



	DD/MM/YYYY	Debenture
<b>Funder's Security</b>	<b>Date</b>	<b>Particulars</b>
	DD/MM/YYYY	Debenture

1. **MEANING OF CERTAIN WORDS**

1.1 The definitions in the Key Deed of Priority Details table apply to the rest of this Deed of Priority.

1.2 In this Deed of Priority:

- 1.2.1 a person includes a body corporate;
- 1.2.2 when we use the singular, that includes the plural and vice versa;
- 1.2.3 when we refer to a statute or section of a statute, that includes any modification or re-enactment of that statute;
- 1.2.4 a reference to the word 'including' or 'includes' means 'including without limitation';
- 1.2.5 when we use the term 'this Deed of Priority' we mean this deed of priority;
- 1.2.6 when we use the term 'HSBC Group' we mean HSBC Holdings plc, its subsidiaries (having the meaning in section 1159 of the Companies Act 2006) and any associated and/or affiliated companies;
- 1.2.7 when we use the term 'LLP' we mean a limited liability partnership under the Limited Liability Partnerships Act 2000 (as amended);
- 1.2.8 if there is more than one of you your liabilities to us in this Deed of Priority will be joint and several.

1.3 If there is any conflict or inconsistency between this Deed of Priority and any provision of the HSBC Security and/or the Funder's Security, the provisions of this Deed of Priority shall prevail.

2. **CONSENTS**

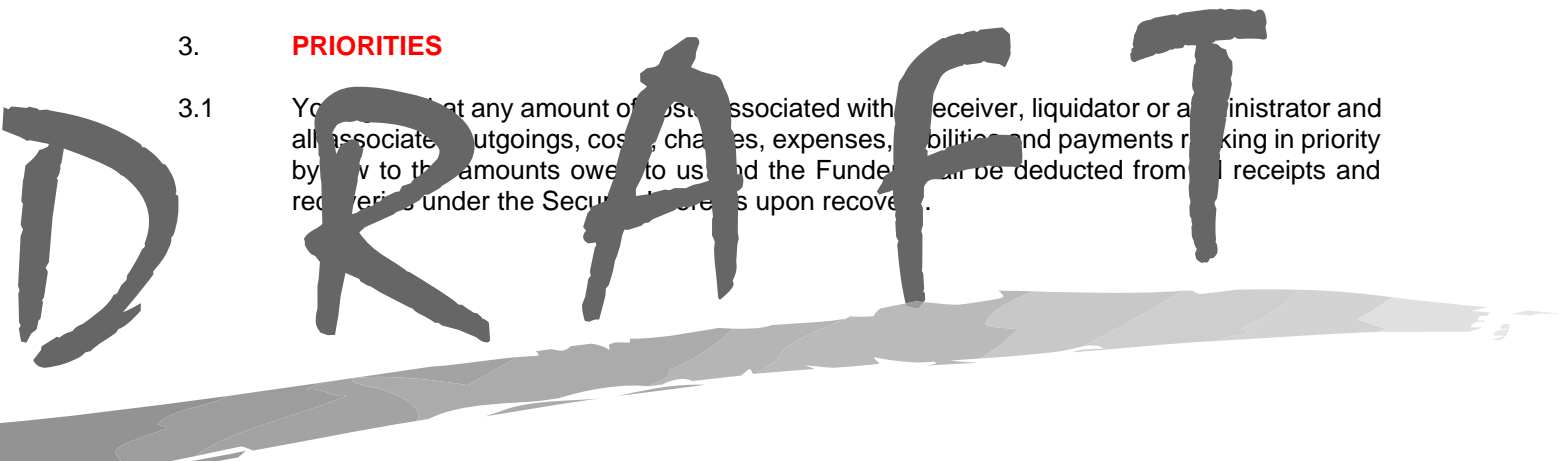
2.1 We and the Funder consent to the creation of each other's Security Interest.

2.2 You confirm and warrant to each Creditor that:

- (a) you have not ceased to carry on business; and
- (b) as far as you are aware, no floating charge granted by you has, as at the date of this Deed of Priority, crystallised and that you are not aware of any event having occurred or about to occur which could result in the crystallisation of any such floating charge.

3. **PRIORITIES**

3.1 You warrant that any amount of costs associated with a receiver, liquidator or administrator and all associated outgoings, costs, charges, expenses, liabilities and payments ranking in priority by law to the amounts owed to us and the Funder can be deducted from all receipts and recoveries under the Security Interests upon recovery.



3.2 Subject to the deductions specified in Clause 3.1, all receipts, recoveries and realisations (the "**Realisations**") pursuant to the enforcement of the Security Interests, shall be applied in or towards discharge of the Debts, in the following order:-

3.2.1 to the extent that such Realisations are from the enforcement of Security Interests over the Specific Assets only, in the following order:

- (a) to the Funder's Debt without limit;
- (b) to the Bank's Debt without limit; and
- (c) in payment to the person or persons next entitled.

3.2.2 to the extent that such Realisations are from the enforcement of Security Interests over any asset other than the Specific Assets, in the following order:

- (a) to the Bank's Debt without limit;
- (b) to the Funder's Debt without limit; and
- (c) in payment to the person or persons next entitled

#### 4. **CONTINUING SECURITY**

4.1 Nothing in this Deed of Priority shall affect the status of the Security Interests as continuing security, nor shall the ranking of the Security Interests as set out at Clause 3 be affected by any act, omission, transaction, limitation, matter, thing or circumstance whatsoever which, but for this provision, might operate to affect the relative priorities of the Security Interests.

4.2 Notwithstanding the provisions of Clause 4.1 above, if all or any of the Creditors' respective Security Interests shall be released or are or become wholly or partly invalid or unenforceable or shall not extend to particular of your assets, such Creditor shall bear any loss resulting and shall not be entitled to share in monies derived from assets over which it has no effective security but the Creditors shall not themselves challenge the validity or enforceability of the Security Interests.

4.3 Nothing in this Deed of Priority shall affect or prejudice the respective rights and remedies of the Creditors under the Security Interests which shall continue in full force and effect in accordance with their respective terms subject only to the provisions of this Deed of Priority.

#### 5. **ENFORCEMENT OF SECURITY**

5.1 The Funder shall not take steps to appoint a receiver or an administrator or otherwise enforce its Security Interest unless [the Funder has received our prior written consent] OR [the Funder has given us [X] days' prior written notice]<sup>1</sup>

5.2 Subject to Clause 5.1, the Creditors will consult and co-operate with each other to ensure that:

5.2.1 the Security Interests, shall so far as practicable, be enforced by the same method and at the same time; and

5.2.2 in the case of an appointment of a receiver by a creditor or the Funder in respect of its Security Interest, the same person shall be appointed as receiver by the other creditor (if the creditor shall also make such an appointment),

provided always that (for the avoidance of doubt) the Funder may enforce the SBC Security Interest in such manner as it shall determine in its absolute discretion without any need for consent from the Funder.

**D R A F T**

<sup>1</sup> To be reviewed on a non-binding basis

5.3 Subject to Clause 5.1 if either Creditor appoints a receiver or administrator or shall otherwise enforce or exercise its Security Interests, it shall promptly give written notice thereof to the other Creditor.

5.4 If either Creditor holds any of your books or records in its possession, it will provide such access to those books or records as may reasonably be required by any receiver or administrator appointed by the other Creditor.

## 6. **FIXED CHARGE ON BOOK DEBTS AND OPERATION OF ACCOUNTS**

6.1 If and so long as our Security Interest shall include a fixed charge over book debts the Funder shall not, without our prior written consent, require you to pay any of the Funder Debt owed by you anywhere other than into the Special Account for the time being designated by us for that purpose or if no such Special Account shall for the time being be so designated by us, to your current account for the time being with us.

6.2 Nothing in this Deed of Priority or any other agreement between any of the Creditors and you shall prevent us from operating your bank accounts in the usual manner.

## 7. **TIME AND INDULGENCE**

This Deed of Priority shall not effect each Creditor's entitlement to grant time or indulgence or to release or otherwise deal with its Security Interest or any guarantee at any time (except as otherwise regulated by this Deed of Priority).

## 8. **INSURANCE PROCEEDS AND CUSTODY OF DOCUMENTS**

8.1 Any insurance proceeds received by you shall be first applied in replacing, restoring or reinstating such property or assets destroyed, damaged or lost unless we otherwise direct in writing.

8.2 We shall be entitled, but not obliged, to hold each title or other document relating to any asset subject to our Security Interest. The Funder may inspect any such documents, provided it gives reasonable prior written notice to us.

## 9. **INFORMATION**

You consent to each Creditor sharing any information about you, the Debts and/or the Security Interests.

## 10. **CURRENCY**

10.1 Payments to us should be made in the currency in which they are due. If we receive any money which is in a different currency or if we need to convert any of the Debt or order, judgment or award given in relation to a payment due from you into a different currency, we may convert this at the HSBC Exchange Rate. You must indemnify us on demand against any costs or losses that we incur because of that conversion.

10.2 You waive any rights you may have in any jurisdiction to pay any amount to us in a different currency or currency unit to the currency in which such amount is payable.

### What's the HSBC Exchange Rate?

The rate we use to convert payments to and from currencies other than the currency of your payment. It's based on the foreign currency market for each currency we offer so changes constantly. The rate will depend on the spot for the payment and whether we are buying currency (because we are receiving a payment) or selling currency (because you are making a payment).

D

R

A

F

T



## 11. COMPLIANCE WITH COVENANTS

You shall observe and perform all the covenants in the HSBC Security relating to all your assets charged by the HSBC Security. Such observance and performance shall be deemed to constitute compliance with the covenants in the Funder's Security relating to such assets.

## 12. FACILITIES

Nothing in this Deed of Priority shall oblige any of the Creditors to make any advances or accommodation to you or to grant banking or other facilities to you.

## 13. TERMINATION

This Deed of Priority shall terminate when either of the Security Interests have been unconditionally and irrevocably discharged.

## 14. YOUR ACKNOWLEDGEMENT

You are a party to this Deed of Priority to acknowledge the terms of this Deed of Priority and to accept the obligations on your part contained within this Deed of Priority. You shall not be entitled to rely upon or enforce any of the terms of this Deed of Priority as against any Creditor.

## 15. FURTHER ASSURANCE

You and the Funder will, at your cost, do all further acts and execute all further documents and deeds necessary to give effect to this Deed of Priority.

## 16. ENTIRE AGREEMENT

This Deed of Priority forms the entire agreement between the parties to this Deed of Priority relating to the priority of each Creditor's respective Security Interests and the application of the proceeds thereof and supersedes all earlier meetings, discussions, negotiations, correspondence, faxes, emails, letters, transactions, communications, understandings and arrangements of any kind so relating.

## 17. FAILURES AND WAIVERS

17.1 Any failure by a party to this Deed of Priority to exercise any right, claim or entitlement under this Deed of Priority shall not be construed (unless agreed in writing otherwise) as a waiver of a right, claim or entitlement.

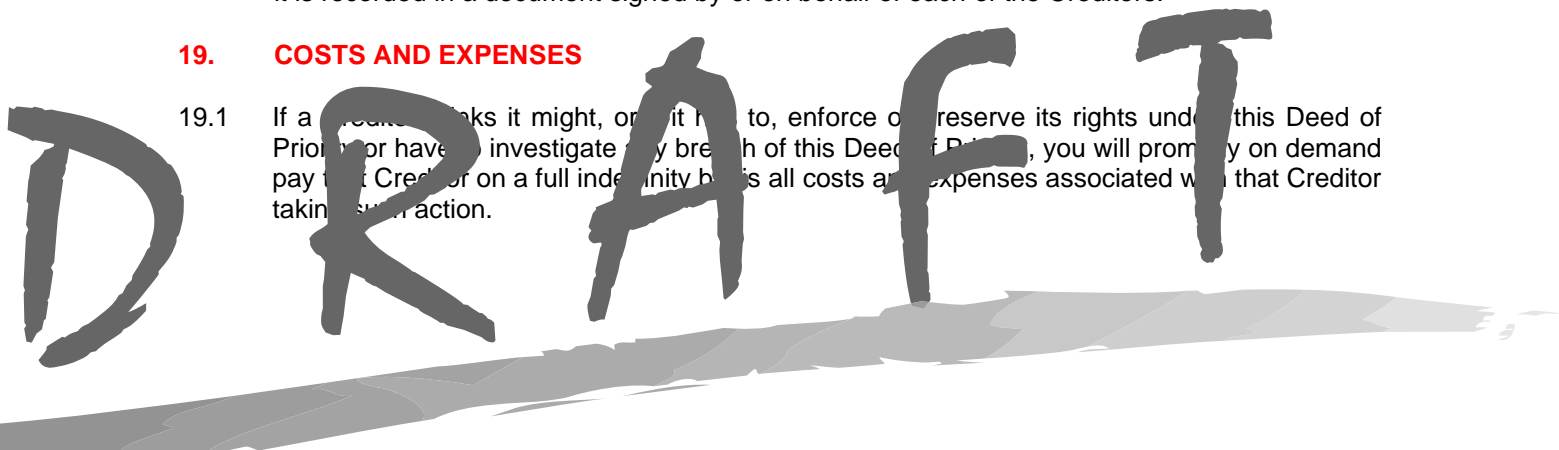
17.2 Any waiver of a breach of this Deed of Priority by us shall not (unless agreed in writing otherwise) be considered as a waiver of any future breach of the same term or authorising a continuation of such breach.

## 18. VARIATIONS

Save as otherwise provided herein, any variation of this Deed of Priority shall be binding only if it is recorded in a document signed by or on behalf of each of the Creditors.

## 19. COSTS AND EXPENSES

19.1 If a Creditor takes it might, or it has to, enforce or preserve its rights under this Deed of Priority or have to investigate any breach of this Deed of Priority, you will promptly on demand pay that Creditor on a full indemnity basis all costs and expenses associated with that Creditor taking such action.



19.2 You will pay interest at a rate of 3% per year above the Bank of England base rate (as such base rate may change, and whenever such base rate is less than zero it shall be deemed to be zero), or such other rate agreed in any document between you and the relevant Creditor, from the date the demand is made until the date on which you make payment, if you fail to pay such costs and expenses on demand.

## **20. SEVERABILITY**

If any part of this Deed of Priority is unenforceable, unlawful or void in any relevant jurisdiction, then that part will be separated from the rest of this Deed of Priority in respect of the relevant jurisdiction. The rest of this Deed of Priority will continue to be valid and enforceable.

## **21. THIRD PARTY RIGHTS**

A person who is not a party to this Deed of Priority has no rights under the Contracts (Rights of Third Parties) Act 1999.

## **22. PROTECTION OF PURCHASERS**

22.1 No purchaser or other person dealing with us or a receiver or any delegate needs to:

21.1.1 ask whether any power or authority being exercised has arisen and is exercisable or be concerned with any notice suggesting otherwise;

21.1.2 see whether any authority or delegation has lapsed or been revoked; or

21.1.3 ask how any money they pay is going to be used.

## **23. NOTICES**

### **23.1 Communication by post**

If any party to this Deed of Priority sends a letter to another party pursuant to this Deed of Priority (in the case of a letter to you, at your last known address or registered office. In the case of the Funder or us to the address stated in the 'Key Deed of Priority Details' or as notified to the other parties on no less than five clear business days prior notice) the letter will be deemed to be received at 12pm two business days after it is posted. In this Deed of Priority 'business day' means any day other than a Saturday, Sunday or public holiday in the United Kingdom, where we, as a bank, are open for business.

### **23.2 Communication by electronic channel**

If any party to this Deed of Priority sends an email or uses a platform or other electronic channel to another party pursuant to this Deed of Priority, the email will be deemed to be received at the time it is sent or, as applicable, at the time the notice or demand is notified to you on the relevant platform or electronic channel.

## **24. TRANSFER OUR RIGHTS**

24.1 You cannot transfer any of your rights and obligations under this Deed of Priority.

24.2 The Bank and the Funder (provided the Funder has received the Bank's prior written consent) may transfer any of its Security Interests or any of its rights or obligations under it, or agree or attempt to do so provided the relevant transferee shall have agreed in writing that the transfer will be subject to the terms of this Deed of Priority and that the transferee shall if so required by any of the Creditors (including the transferee) execute such document in confirmation of it as may be reasonably required.

**D R A F T**

**25. COUNTERPARTS**

This Deed of Priority may be executed simultaneously in any number of counterparts and by the different parties on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same document.

**26. GOVERNING LAW & JURISDICTION**

- 26.1 English law governs this Deed of Priority, its interpretation and any non-contractual obligation arising from or connected with it.
- 26.2 Each party to this Deed of Priority submits to the exclusive jurisdiction of the courts of England and Wales in relation to all matters (including non-contractual) arising from or in connection with this Deed of Priority.

**IN WITNESS** of the above, this document, which is intended to take effect as a deed, has been executed by you and each of the Creditors and is now delivered on the date mentioned above.

**D R A F T**



Executed as a deed by

)  
)  
)  
)  
)  
)  
)

\_\_\_\_\_  
*(insert name of Attorney)*

**As Attorney of  
HSBC UK BANK PLC**

**Attorney**

**in the presence of:**

Signature of Witness \_\_\_\_\_

Print full name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Occupation \_\_\_\_\_

**DRAFT**