

THIS IS AN IMPORTANT DOCUMENT. YOU SHOULD TAKE LEGAL ADVICE BEFORE SIGNING.

Owner:

Bank: The Royal Bank of Scotland plc

Lender: x

Bank's Address:

1. Security

- 1.1 The **Bank's Security** is a Debenture dated _____ creating fixed and floating charges granted by the Owner (and includes any substituted or further security taken in the future).
- 1.2 The **Lender's Security** is a Debenture dated _____ creating fixed and floating charges granted by the Owner (and includes any substituted or further security taken in the future).

2. Sharing Agreement

- 2.1 The **Bank's Cap** is £ _____ and the **Lender's Cap** is £ _____, or any other Cap amounts as agreed in writing between the Bank and the Lender.
- 2.2 The Bank's and the Lender's Security will rank equally as continuing securities. If either the Bank or the Lender holds an effective fixed charge and the other a floating charge over the same asset or class of assets then the fixed charge will rank in priority to the floating charge and the sharing arrangement will not apply.
- 2.3 The proceeds from the enforcement of any of the Bank's or the Lender's Security and/or any monies received in relation to the payment of i) a moratorium debt; or ii) a priority pre-moratorium debt; or iii) a pre-moratorium debt for which the Owner did not have a payment holiday and which was due by the Owner by reason of the operation of, or the exercise of rights under, an acceleration or early termination clause and/ or as a result of demand for payment being made on the Owner by the Bank or Lender, will be distributed between the Bank and the Lender in proportion to the amount secured by each of the Bank's and the Lender's Security on the **Calculation Date** until either the Bank or the Lender has been repaid. For the purpose of calculating the proportions any excess above the Bank's Cap or the Lender's Cap will be disregarded. This will not limit the total amount recoverable by the Bank or the Lender from its Security.

The Calculation Date is the first date on which either the Bank or the Lender gives notice of intention to enforce their security or when the Owner is wound up voluntarily or by Court order or an administration order is made.

- 2.4 The Bank and the Lender will hold on trust:
- 2.4.1 any net receipts from the enforcement of their Security or from an administrator or liquidator of the Owner in respect of the Security; and
- 2.4.2 any monies which they receive as payment of:
- 2.4.2.1 a moratorium debt;
- 2.4.2.2 a priority pre-moratorium debt; or
- 2.4.2.3 a pre-moratorium debt for which the Owner did not have a payment holiday and which was due by the Owner by reason of the operation of, or the exercise of rights under, an acceleration or early termination clause and/ or as a result of demand for payment being made on the Owner by the Bank or Lender,

to give effect to the priorities under this deed.

- 2.5 The sharing arrangement above will not be affected by;
- 2.5.1 any fluctuations in the amounts secured by the Security, or any advances being made after the date of this deed.
- 2.5.2 the existence at any time of a credit balance on any account.
- 2.5.3 the crystallisation of the Bank's or Lender's floating charge before the other's.

3. Transfer

- 3.1 The Bank or the Lender will ensure when transferring their Security that the transferee enters into a deed with the other party on the same terms as this deed.
- 3.2 References to the **Bank** and the **Lender** include their respective successors.

4. Registration

- 4.1 The Owner agrees to the registration of this deed at the Land Registry.
- 4.2 The Bank consents to the registration of the Lender's Security at the Land Registry, on condition that the Lender registers this deed at the same time.

5. Debts and Deposits

- 5.1 The Owner will not be in breach of any terms concerning debts in the Bank's or the Lender's Security by reason of complying with terms in the other party's Security.
- 5.2 The Bank and the Lender may credit any payments received in respect of debts to any of the Owner's accounts with the Bank or the Lender.
- 5.3 If a credit balance exists at any time on an account of the Owner with the Bank or the Lender, regardless of whether the other party has any charge over that credit balance, the Bank or the Lender may:
- 5.3.1 prior to the other party enforcing its security, permit the Owner to draw on the credit balance.
- 5.3.2 at any time, set off any amount due to it from the Owner against the credit balance.

6. Enforcement

- 6.1 Unless urgent independent action is considered necessary by either party to protect their security interests, the Bank and the Lender will:
- 6.1.1 give notice to the other of their intention to enforce their Security before any enforcement takes place.
- 6.1.2 consult with each other over the appointment of a suitable receiver or administrator.
- 6.1.3 give notice of their intention to exercise any rights under an acceleration or early termination clause or their intention to make demand for payment whilst the Owner is subject to a moratorium before such rights are exercised.
- 6.2 If independent action is considered urgent without notice or consultation, then written notice must be given immediately to the other party and in any event:
- 6.2.1 the Bank or the Lender will not, without giving the other two business days notice, exercise any rights under an acceleration or early termination clause or make demand for payment whilst the Owner is subject to a moratorium.
- 6.2.2 the Bank or the Lender will not, without the other's consent, apply to the court for an administration order.
- 6.2.3 the Bank or the Lender will not, without giving the other two business days notice:
- take steps to appoint an administrator of the Owner or a receiver of any charged property.
 - issue a petition for the winding up of the Owner.

A **business day** is a weekday other than a national holiday.

6.3 Any receiver appointed by the Bank has a prior right to possession of the charged property.

7. Waiver of Confidentiality

The Owner agrees that the Bank and the Lender can disclose to each other any confidential information concerning the Owner's business affairs and accounts.

8. Title Deeds and Documents

The Bank is entitled to hold all title deeds and documents relating to any charged property.

9. Notices

9.1 All notices must be in writing.

9.2 Any notice by the Bank may be sent by post, fax or delivered to the Lender's registered office, or to the contact details last known to the Bank.

9.3 Any notice by the Lender may be sent by post or delivered to the Bank's Address.

9.4 A notice signed by an official of the Bank or the Lender will be effective at the time of personal delivery; on the second business day after posting; or, if by fax, at the time of sending, if sent before 6.00 p.m. on a business day or otherwise on the next business day.

10. Pre-enforcement Receipts

Only net receipts from the enforcement of the Bank's or the Lender's Security will reduce or count towards the Bank's or the Lender's Cap.

A receipt is from the "enforcement" of a Security if the Bank or the Lender has exercised a power in the Security to realise any of its security. Repayments or receipts in return for the release of any of the property charged or other rights before the Calculation Date, or the proceeds of set-off at any time, are not receipts from "enforcement" and will not reduce or count towards the Bank's or the Lender's Cap.

11. Companies House Registration

If either the Bank's or the Lender's Security is required to be registered at Companies House but is not registered (either within the required time or later by Court order) this deed will not have effect and the party whose Security is unregistered will not be entitled to any priority over the other.

12. Governing Law

12.1 This deed is governed by English law and the English courts have exclusive jurisdiction.

12.2 The Bank, the Lender and the Owner irrevocably submit to the jurisdiction of the English courts and irrevocably agree that a judgment or ruling in any proceedings in connection with this deed in those courts will be conclusive and binding on all parties and may be enforced against any party in the courts of any other jurisdiction.

Date

D	D	M	M	Y	Y
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**The final signatory
must date the
document**

Executed and Delivered as a deed by)
the Lender)

Director

Secretary/Director

A witness is required if only one Director signs

Signed by the Director in the presence of:

Witness' name

Witness' signature

Address

Occupation

Executed and Delivered as a deed by)
the Owner)

Director

Secretary/Director

A witness is required if only one Director signs

Signed by the Director in the presence of:

Witness' name

Witness' signature

Address

Occupation

Executed and Delivered as a deed)
for and on behalf of the Bank)
by a duly authorised Attorney)
in the presence of:-)

Witness' Signature - Bank Employee