparty, the banks and financial institutions listed in part 2 of schedule 1 thereto as mezzanine lenders and the parties listed in schedule 5 thereto as investors and certain others;

**"Mezzanine Facility Agreement"** means the mezzanine facility agreement in the agreed form dated the same date as this Deed and made between FB Raphael 1 Limited as parent, FB Raphael 2 Limited as borrower, as the mezzanine agent, [European Capital S.A.R.L.] as the mezzanine arranger, The Royal Bank of Scotland plc as Security Agent and the persons named in that mezzanine facility agreement as Lenders;

**"Mezzanine Finance Document"** means any "*Finance Document*" as such term is defined in the Mezzanine Facility Agreement;

**"Mezzanine Finance Party"** means any "*Finance Party*" as such term is defined in the Mezzanine Facility Agreement;

**"Party"** means a party to this Deed;

**"Planning Acts"** means (a) the Town and Country Planning Act 1990, (b) the Planning (Listed Buildings and Conservation Areas) Act 1990, (c) the Planning (Hazardous Substances) Act 1990, (d) the Planning (Consequential Provisions) Act 1990, (e) the Planning and Compensation Act 1991, (f) any regulations made pursuant to any of the foregoing and (g) any other legislation of a similar nature;

**"Real Property"** means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Charging Company, or in which any Charging Company has an interest at any time (including the registered and

unregistered land (if any) in England and Wales specified in part 1 of schedule 2 (*Details of Security Assets*)), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof;
- (c) all proceeds of sale of that property; and
- (d) the benefit of all covenants given in respect thereof;

**"Receivables"** means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Charging Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

**"Receiver"** means any receiver, receiver and manager or administrative receiver appointed by the Security Agent under this Deed;

**"Related Rights"** means, in relation to any Charged Security:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

**"Relevant Agent"** means:

- (a) during the First Period and the Third Period, the agent under the Senior Facilities Agreement; and
- (b) during the Second Period, the agent under the Mezzanine Facility Agreement;

**"Relevant Contract"** means:

- (a) each Acquisition Document; and
- (b) each Hedging Agreement;

together with each other agreement supplementing or amending or novating or replacing the same;

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each present or future member of the Group to the Security Agent and/or the

other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed), provided that no obligation or liability shall be included in the definition of "**Secured Obligations**" to the extent that, if it were so included, this Deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985;

"**Secured Parties**" has the meaning given to that term in the Intercreditor Agreement;

"**Security Assets**" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed;

"**Second Period**" has the meaning given to it in the Intercreditor Agreement;

"**Security Period**" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents;

"**Senior Discharge Date**" has the meaning given to that term in the Intercreditor Agreement;

"**Senior Facilities Agreement**" means the senior sterling term and multicurrency revolving facilities agreement dated on or about the date hereof and made between (1) FB Raphael Limited 1 as Parent, (2) FB Raphael 2 Limited as Company, (3) the companies listed in part 1 of schedule 1 to it as Original Borrowers, (4) the companies listed in part 1 of schedule 1 to it as Original Guarantors, (5) The Royal Bank of Scotland PLC as Arranger, (6) the financial institutions listed in part 2 of schedule 1 to it as Original Lenders, (7) The Royal Bank of Scotland PLC as Agent, (8) The Royal Bank of Scotland as the Security Agent and (9) National Westminster Bank PLC (acting through its agent, The Royal Bank of Scotland PLC) as Original Issuing Bank, pursuant to which the Original Lenders agreed to make certain facilities available to the Borrowers;

"**Senior Finance Document**" means any "*Finance Document*" as such term is defined in the Senior Facilities Agreement;

"**Senior Finance Party**" means any "*Finance Party*" as such term is defined in the Senior Facilities Agreement;

"**Third Period**" has the meaning given to it in the Intercreditor Agreement; and

"**Warranty Insurances**" means any warranty insurance policies in respect of the warranties given in the Acquisition Agreement.

## 1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed:
  - (i) during the First Period and the Third Period, the provisions of clause 1.2 (*Interpretation*) of the Senior Facilities Agreement (other than clause 1.2(d)) apply to this Deed as though they were set out in full in this Deed, except that references to "*this Deed*" will be construed as references to this Deed; and



- (ii) during the Second Period, the provisions of clause 1.2 (*Interpretation*) of the Mezzanine Facility Agreement (other than clause 1.2(d)) will apply to this Deed as though they were set out in full in this Deed, except that references to "*this Deed*" will be construed as references to this Deed.
- (b) Unless a contrary indication appears, any reference in this Deed to:
  - (i) a "**Charging Company**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
  - (ii) "**this Deed**", the "**Senior Facilities Agreement**", the "**Mezzanine Facility Agreement**", any other "**Finance Document**" or any other agreement or instrument is a reference to this Deed, the Senior Facilities Agreement, the Mezzanine Facility Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
  - (iii) "**Secured Obligations**" includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group.
- (c) Each undertaking of a Charging Company (other than a payment obligation) contained in this Deed:
  - (i) must be complied with at all times during the Security Period; and
  - (ii) is given by such Charging Company for the benefit of the Security Agent and each other Secured Party.
- (d) The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Agent or the Relevant Agent reasonably considers on the basis of legal advice provided to it that an amount paid by any member of the Group to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

### 1.3 Joint and several

The liabilities and obligations of each Charging Company under this Deed are joint and several. Each Charging Company agrees to be bound by this Deed notwithstanding that any other Charging Company which was intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

**1.4 Inconsistency between this Deed and the Intercreditor Agreement**

If there is any conflict or inconsistency between any provision of this Deed and any provision of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall prevail.

**1.5 Trust**

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Intercreditor Agreement.

**1.6 Third party rights**

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

**2. COVENANT TO PAY**

**2.1 Covenant to pay**

- (a) Each Charging Company, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by a Charging Company of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a).

**2.2 Default interest**

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis:

- (a) at the rate and in the manner agreed in the Finance Document under which such amount is payable; or
- (b) (in the absence of such agreement) at the Default Rate as determined under the Senior Facilities Agreement from time to time.

**3. GRANT OF SECURITY**

**3.1 Nature of security**

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

### 3.2 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

## 4. FIXED SECURITY

### 4.1 Fixed charges

Each Charging Company charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first legal mortgage:
  - (i) the Real Property (if any) specified in part 1 of schedule 2 (*Details of Security Assets*); and
  - (ii) all other Real Property (if any) at the date of this Deed vested in, or charged to, such Charging Company (not charged by clause 4.1(a)(i));
- (b) by way of first fixed charge:
  - (i) all other Real Property and all interests in Real Property (not charged by clause 4.1(a)); and
  - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (c) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a) or 4.1(b)) and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge:
  - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(c)); and
  - (ii) the benefit of all contracts, licences and warranties relating to the same,  
other than any which are for the time being part of any Charging Company's stock-in-trade or work-in-progress;
- (e) by way of first fixed charge:
  - (i) the Charged Securities referred to in part 2 of schedule 2 (*Details of Security Assets*); and
  - (ii) all other Charged Securities (not charged by clause 4.1(e)(i)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which such Charging Company may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;

- (f) by way of first fixed charge:
  - (i) the Cash Collateral Accounts and all monies at any time standing to the credit of the Cash Collateral Accounts;
  - (ii) the Collection Accounts and all monies at any time standing to the credit of the Collection Accounts; and
  - (iii) all accounts of such Charging Company with any bank, financial institution or other person at any time (not charged by clauses 4.1(f)(i) or 4.1(f)(ii)) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;

- (g) by way of first fixed charge:
  - (i) the Intellectual Property (if any) specified in part 4 of schedule 2 (*Details of Security Assets*); and
  - (ii) all other Intellectual Property (if any) (not charged by clause 4.1(g)(i));
- (h) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
  - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of such Charging Company or the use of any of its assets; and
  - (ii) any letter of credit issued in favour of such Charging Company and all bills of exchange and other negotiable instruments held by it; and
- (j) by way of first fixed charge all of the goodwill and uncalled capital of such Charging Company.

#### 4.2 Security assignments

Each Charging Company assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- (a) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising therefrom provided that until the security created by this Deed has become enforceable the relevant Charging Company shall be entitled to continue to deal with the counterparties to each Relevant Contract;
- (b) each of the following:
  - (i) each present and future Key-man Policy;
  - (ii) all Insurances specified in part 6 of schedule 2 (*Details of Security Assets*); and

(iii) all other Insurances (not assigned by clauses 4.2(b)(i) or 4.2(b)(ii)),

and all claims under the Insurances and all proceeds of the Insurances; and

(c) all other Receivables (not assigned under clauses 4.2(a) or 4.2(b)).

To the extent that any Assigned Asset described in clause 4.2(b) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of such Charging Company to any proceeds of such Insurances.

#### 4.3 Notice of assignment and/or charge

Promptly after, but in any event within 14 Business Days of the date of this Deed (and promptly after, but in any event within 14 Business Days of the date of the obtaining of any Key-man Policy or the execution of any Acquisition Document or Hedging Agreement after the date of this Deed) each Charging Company shall:

(a) in respect of each of its Key-man Policy, deliver a duly completed notice of assignment to each other party to that Key-man Policy, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 5 (*Form of notice to and acknowledgement by insurers*);

(b) in respect of:

(i) the Acquisition Agreement; and

(ii) each Hedging Agreement (to the extent that such Charging Company is a party to the relevant document),

deliver a duly completed notice of assignment to each other party to that document, and procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 4 (*Form of notice to and acknowledgment by party to Relevant Contract*); and

(c) in respect of the Charged Accounts deliver a duly completed notice to the Account Bank and procure that the Account Bank executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 3 (*Form of notice to and acknowledgement from Account Bank*),

or, in each case, in such other form as the Security Agent shall agree.

#### 4.4 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

#### 4.5 Leases restricting charging

(a) There shall be excluded from the charge created by clause 4.1 (*Fixed Charges*) and from the operation of clause 20 (*Further Assurances*) any leasehold property held by a Charging Company under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from

creating any charge over its leasehold interest in that property (each an "**Excluded Property**") until the relevant condition or waiver has been satisfied or obtained.

- (b) For each Excluded Property, each relevant Charging Company undertakes to apply for the relevant consent or waiver or prohibition or condition as soon as is reasonably practicable from the date of this Deed and where any lease provides that the relevant third party will not unreasonably withhold its consent to charging, to use its reasonable endeavours to obtain that consent as soon as practicably possible and to keep the Security Agent informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Agent under clause 4.1 (*Fixed Charges*) (or, as the case may be, clause 20 (*Further Assurances*)). If required by the Security Agent at any time following receipt of that waiver or consent, the relevant Charging Company will forthwith execute a valid legal mortgage in such form as the Security Agent shall reasonably require.

#### 4.6 Intellectual Property rights restricting charging

- (a) There shall be excluded from the charge created by clause 4.1 (*Fixed Charges*) and from the operation of clause 20 (*Further Assurances*) any Intellectual Property in which a Charging Company has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its interest in that Intellectual Property (each an "**Excluded Intellectual Property Right**") until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Intellectual Property Right, each relevant Charging Company undertakes to apply for the relevant consent or waiver or prohibition or condition as soon as is reasonably practicable from the date of this Deed and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging (for this purpose a "**Relevant Intellectual Property Right**"), to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property Right shall stand charged to the Security Agent under clause 4.1 (*Fixed Charges*) (or, as the case may be, clause 20 (*Further Assurances*)). If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Charging Company will forthwith execute a valid legal charge or legal assignment in such form as the Security Agent shall reasonably require.

#### 4.7 Other assets restricting charging

- (a) There shall be excluded from the charges created by clauses 4.1 (*Fixed charges*) and 5 (*Floating charge*) and from the operation of clause 20 (*Further assurance*) any asset, or any rights related to that particular asset, subject to or deriving from any agreement, licence, contract, agreement for sale or agreement for lease with any person which is not a member of the Group and which is permitted by the Senior Facilities Agreement and the Mezzanine Facility Agreement, which a Charging Company has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its interest in that asset (each an

"Excluded Asset Right") until the relevant condition or waiver has been satisfied or obtained.

- (b) For each Excluded Asset Right, each relevant Charging Company undertakes to apply for the relevant consent or waiver of prohibition or condition as soon as is reasonably practicable from the Closing Date or as soon as is reasonably practicable from the date of execution of a Accession Deed by it and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging (for this purpose a "Relevant Asset Right"), to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Asset Right shall stand charged to the Security Agent under clause 4.1 (*Fixed charges*). If required by the Security Agent, at any time following receipt of that waiver or consent, the relevant Charging Company will execute a valid legal charge or legal assignment in such form as the Security Agent shall reasonably require.

## 5. FLOATING CHARGE

Each Charging Company charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## 6. CONVERSION OF FLOATING CHARGE

### 6.1 Conversion by notice

The Security Agent may, by written notice to a Charging Company, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of such Charging Company specified in the notice if:

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

### 6.2 Small companies

The floating charge created under this Deed by any Charging Company shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Charging Company.

### 6.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
  - (i) such Charging Company creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
  - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset.
- (b) over all Security Assets of a Charging Company which are subject to a floating charge if an administrator is appointed in respect of such Charging Company or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

### 6.4 Scottish property

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

### 6.5 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any class of assets of any Charging Company shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

## 7. CONTINUING SECURITY

### 7.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

### 7.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

### 7.3 Right to enforce

This Deed may be enforced against each or any Charging Company without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.



**8. LIABILITY OF CHARGING COMPANIES RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in this Deed or implied to the contrary, each Charging Company remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

**9. ACCOUNTS**

No monies at any time standing to the credit of any account (of any type and however designated) of any Charging Company with the Security Agent and/or any other Secured Party (or any of them) or in which any Charging Company has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than a Secured Party (other than to National Westminster Bank plc pursuant to the Management Guaranteed Loan Note Charge and the mortgage debenture given by the Company dated 14 November 1985).

**10. REPRESENTATIONS**

**10.1 General**

Each Charging Company makes the representations and warranties set out in this clause 10 to the Security Agent and to each other Secured Party.

**10.2 Ownership of Security Assets**

Each Charging Company is the sole legal and beneficial owner of all of the Security Assets identified against its name in schedule 2 (*Details of Security Assets*).

**10.3 Charged Securities**

The Charged Securities listed in part 2 of schedule 2 (*Details of Security Assets*) constitute the entire share capital owned by each Charging Company in the relevant company and constitute the entire share capital of each such company.

**10.4 Time when representations made**

- (a) All the representations and warranties in this clause 10 are made by each Original Charging Company on the date of this Deed and are also deemed to be made by each Charging Company:
  - (i) on the date of each Utilisation Request and each Utilisation Date under the Senior Facilities Agreement and the Mezzanine Facility Agreement;
  - (ii) on the first day of each Interest Period under the Senior Facilities Agreement and the Mezzanine Facility Agreement; and
  - (iii) (in the case of a company that accedes to the terms of this Deed pursuant to an Accession Deed) on the day on which it becomes a Charging Company.
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## 11. UNDERTAKINGS BY THE CHARGING COMPANIES

### 11.1 Negative pledge and Disposals

No Charging Company shall do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset except a Permitted Security; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset (except for a Permitted Disposal or a Permitted Transaction).

### 11.2 Security Assets generally

Each Charging Company shall:

- (a) notify the Security Agent within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any competent authority, and (if required by the Security Agent):
  - (i) promptly provide it with a copy of the same; and
  - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Agent may reasonably require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Assets unless payment of such rates, rents and other outgoings are being opposed in good faith;
- (c) comply with:
  - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
  - (ii) all covenants and obligations affecting any Security Asset (or its manner of use),  
where failure to do so has or is reasonably likely to have a Material Adverse Effect;
- (d) not, except with the prior written consent of the Security Agent, enter into any onerous or restrictive obligation affecting any Security Assets (except as expressly permitted under the Senior Facilities Agreement (during the First Period and the Third Period) or under the Mezzanine Facility Agreement (during the Second Period)); and
- (e) not do, cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

### 11.3 Deposit of documents and notices

Each Charging Company shall:

- (a) unless the Security Agent otherwise confirms in writing (and without prejudice to clause 11.12(a)), deposit with the Security Agent:
  - (i) all deeds and documents of title relating to the Security Assets; and
  - (ii) all local land charges, land charges and HM Land Registry search certificates and similar documents received by or on behalf of a Charging Company,  
(each of which the Security Agent may hold throughout the Security Period); and
- (b) immediately on request by the Security Agent if an Event of Default is subsisting, affix to any plant, machinery, fixtures, fittings and other asset for the time being owned by it (in a prominent position) a durable notice of this Deed (in any form required by the Security Agent).

### 11.4 Real Property undertakings - acquisitions and notices to HM Land Registry

- (a) Each Charging Company shall notify the Security Agent immediately before contracting to purchase any estate or interest in any freehold or leasehold property.
- (b) Each Charging Company shall, in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at HM Land Registry or the title to which is required to be so registered:
  - (i) give HM Land Registry written notice of this Deed; and
  - (ii) procure that notice of this Deed is clearly noted in the Register to each such title.

### 11.5 Real Property undertakings - maintenance

- (a) Each Charging Company shall maintain all buildings and erections forming part of the Security Assets in a good state of repair provided that in the case of any leasehold property comprising the Security Assets this obligation shall be satisfied if the property is kept in such state of repair and condition that the relevant tenant shall have substantially complied with its covenants in relation to repair and decoration in the relevant lease.
- (b) No Charging Company shall, except with the prior written consent of the Security Agent (or as expressly permitted under the Senior Facilities Agreement during the First Period and the Third Period or under the Mezzanine Facility Agreement during the Second Period):
  - (i) confer on any person any lease or tenancy of any of the Real Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
  - (ii) confer on any person any right or licence to occupy any land or buildings forming part of the Real Property; or
  - (iii) grant any licence to assign or sub-let any part of the Real Property.

- (c) No Charging Company shall carry out any development within the meaning of the Planning Acts in or upon any part of the Real Property without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure of, or a change of use of, any part of the Real Property, without first obtaining the written consent of the Security Agent.
- (d) No Charging Company shall do, or permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.
- (e) If the Security Agent reasonably believes an Event of Default has occurred and is continuing each Charging Company shall permit the Security Agent and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it.

#### 11.6 Insurance and Key-man Policies

- (a) If at any time any Charging Company defaults in:
  - (i) effecting or keeping up the insurances (A) required under the Senior Facilities Agreement during the First Period and the Third Period or the Mezzanine Facility Agreement during the Second Period or (B) referred to in this clause; or
  - (ii) producing any insurance policy or receipt to the Security Agent on demand,the Security Agent may (without prejudice to its rights under clause 12 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Security Agent may reasonably think expedient. All monies which are expended by the Security Agent in doing so shall be deemed to be properly paid by the Security Agent and shall be reimbursed by such Charging Company on demand.
- (b) Each Charging Company shall notify the Security Agent if any claim arises or may be made under the Insurances.
- (c) In relation to the proceeds of Insurances:
  - (i) the Security Agent shall be loss payee under and have the right to settle or sue for any such claim (but, except in relation to Key-man Policies, before an Event of Default shall do so as agent for the relevant Charging Company) and to give any discharge for insurance monies; and
  - (ii) all claims and monies received or receivable under any Insurances other than Excluded Insurance Proceeds shall (subject to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied;
    - (A) in relation to Insurances other than Key-man Policies, in accordance with the Senior Facilities Agreement during the First Period and the Third Period or the Mezzanine Facility Agreement during the Second Period or (if no requirement as to application is so imposed) in repairing, replacing, restoring or rebuilding the property damaged or destroyed; or

- (B) in relation to Key-man Policies in accordance with the Senior Facilities Agreement during the First Period and the Third Period and the Mezzanine Facility Agreement during the Second Period,

or, in each case after the occurrence of an Event of Default which has occurred and is continuing, in permanent reduction of the Secured Obligations in accordance with the Intercreditor Agreement.

#### 11.7 Dealings with and realisation of Receivables and Collection Accounts

- (a) Each Charging Company shall:

- (i) without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Security Agent, sell, assign, charge, factor or discount or in any other manner deal with any Receivable;

- (ii) collect all Receivables promptly in the ordinary course of trading as agent for the Security Agent; and

- (iii) (except where monies are required to be paid into a Mandatory Prepayment Account or Holding Account in accordance with the terms of any other Finance Document) immediately upon receipt pay all monies which it receives in respect of the Receivables into:

- (A) the account specified against its name in part 3 of schedule 2 (*Details of Security Assets*) as a Collection Account;

- (B) such specially designated account(s) with the Security Agent as the Security Agent may from time to time direct; or

- (C) such other account(s) with such other bank as the Security Agent may from time to time direct,

(each such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being a "Collection Account"); and

- (iv) pending such payment, hold all monies so received upon trust for the Security Agent.

- (b) Each Charging Company shall following the occurrence of an Event of Default which is continuing deal with the Receivables (both collected and uncollected) and the Collection Accounts in accordance with any directions given in writing from time to time by the Security Agent and, in default of and subject to such directions, in accordance with this Deed.

#### 11.8 Operation of Collection Accounts

- (a) Before the Security constituted by this Deed has become enforceable in accordance with its terms, the monies standing to the Collection Accounts may be withdrawn by the relevant Charging Company and applied by it as it sees fit.

- (b) Whilst an Event of Default is continuing, no Charging Company shall withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the

monies in any Collection Account without the prior written consent of the Security Agent and the Security Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.

- (c) If the right of a Charging Company to withdraw the proceeds of any Receivables standing to the credit of a Collection Account results in the charge over that Collection Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by any Charging Company under this Deed on all its outstanding Receivables.

#### **11.9 Operation of Cash Collateral Accounts**

No Charging Company shall withdraw or attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Cash Collateral Account unless expressly permitted to do so under the Senior Facilities Agreement (during the First Period and the Third Period) and the Mezzanine Facility Agreement or the Intercreditor Agreement (during the Second Period) or with the prior written consent of the Security Agent and the Security Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.

#### **11.10 Account Bank and notices**

- (a) The initial Account Bank is National Westminster Bank PLC (acting through its agent, The Royal Bank of Scotland PLC) unless the Security Agent specifies otherwise.
- (b) Where any Charged Account of any Charging Company is not maintained with The Royal Bank of Scotland PLC, the relevant Charging Company shall deliver to the relevant Account Bank a duly completed notice and procure that such Account Bank executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 3 (*Form of notice to and acknowledgement from Account Bank*).

#### **11.11 Change of Account Bank**

- (a) A change of Account Bank permitted under the Senior Facilities Agreement and the Mezzanine Facility Agreement only becomes effective when the proposed new Account Bank agrees with the Security Agent and the relevant Charging Companies (in a manner satisfactory to the Security Agent) to fulfil the role of the Account Bank under this Deed.
- (b) If there is a change of Account Bank, the net amount (if any) standing to the credit of the relevant Charged Accounts maintained with the old Account Bank will be transferred to the corresponding Charged Accounts maintained with the new Account Bank immediately upon the appointment taking effect. By this Deed each Charging Company irrevocably gives all authorisations and instructions necessary for any such transfer to be made.
- (c) Each Charging Company shall take any action which the Security Agent requires to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms) and irrevocably appoints the Security Agent as its attorney to take any such action if that Charging Company should fail to do so.

**11.12 Charged Investments - protection of security**

- (a) Each Charging Company shall, immediately upon execution of this Deed or (if later) as soon as is practicable after its acquisition of any Charged Securities (but subject to the Agreed Security Principles), by way of security for the Secured Obligations:
  - (i) deposit with the Security Agent (or as the Security Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights; and
  - (ii) execute and deliver to the Security Agent:
    - (A) pre-stamped instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
    - (B) such other documents as the Security Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).
- (b) Each Charging Company shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.

**11.13 Rights of the Parties in respect of Charged Investments**

- (a) Until a Event of Default occurs which is continuing, each Charging Company shall be entitled to:
  - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
  - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:
    - (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights unless permitted by the Finance Documents; or
    - (B) is prejudicial to the interests of the Security Agent and/or the other Secured Parties.
- (b) At any time following the occurrence of an Event of Default which is continuing, the Security Agent may complete the instrument(s) of transfer for all or any Charged Securities on behalf of any Charging Company in favour of itself or such other person as it may select.
- (c) At any time when any Charged Security is registered in the name of the Security Agent or its nominee, the Security Agent shall be under no duty to:
  - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee;
  - (ii) verify that the correct amounts are paid or received; or

- (iii) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security./

## **12. POWER TO REMEDY**

### **12.1 Power to remedy**

If at any time a Charging Company does not comply with any of its material obligations under this Deed, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Charging Company irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of such Charging Company) which are necessary to rectify that default.

### **12.2 Mortgagee in possession**

The exercise of the powers of the Security Agent under this clause 12 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

### **12.3 Monies expended**

The relevant Charging Company shall pay to the Security Agent within five Business Days of demand any monies which are expended by the Security Agent in exercising its powers under this clause 12, together with interest at the Default Rate determined under the Senior Facilities Agreement from the date on which those monies were expended by the Security Agent (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

## **13. WHEN SECURITY BECOMES ENFORCEABLE**

### **13.1 When enforceable**

This Debenture Security shall become immediately enforceable upon the occurrence of an Event of Default and shall remain so for so long as such Event of Default is continuing.

### **13.2 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and for so long as such Event of Default is continuing.

### **13.3 Enforcement**

After this Debenture Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

## **14. ENFORCEMENT OF SECURITY**

### **14.1 General**

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to this Debenture Security.



#### 14.2 Powers of leasing

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

#### 14.3 Powers of Security Agent

- (a) At any time after the Debenture Security becomes enforceable (or if so requested by any Charging Company by written notice at any time), the Security Agent may without further notice (unless required by law):
  - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
  - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Charging Company; and/or
  - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
  - (iv) exercise (in the name of any Charging Company and without any further consent or authority of such Charging Company) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of any Charging Company which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Charging Company.

#### 14.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Charging Company.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Charging Company to the Security Agent on demand.

**14.5 Privileges**

Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

**14.6 No liability**

- (a) Neither the Security Agent, any other Secured Party nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither the Security Agent, any other Secured Party nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

**14.7 Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

**15. RECEIVER**

**15.1 Removal and replacement**

The Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

**15.2 Multiple Receivers**

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

**15.3 Remuneration**

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

**15.4 Payment by Receiver**

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

**15.5 Agent of Charging Companies**

Any Receiver shall be the agent of the Charging Company in respect of which it is appointed. Such Charging Company shall (subject to the Companies Act 1985 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to such Charging Company or to any other person) by reason of the appointment of a Receiver or for any other reason.

**16. POWERS OF RECEIVER**

**16.1 General powers**

Any Receiver shall have:

- (a) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (b) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (c) all powers which are conferred by any other law conferring power on receivers.

**16.2 Additional powers**

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of any Charging Company as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
  - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Charging Company;
  - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and

- (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Charging Company was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Charging Company and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Charging Company;
- (g) to take any such proceedings (in the name of any of the relevant Charging Companies or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to form one or more Subsidiaries of any Charging Company and to transfer to any such Subsidiary all or any part of the Security Assets;
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (m) to:
  - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
  - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
  - (iii) use the name of any Charging Company for any of the above purposes.

## 17. APPLICATION OF PROCEEDS AND INTERCREDITOR AGREEMENT

### 17.1 Application

All monies received by the Security Agent or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security

**23.5 Protective clauses**

Each Charging Company is deemed to be a principal debtor in relation to this Deed. The obligations of each Charging Company under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of a Charging Company (whether or not known to it or to any Secured Party).

**24. NOTICES**

**24.1 Senior Facilities Agreement**

During the First Period and the Third Period and subject to clause 24.3 (*Notices through Parent*):

- (a) clause 37 of the Senior Facilities Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Senior Facilities Agreement or this Deed.

**24.2 Mezzanine Facility Agreement**

During the Second Period and subject to clause 24.3 (*Notices through Parent*):

- (a) clause 33 of the Mezzanine Facility Agreement (*Notices*) is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Mezzanine Facility Agreement or this Deed.

**24.3 Notices through Parent**

- (a) All communications and documents from the Charging Companies shall be sent through the Parent and all communications and documents to the Charging Companies may be sent through the Parent.

Any communication or document made or delivered to the Parent in accordance with this clause 24 will be deemed to have been made or delivered to each of the Charging Companies.

**25. PARTIAL INVALIDITY**

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

**26. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed 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. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

**27. AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if the Security Agent and the Charging Companies or the Parent on their behalf so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

**28. COUNTERPARTS**

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

**29. RELEASE**

**29.1 Release**

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Charging Companies, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

**29.2 Reinstatement**

Where any discharge (whether in respect of the obligations of any Charging Company or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Charging Companies under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede (on the basis of legal advice provided to it) or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

**30. GOVERNING LAW**

This Deed is governed by English law.

IN WITNESS of which this Deed has been duly executed by each of the Original Charging Companies as a deed and duly executed by the Security Agent and has been delivered on the date written at the beginning of this Deed.

EXECUTION PAGES

THE ORIGINAL CHARGING COMPANIES

EXECUTED as a deed (but not delivered until )  
the date of this Deed) by FARROW & BALL )  
HOLDINGS LIMITED acting by: )

*J. Farrow* *J. Ball*

Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

Address: 33 Uddens Trading Estate  
Wimborne, Dorset BH21 7NL

Facsimile No: 01202 870197

EXECUTED as a deed (but not delivered until )  
the date of this Deed) by FARROW & BALL )  
LIMITED acting by: )

*J. Farrow* *J. Ball*

Director \_\_\_\_\_

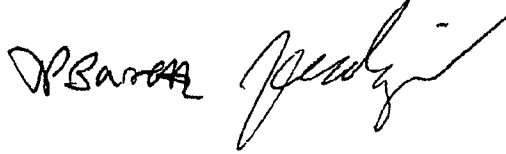
Director/Secretary \_\_\_\_\_

Address: 33 Uddens Trading Estate  
Wimborne, Dorset BH21 7NL

Facsimile No: 01202 870197

EXECUTED as a deed (but not delivered until  
the date of this Deed) by **FB RAPHAEL 1**  
**LIMITED** acting by:

)  
)



Director \_\_\_\_\_

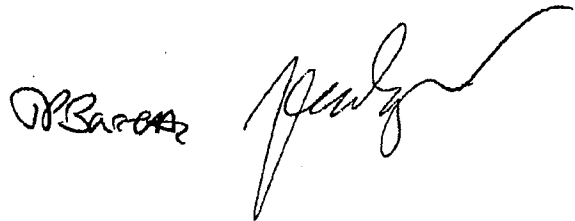
Director/Secretary \_\_\_\_\_

**Address:** 33 Uddens Trading Estate  
Wimborne, Dorset BH21 7NL

**Facsimile No:** 01202 870197

EXECUTED as a deed (but not delivered until  
the date of this Deed) by **FB RAPHAEL 2**  
**LIMITED** acting by:

)  
)



Director \_\_\_\_\_

Director/Secretary \_\_\_\_\_

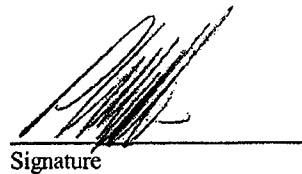
**Address:** 33 Uddens Trading Estate  
Wimborne, Dorset BH21 7NL

**Facsimile No:** 01202 870197

**THE SECURITY AGENT**

**SIGNED** by  
for and on behalf of  
**THE ROYAL BANK OF SCOTLAND PLC**

)  
)

  
Signature

**Address:** CSF Portfolio  
8th Floor  
280 Bishopsgate  
London  
EC2M 4RB

**Facsimile No:** 020 7672 1702

**Attention:** Stephen Gordon



**SCHEDULE 1**

**The Original Charging Companies**

<b>Company name</b>	<b>Registered number</b>	<b>Registered office</b>
FB Raphael 1 Limited	5872084	33 Uddens Trading Estate Wimborne Dorset BH21 7NL
FB Raphael 2 Limited	5872066	33 Uddens Trading Estate Wimborne Dorset BH21 7NL
Farrow & Ball Limited	0999927	33 Uddens Trading Estate Wimborne Dorset BH21 7NL
Farrow & Ball Holdings Limited	3842163	33 Uddens Trading Estate Wimborne Dorset BH21 7NL

Part 4 - Intellectual Property

Part 4A - Trade marks			
Proprietor/ADP number	TM number/ Application Number	Jurisdiction/apparent status	Mark text
Farrow & Ball Holdings Limited	76/585,070	United States	Cooking Apple Green
Farrow & Ball Holdings Limited	76/585,069	United States	Eating Room Red
Farrow & Ball Holdings Limited	76/585,067	United States	Pale Hound
Farrow & Ball Holdings Limited	76/585066	United States	Folly Green
Farrow & Ball Holdings Limited	3,088,078	United States	Oval Room Blue
Farrow & Ball Holdings Limited	76/585,056	United States	Bone
Farrow & Ball Holdings Limited	3,036,345	United States	Mouse's Back
Farrow & Ball Holdings Limited	3,036,344	United States	Ballroom Blue
Farrow & Ball Holdings Limited	3,036,344	United States	Octagon Yellow
Farrow & Ball Holdings Limited	3,036,342	United States	Farrow's Cream
Farrow & Ball Holdings Limited	3,036,341	United States	Print Room Yellow
Farrow & Ball Holdings Limited	3,036,340	United States	Studio Green
Farrow & Ball Holdings Limited	3,036,339	United States	Fox Red
Farrow & Ball Holdings Limited	3,029,909	United States	Sugar Bag Light
Farrow & Ball Holdings Limited	3,029,908	United States	Green Smoke
Farrow & Ball Holdings Limited	3,029,907	United States	Card Room Green
Farrow & Ball Holdings Limited	3,029,906	United States	Dorset Cream

<b>Part 4A - Trade marks</b>			
<b>Proprietor/ADP number</b>	<b>TM number/ Application Number</b>	<b>Jurisdiction/apparent status</b>	<b>Mark text</b>
Farrow & Ball Holdings Limited	3,029,905	United States	Cord
Farrow & Ball Holdings Limited	3,029,904	United States	Parma Gray
Farrow & Ball Holdings Limited	76/585,064	United States	Dead Salmon
Farrow & Ball Holdings Limited	2,920,567	United States	F&B
Farrow & Ball Holdings Limited	2,920,566	United States	F&B
Farrow & Ball Holdings Limited	2,907,815	United States	String
Farrow & Ball Holdings Limited	2,907,814	United States	Picture Gallery Red
Farrow & Ball Holdings Limited	2,441,805	United States	Archive
Farrow & Ball Holdings Limited	2,118,088	United States	Farrow & Ball
Farrow & Ball Holdings Limited	2,116,036	United States	Farrow & Ball