

TRADEMARK ASSIGNMENT

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08/31/2009
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Pendragon PLC		05/13/2009	CORPORATION: UNITED KINGDOM
RECEIVING PARTY DATA			
Name:	The Royal Bank of Scotland PLC		
Street Address:	600 Washington Blvd.		
City:	Stamford		
State/Country:	CONNECTICUT		
Postal Code:	06901		
Entity Type:	CORPORATION: UNITED KINGDOM		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2720873	TINS	
CORRESPONDENCE DATA			
Fax Number:	(202)408-3141		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
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ATTORNEY DOCKET NUMBER:	111835		
NAME OF SUBMITTER:	Jean Paterson		
Signature:	/Jean Paterson/		

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Date:

08/31/2009

Total Attachments: 36

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SECURITY AGREEMENT

DATED 13 MAY 2009

BETWEEN

THE COMPANIES LISTED IN SCHEDULE 1 AS CHARGORS

and

THE ROYAL BANK OF SCOTLAND PLC AS OVERRIDE AGENT

This Deed is subject to and has the benefit of an Intercreditor Agreement dated 30 April 2009

ALLEN & OVERY

Allen & Overy LLP

11308-03252 BX:10894370.11

**TRADEMARK
REEL: 004062 FRAME: 0342**

CONTENTS

Clause	Page
1. Interpretation	1
2. Creation of Security	3
3. Representations and warranties -- general	8
4. Restrictions on dealings	8
5. Land	8
6. Investments	14
7. Restricted credit balances	16
8. Intellectual property	17
9. Relevant contracts	18
10. Insurance	20
11. When Security becomes enforceable	20
12. Enforcement of Security	20
13. Receiver	22
14. Powers of Receiver	23
15. Application of proceeds	25
16. Expenses and indemnity	25
17. Delegation	25
18. Further assurances	25
19. Power of attorney	26
20. Miscellaneous	26
21. Release	29
22. Governing law	29
 Schedules	
1. Chargers	30
2. Security Assets	39
3. Forms of letter for Account Bank	74
4. Forms of letter for Relevant Contracts	77
5. Forms of letter for Insurances	79
 Signatories	81

THIS DEED is dated **13** May 2009

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 as chargors (each a **Chargor**);
- (2) **THE ROYAL BANK OF SCOTLAND PLC** (the **Override Agent**) as agent and trustee for the Secured Parties (as defined in the Intercreditor Agreement defined below).

BACKGROUND:

- (A) Each **Chargor** enters into this Deed in connection with the **Override Agreement** (as defined below).
- (B) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Account Bank means, in relation to a **Restricted Account**, the bank with which the **Restricted Account** is maintained.

Act means the Law of Property Act 1925.

Intercreditor Agreement means the intercreditor agreement dated 30 April 2009 between (among others) the **Chargors**, the **Participating Creditors**, the **Pension Trustees** and the **Override Agent**.

Obligor has the meaning given to it in the **Override Agreement**.

Override Agreement means the override agreement dated 30 April 2009 between (among others) the **Chargors**, the **Participating Creditors** and the **Override Agent**.

OEM means an original equipment manufacturer which supplies the Group with vehicle stock.

OEM Financier means any provider of finance in connection with arrangements of a member of the Group with an **OEM** or which is a preferred provider of finance for an **OEM** and which permits the Group to make payments for vehicle stock on deferred purchase terms.

OEM Financing Agreement means a vehicle stocking finance agreement between a member of the Group and an **OEM Financier**.

Permitted Stocking Finance Agreement means:

- (a) a vehicle stocking finance agreement entered into by members of the Group incorporated in the UK only and relating to vehicles acquired in the UK only under

which 80 per cent. or more of the cost of each vehicle is financed under the facility evidenced by the relevant agreement; and

- (b) a vehicle stocking finance agreement entered into by members of the Group incorporated or formed (as applicable) in the US only and relating to vehicles acquired in the US only under which 65 per cent. or more of the cost of each vehicle is financed under the facility evidenced by the relevant agreement.

Party means a party to this Deed.

Propco Administration Services and Property Management Agreement has the meaning set out in Part 3 of Schedule 2 (Security Assets) under the heading Relevant Contracts.

Receiver means an administrative receiver, receiver and manager or a receiver, in each case, appointed under this Deed.

Registrar means each of those entities specified in Part 2 of Schedule 2 (Security Assets) under the heading Specific Intellectual Property Rights identified as Registrars.

Restricted Account means the account held with The Royal Bank of Scotland plc in the name of the Company with sort code 60-12-01 and account number 25320785 and includes:

- (a) if there is a change of Account Bank, any account into which all or part of a credit balance from a Restricted Account is transferred; and
- (b) any account which is a successor to a Restricted Account on any re-numbering or re-designation of accounts and any account into which all or part of a balance from a Restricted Account is transferred for investment or administrative purposes.

Scottish Assets means such of the undertaking, property and assets, present and future of a Chargor:

- (a) which is from time to time located in Scotland;
- (b) which is/are contractual and other rights (including without limitation incorporeal moveable property) which is/are governed by the laws of Scotland; and/or
- (c) where the creation and/or enforcement of any Security over such undertaking, property and assets is governed by the laws of Scotland.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Secured Party under each Secured Document (and including the Pension Scheme Obligations in an amount not exceeding the Pension Scheme Secured Claim) together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Secured Documents or any other document evidencing or securing any such liabilities.

Security Assets means all assets of each Chargor the subject of any security created by this Deed.

Security Period means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Stocking Finance Provider means Lombard North Central PLC, First Hawaiian Bank, Ford Motor Credit Company, dba Land Rover Capital Group and any other vehicle stocking finance provider which enters into or has entered into a Permitted Stocking Finance Agreement with a member of the Group in the ordinary course of business.

1.2 Construction

- (a) Capitalised terms defined in the Intercreditor Agreement have, unless expressly defined in this Deed, the same meaning in this Deed.
- (b) The provisions of Clause 1.2 (Construction) of the Intercreditor Agreement apply to this Deed as though they were set out in full in this Deed, except that references to the Intercreditor Agreement will be construed as references to this Deed.
- (c)
 - (i) The term **Secured Document** includes all amendments and supplements including supplements providing for further advances; and
 - (ii) the term **this Security** means any security created by this Deed.
- (d) Any covenant of a Chargor under this Deed (other than a payment obligation) remains in force during the Security Period.
- (e) The terms of the other Secured Documents and of any side letters between any Parties in relation to any Secured Document are incorporated in this Deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (f) If the Override Agent considers that an amount paid to a Secured Party under a Secured Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (g) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of sale of that Security Asset.

1.3 Intercreditor Agreement

This Deed shall be subject to the terms of the Intercreditor Agreement and to the extent that any provision of this Deed is inconsistent with the terms of the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail.

2. CREATION OF SECURITY

2.1 General

- (a) All the security created under this Deed:
 - (i) is created in favour of the Override Agent;
 - (ii) is created over present and future assets of each Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and

- (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the rights of a Chargor:
 - (i) under a document cannot be secured without the consent of a party to that document; or
 - (ii) in respect of any shares it holds in PPH0 Limited or Reg Vardy (VMC) Limited cannot be secured without the consent of the other shareholder in PPH0 Limited or Reg Vardy (VMC) Limited as appropriate:
 - (A) that Chargor must notify the Override Agent promptly;
 - (B) this Security will secure all amounts which that Chargor may receive, or has received, under that document or any shares it holds in PPH0 Limited or Reg Vardy (VMC) Limited but exclude the document itself or any shares it holds in PPH0 Limited or Reg Vardy (VMC) Limited; and
 - (C) unless the Override Agent otherwise requires, that Chargor must use all reasonable endeavours to obtain the consent of the relevant party to that document being secured under this Deed or the consent of the other shareholders in PPH0 Limited or Reg Vardy (VMC) Limited as appropriate in respect of any shares a Chargor holds in PPH0 Limited or Reg Vardy (VMC) Limited being secured under this Deed.
- (c) The Override Agent holds the benefit of this Deed on trust for the Secured Parties.

2.12 Floating charge

(a) Each Chargor charges by way of a first floating charge:

(i) all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause; and

(ii) all its Scottish Assets.

(b) Except as provided below, the Override Agent may by notice to a Chargor convert the floating charge created by that Chargor under this Subclause into a fixed charge as regards any of that Chargor's assets specified in that notice, if:

(i) an Event of Default is outstanding; or

(ii) the Override Agent considers those 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.

(c) The floating charge created by this Subclause may not be converted into a fixed charge solely by reason of:

(i) the obtaining of a moratorium; or

(ii) anything done with a view to obtaining a moratorium,

under section 1A of the Insolvency Act 1986.

(d) The floating charge created by this Subclause will automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed or the Override Agent receives notice of an intention to appoint an administrator.

(e) The floating charge created by this Subclause is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

(f) Paragraphs (b) and (d) above will not apply to any Security Assets situated in Scotland or governed by Scots law 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 conversion by notice or automatic conversion.

3. REPRESENTATIONS AND WARRANTIES – GENERAL

3.1 Nature of security

Each Chargor represents and warrants to each Secured Party that, subject to any general principles of law limiting its obligations and referenced in any legal opinion required under the Override Agreement, this Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside on its liquidation or administration or otherwise.

3.2 Times for making representations and warranties

- (a) The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by each Chargor on each date during the Security Period.
- (c) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

4. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Override Agreement.

8. INTELLECTUAL PROPERTY

8.1 General

In this Clause:

Intellectual Property Rights means:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right;
- (c) any interest (including by way of licence) in any of the above; or
- (d) any application for any of the above
- (e) where applicable, the domain names specified in Part 2 of Schedule 2 (Security Assets) under the heading Specific Intellectual Property Rights,

in each case, whether registered or not, and which are Security Assets.

Material Intellectual Property Rights means Intellectual Property Rights which are necessary to the carrying out of a Chargor's business.

8.2 Representations

Each Chargor (so far as it is aware after due and careful enquiry) represents to each Secured Party that:

- (a) the Intellectual Property Rights owned by it or licensed to it are all of the Intellectual Property Rights required by it in order for it to carry on its business as it is now being conducted;
- (b) it is the sole legal and beneficial owner of all owned Intellectual Property Rights;

- (c) the Intellectual Property Rights are free of any Security Interests (except for those created by or under this Deed) and any other rights or interests (including any licences) in favour of third parties;
- (d) it does not, in carrying on its business, infringe any Intellectual Property Rights of any third party; and
- (e) no Intellectual Property Right owned by it is being infringed, nor is there any threatened infringement of any such Intellectual Property Right.

8.3 Preservation

- (a) Subject to the terms of the Override Agreement, each Chargor must:
 - (i) make any registration and pay any fee or other amount which is necessary to keep its Material Intellectual Property Rights in force;
 - (ii) record its interest in its Material Intellectual Property Rights;
 - (iii) if requested to do so by the Override Agent (acting reasonably), make entries in any public register of its Intellectual Property Rights which either record the existence of this Deed or the restrictions on disposal imposed by this Deed;
 - (iv) take such steps as are necessary and commercially reasonable (including the institution of legal proceedings) to prevent third parties infringing its Material Intellectual Property Rights where a failure to do so would have or would be reasonably likely to have a Material Adverse Effect; and
 - (v) not enter into licence arrangements in respect of its Material Intellectual Property Rights.
- (b) Subject to the terms of the Override Agreement, each Chargor must ensure that, except with the prior consent of the Override Agent, none of its Intellectual Property Rights which is registered is abandoned or cancelled, lapses or is liable to any claim of abandonment for non-use or otherwise.

11. WHEN SECURITY BECOMES ENFORCEABLE

11.1 Event of Default

This Security will become immediately enforceable on the occurrence of an Event of Default which has not been waived and is outstanding under the Override Agreement.

11.2 Discretion

After this Security has become enforceable, the Override Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit in accordance with the Intercreditor Agreement.

11.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

12. ENFORCEMENT OF SECURITY

12.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.
- (c) The statutory powers of leasing conferred on the Override Agent are extended so as to authorise the Override Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Override Agent may think fit and without the need to comply with any provision of section 99 or 100 of the Act.

12.2 No liability as mortgagee in possession

Neither the Override Agent nor any Receiver will 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.

12.3 Privileges

Each Receiver and the Override Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

13. RECEIVER

13.1 Appointment of Receiver

- (a) Except as provided below, the Override Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
- (i) this Security has become enforceable; or
 - (ii) a Chargor so requests the Override Agent in writing at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Override Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under section 1A of the Insolvency Act 1986.
- (e) The Override Agent may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Override Agent is prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

13.2 Removal

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

13.3 Remuneration

The Override Agent may fix the remuneration of any Receiver appointed by it and the maximum rate specified in Section 109(6) of the Act will not apply.

13.4 Agent of each Chargor

- (a) A Receiver will be deemed to be the agent of each Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) No Secured Party will incur any liability (either to a Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

13.5 Relationship with Override Agent

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

14. POWERS OF RECEIVER

14.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:
- (i) in the case of an administrative receiver, all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act, 1986; and
 - (ii) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act, 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

14.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

14.3 Carry on business

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

14.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.
- (b) A Receiver may discharge any person appointed by any Chargor.

14.5 Borrow money

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

14.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.
- (b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.
- (c) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the relevant Chargor.

Security Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

14.8 Compromise

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

14.9 Legal actions

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

14.10 Receipts

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

14.11 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer to that Subsidiary any Security Asset.

14.12 Delegation

A Receiver may delegate his powers in accordance with this Deed.

14.13 Lending

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

14.14 Protection of assets

A Receiver may:

- (a) effect any repair or insurance and do any other act which any Chargor might do in the ordinary conduct of its business to protect or improve any Security Asset;
- (b) commence and/or complete any building operation; and
- (c) apply for and maintain any planning permission, building regulation approval or any other authorisation,

in each case as he thinks fit.

14.15 Other powers

A Receiver may:

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

- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of any Chargor for any of the above purposes.

15. APPLICATION OF PROCEEDS

Any moneys received by the Override Agent or any Receiver after this Security has become enforceable must be applied in accordance with the Intercreditor Agreement.

This Clause does not prejudice the right of any Secured Party to recover any shortfall from any Chargor.

16. EXPENSES AND INDEMNITY

Each Chargor must:

- (a) promptly on demand pay all costs and expenses (including legal fees) incurred in connection with this Deed by any Secured Party, Receiver, attorney, manager, agent or other person appointed by the Override Agent under this Deed including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise; and
- (b) keep each of them indemnified against any failure or delay in paying those costs or expenses.

17. DELEGATION

17.1 Power of Attorney

The Override Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed.

17.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Override Agent or any Receiver may think fit.

17.3 Liability

Neither the Override Agent nor any Receiver will be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

18. FURTHER ASSURANCES

Each Chargor will promptly, at its own expense, take whatever action the Override Agent may reasonably specify (and in such form as the Override Agent may reasonably require in favour of the Override Agent or its nominee(s)) or a Receiver may require for:

- (a) creating, perfecting or protecting any security intended to be created by this Deed; or

- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Override Agent or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Override Agent or to its nominee(s); or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Override Agent may think expedient.

19. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Override Agent, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which that Chargor is obliged to take under this Deed. Each Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause.

20. MISCELLANEOUS

20.1 Covenant to pay

- (a) Each Chargor must pay or discharge the Secured Liabilities (including, without limitation, any liabilities for which another Obligor is principally liable) in the manner provided for in the Secured Documents or in the case of the Pension Scheme Obligations in an amount not exceeding the Pension Scheme Secured Claim, in the manner required by law or in the manner provided for in any documentation in relation to the Pension Scheme Obligations.
- (b) In respect of any Secured Liability for which a Chargor is contingently liable, that Chargor will, if such Secured Liability is not paid when due by the principal obligor, be treated for the purposes of the Secured Liability as if it were the principal obligor.

20.2 Tacking

Each Secured Party must perform its obligations under each Secured Document (including any obligation to make available further advances).

20.3 New Accounts

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

20.4 Time deposits

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

- (a) this Security has become enforceable; and
- (b) no Secured Liability is due and payable,

that time deposit will automatically be renewed for any further maturity which that Secured Party considers appropriate.

20.5 Notice of assignment

This Deed constitutes notice in writing to each Chargor of any charge or assignment of a debt owed by that Chargor to any other member of the Group and contained in any other Security Document.

20.6 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

20.7 Reinstatement

- (a) If any discharge (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) or arrangement is made in whole or in part on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation, administration or otherwise without limitation, the liability of each Chargor under this Deed will continue or be reinstated as if the discharge or arrangement had not occurred.
- (b) Each Secured Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

20.8 Waiver of defences

The obligations of each Chargor under this Deed will not be affected by any act, omission or thing (whether or not known to it or any Secured Party) which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed. This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

- (f) any amendment of a Secured Document or any other document or security; or
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under any Secured Document or any other document or security or the failure by any member of the Group to enter into or be bound by any Secured Document.

20.9 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person or file any proof or claim in any insolvency administration, winding-up or liquidation proceedings relative to any other Obligor or any other person before claiming from any Chargor under this Deed.

20.10 Appropriations

At any time during the Security Period, each Secured Party (or any trustee or agent on its behalf) may without affecting the liability of any Chargor under this Deed:

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

20.11 Non-competition

Unless the Security Period has expired or the Override Agent otherwise directs, no Chargor will, after a claim has been made under this Security Agreement or by virtue of any payment or performance by it under this Deed:

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

Each Chargor must hold in trust for and immediately pay or transfer to the Override Agent for the Secured Parties any payment or distribution or benefit of security received by it contrary to this Clause or in accordance with any directions given by the Override Agent under this Clause.

20.12 Additional security

- (a) This Deed is in addition to and is not in any way prejudiced by any other security now or subsequently held by any Secured Party.
- (b) No prior security held by any Secured Party (in its capacity as such or otherwise) over any Security Asset will merge into this Security.

20.13 Security held by Chargor

No Chargor may, without the prior consent of the Override Agent, hold any security from any other Obligor in respect of any Chargor's liability under this Deed. Each Chargor will hold any security held by it in breach of this provision on trust for the Override Agent.

21. RELEASE

At the end of the Security Period, the Secured Parties must, at the request and cost of a Chargor, take whatever action is necessary to release its Security Assets from this Security.

22. GOVERNING LAW

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

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

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TRADEMARK

REEL: 004062 FRAME: 0374

Trade Mark	Next Renewal Date	Instructor	Owner	Case Ref.	Official No.	Case Status	Country	Claims
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TINS Logo	3 June 2013	Pendragon plc	Pendragon plc	1157018TALIS	2720873	Registered	United States of America	12,3536
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SIGNATORIES

Chargers

EXECUTED AS A DEED by
PENDRAGON PLC
acting by

PL 2113.

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Director

Director/Secretary

