

✓ 533725 / 23

In accordance with Sections 859A and 859J of the Companies Act 2006.

# MR01

## Particulars of a charge



Companies House



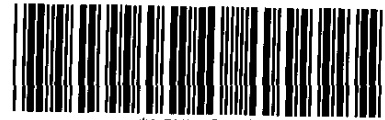
Go online to file this information  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

A fee is payable with this form  
Please see 'How to pay' on the last page

**What this form is for**  
You may use this form to register a charge created or evidenced by an instrument.

**What this form is NOT for**  
You may not use this form to register a charge where the instrument is not a charge. Use form MR02.

MONDAY



\*L8HZ3Q4X\*  
LD3 11/11/2019 #43  
COMPANIES HOUSE

This form must be delivered to the Registrar for registration 21 days beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

You must enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. Do not send the original.

### 1 Company details

Company number	5	1	9	5	0	0			✓	
Company name in full	TESCO STORES LIMITED									✓

For official use

0136

→ Filing in this form  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

### 2 Charge creation date

Charge creation date	2	4	1	0	2	0	1	9	✓
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### 3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge.

Name	SEH MANAGER LIMITED	✓
Name	SEH NOMINEE LIMITED	✓
Name		
Name		

If there are more than four names, please supply any four of these names then tick the statement below.

I confirm that there are more than four persons, security agents or trustees entitled to the charge.

**MR01**  
Particulars of a charge

<b>4</b>	<b>Brief description</b>	
	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.	Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".  Please limit the description to the available space.
Brief description	PROPERTY KNOWN AS TESCO EXTRA, OSTERLEY PARK, SYON LANE, ISLEWORTH TW7 5NZ (REGISTERED AT THE LAND REGISTRY WITH TITLE NUMBERS AGL25233 AND MX138977)	

<b>5</b>	<b>Other charge or fixed security</b>	
	Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

<b>6</b>	<b>Floating charge</b>	
	Is the instrument expressed to contain a floating charge? Please tick the appropriate box.	
	<input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to <b>Section 7</b>	
	Is the floating charge expressed to cover all the property and undertaking of the company?	
	<input type="checkbox"/> Yes	

<b>7</b>	<b>Negative Pledge</b>	
	Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.	
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

<b>8</b>	<b>Trustee statement <sup>①</sup></b>	
	You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.	① This statement may be filed after the registration of the charge (use form MR06).
	<input type="checkbox"/>	

<b>9</b>	<b>Signature</b>	
	Please sign the form here.	
Signature	Signature <input checked="" type="checkbox"/> <i>Macpherson LLP.</i> <input checked="" type="checkbox"/>	
	This form must be signed by a person with an interest in the charge.	

MRO1

Particulars of a charge

 **Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name  
Kirsty Childs

Company name  
Macfarlanes LLP

Address  
20 Cursitor Street

Post town

County/Region  
London

Postcode  
E C 4 A 1 L T

Country  
UK

DX  
DX No: 138 Chancery Lane

Telephone  
+44 (0) 20 7849 2539

 **Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

 **Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- The company name and number match the information held on the public Register.
- You have included a certified copy of the instrument with this form.
- You have entered the date on which the charge was created.
- You have shown the names of persons entitled to the charge.
- You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- You have given a description in Section 4, if appropriate.
- You have signed the form.
- You have enclosed the correct fee.
- Please do not send the original instrument; it must be a certified copy.

 **Important information**

Please note that all information on this form will appear on the public record.

 **How to pay**

**A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.**

Make cheques or postal orders payable to 'Companies House.'

 **Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

**For companies registered in England and Wales:**  
The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**For companies registered in Scotland:**  
The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

**For companies registered in Northern Ireland:**  
The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.

 **Further information**

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 519500

Charge code: 0051 9500 0136

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th October 2019 and created by **TESCO STORES LIMITED** was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th November 2019.

DX

Given at Companies House, Cardiff on 18th November 2019



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

Date 24 October 2019

**TESCO STORES LIMITED**  
as Chargor

**SEH MANAGER LIMITED**  
and  
**SEH NOMINEE LIMITED**  
as Chargees

**LEGAL CHARGE**

RECEIVED BY THE REGISTRAR  
AT THE TRADE AND EXCHANGE REGISTER  
MAYHEW & CO LLP  
2001 FINSBURY STREET  
LONDON EC2A 4DF  
11/11/2019

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DATE

24 October

2019

**PARTIES**

- 1 Tesco Stores Limited (registered number 519500) whose registered office is at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA (the "Chargor"); and
- 2 SEH Manager Limited (registered number 06939560) whose registered office is at Berkeley House, 19 Portsmouth Road Cobham, Surrey, KT11 1JG and SEH Nominee Limited (registered number 06939574) whose registered office is at Berkeley House, 19 Portsmouth Road Cobham, Surrey, KT11 1JG (together, the "Chargees").

**BACKGROUND**

- A The Chargor is entering into this deed in connection with the Sale and Purchase Agreement.
- B The Chargees and the Chargor intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

**IT IS AGREED** as follows:

**1 Definitions and interpretation**

**1.1 Definitions**

Unless otherwise provided in this deed, terms defined in the Sale and Purchase Agreement shall have the same meaning where used in this deed.

In addition, in this deed, unless the context otherwise requires, the following words shall have the following meanings:

**Administrator:** a person appointed in accordance with Sched B1 Insolvency Act 1986 to manage the Chargor's affairs, business and property;

**Charged Property:** all the assets for the time being subject to the Security created by this deed (and references to the Charged Property include references to any part of it);

**Default Event:** means:

- (a) the occurrence of an Insolvency Event; and
- (b) a failure by the Chargor to comply with its obligation to complete the sale of the freehold interest in the Property to the Chargee and accept the grant of the Existing Store Lease and New Store Lease (as defined in the Sale and Purchase Agreement);

**Equipment:** all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Chargor, and any part thereof, together with the benefit of all contracts and warranties relating to the same;

**Foregone Amount:** fifty million pounds (£50,000,000);

**Insolvency Event:** means, in relation to any party:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that party, a moratorium is declared in relation to any indebtedness of that party or an administrator is appointed to that party;
- (b) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that party or any of its assets;

(c) any analogous procedure or step is taken in any jurisdiction;

provided that where an Insolvency Event occurs in connection with a solvent reconstruction, amalgamation or reorganisation of any party or their corporate group, this will not be deemed an "Insolvency Event" for the purposes of this Agreement;

**LPA:** the Law of Property Act 1925;

**Property:** all estates or interests in the property described in schedule 1 (*Property*);

**Property Interests:** all interests in or over the Property and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Property in each case, now or at any time hereafter (and from time to time) owned or held by the Chargor;

**Receiver:** a person appointed by the Chargees to be a receiver or receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Property;

**Sale and Purchase Agreement:** the agreement dated [ 24 October 2019 ] and made between the Chargor (as seller) and the Chargees (as buyers) in relation to the Property;

**Secured Obligations:** the requirement for the Chargor to comply with its obligations contained in the Sale and Purchase Agreement to complete the sale of the freehold interest in the Property to the Chargee and accept the grant of the Existing Store Lease and New Store Lease (as defined in the Sale and Purchase Agreement) and the value of such obligations is represented by the Foregone Amount; and

**Security Period:** the period starting on the date of this deed and ending on the earlier of:

- a) The date which is 10 years from and including the Unconditional Date (as defined in the Sale and Purchase Agreement);
- b) the date the Sale and Purchase Agreement is validly determined in accordance with its terms;
- c) the date an Insolvency Event occurs in relation to the Chargees; and
- d) the date on which the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

## 1.2 Construction

1.2.1 Unless otherwise provided in this deed, the provisions of clause [1] (*Construction*) of the Sale and Purchase Agreement apply to this deed as though they were set out in full in this deed, *mutatis mutandis*.

1.2.2 In this deed (unless the context requires otherwise) any reference to:

1.2.2.1 the Chargor, any Administrator or Receiver or any other person shall be construed so as to include their successors in title, permitted assigns, permitted transferees and (in the case of any Administrator or Receiver) lawful substitutes and/or replacements;

1.2.2.2 the Sale and Purchase Agreement or any other agreement or instrument is a reference to the Sale and Purchase Agreement or other agreement or instrument as amended (however fundamentally) from time to time with the agreement of the relevant parties and (where such consent is, by the terms of this deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Chargees;



- 1.2.2.3 the Security constituted by this deed becoming "enforceable" shall mean that the Security created under this deed has become enforceable under clause 8.1 (*Enforcement events*);
- 1.2.2.4 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred;
- 1.2.2.5 "law" includes the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing;
- 1.2.2.6 a provision of law is a reference to that provision as amended or re-enacted from time to time;
- 1.2.2.7 a time of day is a reference to London time;
- 1.2.2.8 any gender includes a reference to the other genders;
- 1.2.2.9 the singular includes a reference to the plural and vice versa; and
- 1.2.2.10 a clause or schedule is to a clause or schedule (as the case may be) of or to this deed.

1.2.3 Clause and schedule headings are for ease of reference only.

### 1.3 Nature of security over real property

A reference in this deed to any freehold, leasehold or commonhold property includes:

- 1.3.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- 1.3.2 the proceeds of sale of any part of that property; and
- 1.3.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any monies paid or payable in respect of those covenants.

## 2 Covenant to pay

### 2.1 Covenant to pay

The Chargor hereby covenants with the Chargees that it will, following a Default Event, on demand discharge all Secured Obligations owing or incurred to the Chargees when the same become due in accordance with the terms of the Sale and Purchase Agreement, and that if the Chargor fails to comply with such Secured Obligations due to a Default Event the Chargor shall on demand pay to the Chargees the Foregone Amount.

### 2.2 Potential invalidity

Neither the covenant to pay in clause 2.1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

### 2.3 Limited recourse

Notwithstanding any term of any Finance Document, the Chargor and the Chargees agree that:

2.3.1 the sole recourse of the Chargees to the Chargor under this deed is to the Chargor's Charged Property; and

2.3.2 the liability of the Chargor to the Chargees pursuant to or otherwise in connection with this deed and the Sale and Purchase Agreement shall be limited in aggregate to an amount equal to the Foregone Amount,

and none of the Chargees shall have any other claim against the Chargor or any of its assets.

### 3 Grant of security

#### 3.1 Fixed security

As a continuing security for the payment or discharge of the Secured Obligations, the Chargor with full title guarantee hereby:

3.1.1 grants to the Chargees, a charge by way of legal mortgage over all its Property listed in schedule 1 (*Property*); and

3.1.2 charges to the Chargees, by way of first fixed charge, all its:

3.1.2.1 Property Interests; and

3.1.2.2 Equipment.

### 4 Restrictions on dealing

#### 4.1 Negative pledge and restriction on disposal

The Chargor hereby covenants with the Chargees that it will not at any time except in accordance with the terms of the Sale and Purchase Agreement or with the prior consent of the Chargees:

4.1.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Property; or

4.1.2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender, share occupation of, part with possession or otherwise dispose of or cease to exercise control of all, or part of, any interest in, or the equity of redemption of, the Charged Property; or

4.1.3 the prohibition in clause 4.1.2 does not apply to leases, licences or sharing of occupation if such can be terminated at Completion.

#### 4.2 Land Registry restriction

4.2.1 In respect of any Property registered at the Land Registry the Chargor hereby consents to the entry of the following restriction on the register of its title to the Property:

24 October 2019  
*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of SEH Manager Limited and SEH Nominee Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its conveyancer".*

4.2.2 The Chargor authorises the Chargees to make any application which it deems appropriate for the designation of this deed or any other Finance Document as an exempt information document under rule 136 Land Registration Rules 2003 and will use its reasonable endeavours to assist with any such application

made by or on behalf of the Chargees. The Chargor will notify the Chargees in writing as soon as it receives notice of any person's application under rule 137 Land Registration Rules 2003 for the disclosure of this deed or any other Finance Document, following its designation as an exempt information document and will not make any application under rule 138 Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.

## **5 Property**

The Chargor hereby covenants with the Chargees that it will keep all buildings on the Property and all fixtures belonging to it thereon and therein in good and substantial repair and condition with such insurer and against such risks and in such amounts as it is currently insured.

### **5.1 Information**

5.1.1 within five Business Days after becoming aware thereof give full particulars to the Chargees of any material notice, order, direction, designation, resolution or proposal having specific application to the Property or to the locality in which it is situated given or made by any planning authority or other public body or authority whatsoever; and

5.1.2 if required by the Chargees, forthwith and at the cost of the Chargor take all steps to comply with any such notice, order, direction, designation or resolution and make or join with the Chargees in making such objections or representations in respect of any such proposal as the Chargees may desire;

### **5.2 Compliance with obligations**

5.2.1 observe and perform all covenants, stipulations and conditions to which the Property or the user thereof is now or may hereafter be subjected;

5.2.2 perform and observe all covenants and conditions on its part contained in any lease, agreement for lease, licence or other agreement under which the Property or part of the Property is held; and

5.2.3 promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Property;

### **5.3 No restrictive obligations**

Not without the prior consent of the Chargees enter into any onerous or restrictive obligations affecting the Property or any part thereof or create or knowingly permit to arise any overriding interest or easement or right whatever in or over the Property or any part thereof;

### **5.4 Proprietary rights**

Procure that no person shall become entitled to assert any proprietary or other like right or interest over the Property or any part thereof without the prior consent of the Chargees;

## **6 Representations and warranties**

### **6.1 Representations and warranties**

The Chargor represents and warrants to the Chargees as follows:

6.1.1 it is the legal and beneficial owner of the Charged Property;

6.1.2 the Charged Property is free from all Security (except as permitted under the terms of the Sale and Purchase Agreement);

6.1.3 it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in them; and

6.1.4 all authorisations required for the Chargor's entry into this deed have been obtained and are in full force and effect.

## 6.2 Repetition

The representations and warranties set out in clause 6.1 (*Representations and warranties*) will be deemed to be repeated by the Chargor on each day during the Security Period are deemed to be repeated by reference to the facts and circumstances then existing.

## 6.3 Notice of breach

The Chargor will promptly upon becoming aware of the same give the Chargees notice in writing of any breach of any representation or warranty set out in clause 6.1 (*Representations and warranties*).

## 7 Power to remedy

7.1 If the Chargor is at any time in breach of any of its obligations contained in this deed, the Chargees shall be entitled (but shall not be bound) to remedy such breach and the Chargor hereby irrevocably authorises the Chargees and its agents to do all things necessary or desirable in connection therewith.

7.2 The rights of the Chargees contained in this clause 7 are without prejudice to any other rights of the Chargees hereunder and the exercise by the Chargees of its rights under this clause shall not make the Chargees liable to account as a mortgagee in possession.

## 8 Enforcement

### 8.1 Enforcement events

The security constituted by this deed shall become immediately enforceable if a Default Event occurs.

### 8.2 Statutory power of sale

The statutory power of sale shall arise on and be exercisable at any time after the execution of this deed (and the Secured Obligations shall be deemed to have become due and payable for that purpose), provided that the Chargees shall not exercise such power of sale until the security constituted by this deed has become enforceable.

### 8.3 Extension of statutory powers

8.3.1 Any restriction imposed by law on the power of sale (including under s.103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s.93 LPA) does not apply to the security constituted by this deed and the Chargees or any Receiver shall have the right to consolidate all or any of the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same.

8.3.2 Any powers of leasing conferred on the Chargees or any Receiver by law are extended so as to authorise the Chargees or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargees or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss.99 or 100 LPA).

### 8.4 No obligation to enquire

No person dealing with the Chargees, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire:

- 8.4.1 whether the security constituted by this deed has become enforceable;
- 8.4.2 whether any power exercised or purported to be exercised has become exercisable;
- 8.4.3 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Property shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Property; or
- 8.4.4 how any money paid to the Chargees, Administrator or Receiver, or its agents or brokers is to be applied.

**8.5 No liability as mortgagee in possession**

None of the Chargees, any Administrator or any Receiver shall be liable:

- 8.5.1 to account as mortgagee in possession in respect of all or any of the Charged Property; or
- 8.5.2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

**8.6 Power to dispose of chattels**

After the security constituted by this deed has become enforceable, the Chargees, any Administrator or any Receiver may dispose of any chattels or produce found on the Property as agent for the Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Chargees, the Administrator or the Receiver shall be indemnified by the Chargor against any liability arising from such disposal.

**8.7 Redemption of prior Security Interests**

At any time after the security constituted by this deed shall have become enforceable the Chargees may:

- 8.7.1 redeem any prior Security;
- 8.7.2 procure the transfer thereof to itself; and/or
- 8.7.3 may settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the Chargor and all monies paid by the Chargees to the prior encumbrancer in accordance with such accounts shall as from such payment be due from the Chargor to the Chargees on current account and shall bear interest and be secured as part of the Secured Obligations.

**9 Administrator and Receiver**

**9.1 Appointment of Administrator or Receiver**

At:

- (a) any time after the security constituted by this deed becomes enforceable;
- (b) any time after any corporate action or any other steps are taken or legal proceedings started by or in respect of the Chargor with a view to the appointment of an Administrator; or
- (c) the request of the Chargor,

the Chargees may without further notice, under seal or by writing under hand of a duly authorised officer of the Chargees:

- 9.1.1 appoint any person or persons to be an Administrator of the Chargor; or
- 9.1.2 appoint any person or persons to be a Receiver of all or any part of the Charged Property of the Chargor; and
- 9.1.3 (subject to s.45 Insolvency Act 1986) from time to time remove any person appointed to be a Receiver and appoint another in his place.

## 9.2 **More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Chargees specifies to the contrary).

## 9.3 **Additional powers**

- 9.3.1 The powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Chargees under the Insolvency Act 1986 and the LPA or otherwise and shall be exercisable without the restrictions contained in s.109 LPA or otherwise.
- 9.3.2 The power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Chargees notwithstanding any prior appointment in respect of all or any part of the Charged Property.

## 9.4 **Agent of the Chargor**

Any Administrator or Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

## 9.5 **Powers of Administrator and Receiver**

A Receiver shall have (and shall be entitled to exercise), in relation to the Charged Property over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Sched B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed):

- 9.5.1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Sched 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 9.5.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 9.5.3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Chargor itself could do or omit to do; and
- 9.5.4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Chargor; the collection and/or realisation of Charged Property in such manner and on such terms as the Administrator or Receiver sees fit; and the execution of documents in the name of the Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the Chargor)).

10 **Amounts received**

10.1 **Application of proceeds**

Any Receiver shall apply all monies received by him (other than insurance monies):

- 10.1.1 *first in paying all rents, taxes, duties, rates and outgoings affecting any Charged Property;*
- 10.1.2 *secondly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him;*
- 10.1.3 *thirdly in paying his remuneration (as agreed between him and the Chargees);*
- 10.1.4 *fourthly in or towards discharge of the Secured Obligations in such order and manner as the Chargees shall determine; and*
- 10.1.5 *finally in paying any surplus to the Chargor or any other person entitled to it.*

10.2 **Section 109(8) Law of Property Act 1925**

Neither the Chargees nor any Receiver or Administrator shall be bound (whether by virtue of s.109(8) LPA, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Obligations.

10.3 **Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Obligations the Chargees may convert any monies received, recovered or realised by the Chargees under this deed from their existing denominations and/or currencies of denomination into such other denominations and/or currencies of denomination as the Chargees may think fit and any such conversion shall be effected at the Chargees's then prevailing spot selling rate of exchange.

10.4 **Suspense account**

All monies received recovered or realised by the Chargees under this deed may at the discretion of the Chargees be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Chargees thinks fit pending the application from time to time (as the Chargees shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Obligations.

10.5 **New accounts**

If the Chargees receive notice of any subsequent charge or other interest affecting all or part of the Charged Property, the Chargees may open a new account or accounts for the Chargor in their books and (without prejudice to the Chargees' right to combine accounts) no money paid to the credit of the Chargor in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Obligations. If the Chargees do not open a new account or accounts immediately on receipt of such notice then unless the Chargees give express notice to the contrary to the Chargor as from the time of receipt of such notice by the Chargees all payments made by the Chargor to the Chargees in the absence of any express appropriation by the Chargor to the contrary shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

10.6 **Chargees set-off rights**

If the Chargees shall have more than one account for the Chargor in its books the Chargees may at any time after the security constituted by this deed has become enforceable or the

Chargees has received notice of any subsequent charge or other interest affecting all or any part of the Charged Property and without prior notice forthwith transfer all or any part of the balance standing to the credit of any such account to any other such account which may be in debit but the Chargees shall notify the Chargor of the transfer having been made.

## **11 Protection of security and further assurance**

### **11.1 Independent security**

This deed shall be in addition to and independent of every other security or guarantee that the Chargees may at any time hold for any of the Secured Obligations. No prior security held by the Chargees over the whole or any part of the Charged Property shall merge in the security created by this deed.

### **11.2 Continuing security**

This deed shall remain in full force and effect as a continuing security for the Secured Obligations, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part.

### **11.3 No waivers; rights cumulative**

No failure to exercise, nor delay in exercising, on the part of the Chargees, any right or remedy under this deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy preclude any further or other exercise, or the exercise of any other right or remedy. The rights and remedies of the Chargees provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

### **11.4 No Chargor set-off**

The Chargor waives any right of set-off it may have now or at any time in the future in respect of the Secured Obligations (including sums payable by the Chargor under this deed).

### **11.5 Further assurance**

11.5.1 The Chargor must, promptly upon request by the Chargees or any Receiver or Administrator, at its own expense, take whatever action the Chargees or a Receiver or Administrator may require for:

11.5.1.1 creating, perfecting or protecting any security intended to be created by or pursuant to this deed;

11.5.1.2 facilitating the realisation of any Charged Property; or

11.5.1.3 exercising any right, power or discretion conferred on the Chargees, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Property.

11.5.2 This includes:

11.5.2.1 the re-execution of this deed;

11.5.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Chargees or to its nominee; and

11.5.2.3 the giving of any notice, order or direction and the making of any filing or registration,



which, in any such case, the Chargees (or the Receiver or Administrator, as appropriate) may think expedient.

**12 Miscellaneous**

**12.1 Certificates conclusive**

A certificate or determination by the Chargees as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error.

**12.2 Severability**

If any provision of this deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby.

**12.3 Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the Sale and Purchase Agreement and of any side letters between any parties in relation to the Sale and Purchase Agreement are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Property contained in this deed is a valid disposition in accordance with s.2(1) Law of Property (Miscellaneous Provisions) Act 1989.

**12.4 Third party rights**

Save as expressly provided a third party (being any person other than the Chargor and its successors and permitted assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed. Notwithstanding any term of the Sale and Purchase Agreement, the consent of such third party is not required to rescind or vary this deed at any time.

**12.5 Trustee Act 2000**

The Chargor and the Chargees agree that the Chargees shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000.

**13 Demands and notices**

26 Any demand, notice, consent or communication to be made or given by or to the Chargor or the Chargees under or in connection with this deed shall be made and delivered as provided in clause [ ] (*Notices*) of the Sale and Purchase Agreement. Any demand on the Chargor shall be validly made whether or not it contains an accurate statement of the amount of the Secured Obligations.

**14 Assignment and transfer**

**14.1 Assignment by Chargees**

Each Chargee may at any time without the consent of the Chargor, assign or transfer the whole or any part of its rights under this deed to any person to which it can transfer its rights in accordance with the terms of the Sale and Purchase Agreement.

**14.2 Assignment by Chargor**

The Chargor may not assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

15      **Release of Security**

15.1    **Release**

Subject to clause 18 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Chargees shall take whatever action is necessary to promptly release the Charged Property from the security constituted by this deed.

16      **Governing law**

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

17      **Counterparts**

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

18      **Discharge conditional**

Any release, discharge or settlement between the Chargor and the Chargees shall be deemed conditional upon no payment or security received by the Chargees or such other Finance Party in respect of the Secured Obligations being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

18.1.1    the Chargees or its nominee shall be at liberty to retain this deed and the Security created by or pursuant to this deed, including all certificates and documents relating to the Charged Property or any part thereof, for such period as the Chargees shall deem necessary to provide the Chargees with security against any such avoidance or reduction or order for refund; and

18.1.2    the Chargees shall be entitled to recover the value or amount of such security or payment from the Chargor subsequently as if such settlement, discharge or release had not occurred and the Chargor agrees with the Chargees accordingly and charges the Charged Property and the proceeds of sale thereof with any liability under this clause, whether actual or contingent.

**In Witness** whereof this deed has been executed by the Chargor and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Chargees.

**SCHEDULE 1**

**Property**

**Part A: Registered Land**

Tesco Extra, Osterley Park, Syon Lane, Isleworth, TW7 5NZ

Title number AGL25233 & MX138977

**Part B: Unregistered Land**

None

**SIGNATORIES (TO LEGAL CHARGE)**

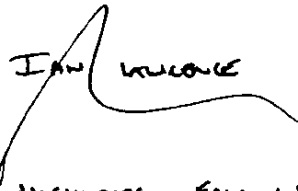
**The Chargor**

Executed as a deed by  
as attorney for **TESCO STORES LIMITED**  
under a power of attorney in the presence  
of:

)  
)  
)  
) 

Attorney for **TESCO STORES LIMITED**

Name of witness:

*IAN LAWRENCE*  


Signature of witness:

Address:

*HIGHWAYS, FALLOW WAY, WELWYN GARDEN CITY, AL7 1SA.*

Occupation:

*DEVELOPMENT EXECUTIVE*

Counter-executed by [a Statutory Director] )  
[the Company Secretary] of **TESCO** )  
**STORES LIMITED** in the presence of: )

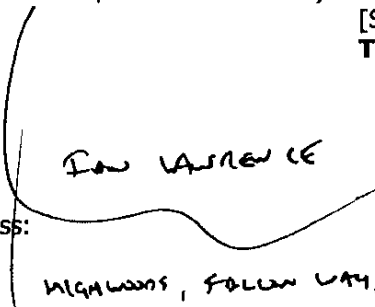
*S. A. RIPLEY*  


[Statutory Director][Company Secretary]  
**TESCO STORES LIMITED**

Name of witness:

*IAN LAWRENCE*

Signature of witness:



Address:

*HIGHWAYS, FALLOW WAY, WELWYN GARDEN CITY, AL7 1SA.*

Occupation:

*DEVELOPMENT EXECUTIVE*

**The Chargees**

EXECUTED as a DEED and )  
DELIVERED by **SEH MANAGER** )  
LIMITED acting by: )

Director

in the presence of: )

Signature:

Name:

Address:

Occupation:

EXECUTED as a DEED and )  
DELIVERED by **SEH NOMINEE** )  
LIMITED acting by: )

Director

in the presence of: )

Signature:

Name:

Address:

Occupation:

Date 24 October 2019

**TESCO STORES LIMITED**  
as Chargor

**SEH MANAGER LIMITED**  
and  
**SEH NOMINEE LIMITED**  
as Chargees

**LEGAL CHARGE**

RECEIVED  
AT THE AND CHARGE OF THE  
Macfarlane's  
LLP  
11/11/2019

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DATE

24 October

2019

**PARTIES**

- 1 Tesco Stores Limited (registered number 519500) whose registered office is at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA (the "Chargor"); and
- 2 SEH Manager Limited (registered number 06939560) whose registered office is at Berkeley House, 19 Portsmouth Road Cobham, Surrey, KT11 1JG and SEH Nominee Limited (registered number 06939574) whose registered office is at Berkeley House, 19 Portsmouth Road Cobham, Surrey, KT11 1JG (together, the "Chargees").

**BACKGROUND**

- A The Chargor is entering into this deed in connection with the Sale and Purchase Agreement.
- B The Chargees and the Chargor intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

**IT IS AGREED** as follows:

**1 Definitions and interpretation**

**1.1 Definitions**

Unless otherwise provided in this deed, terms defined in the Sale and Purchase Agreement shall have the same meaning where used in this deed.

In addition, in this deed, unless the context otherwise requires, the following words shall have the following meanings:

**Administrator:** a person appointed in accordance with Sched B1 Insolvency Act 1986 to manage the Chargor's affairs, business and property;

**Charged Property:** all the assets for the time being subject to the Security created by this deed (and references to the Charged Property include references to any part of it);

**Default Event:** means:

- (a) the occurrence of an Insolvency Event; and
- (b) a failure by the Chargor to comply with its obligation to complete the sale of the freehold interest in the Property to the Chargee and accept the grant of the Existing Store Lease and New Store Lease (as defined in the Sale and Purchase Agreement);

**Equipment:** all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Chargor, and any part thereof, together with the benefit of all contracts and warranties relating to the same;

**Foregone Amount:** fifty million pounds (£50,000,000);

**Insolvency Event:** means, in relation to any party:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that party, a moratorium is declared in relation to any indebtedness of that party or an administrator is appointed to that party;
- (b) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that party or any of its assets;



(c) any analogous procedure or step is taken in any jurisdiction;

provided that where an Insolvency Event occurs in connection with a solvent reconstruction, amalgamation or reorganisation of any party or their corporate group, this will not be deemed an "Insolvency Event" for the purposes of this Agreement;

**LPA:** the Law of Property Act 1925;

**Property:** all estates or interests in the property described in schedule 1 (*Property*);

**Property Interests:** all interests in or over the Property and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Property in each case, now or at any time hereafter (and from time to time) owned or held by the Chargor;

**Receiver:** a person appointed by the Chargees to be a receiver or receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Property;

**Sale and Purchase Agreement:** the agreement dated ~~1~~ 24 OCTOBER 2019 and made between the Chargor (as seller) and the Chargees (as buyers) in relation to the Property;

**Secured Obligations:** the requirement for the Chargor to comply with its obligations contained in the Sale and Purchase Agreement to complete the sale of the freehold interest in the Property to the Chargee and accept the grant of the Existing Store Lease and New Store Lease (as defined in the Sale and Purchase Agreement) and the value of such obligations is represented by the Foregone Amount; and

**Security Period:** the period starting on the date of this deed and ending on the earlier of.

- a) The date which is 10 years from and including the Unconditional Date (as defined in the Sale and Purchase Agreement);
- b) the date the Sale and Purchase Agreement is validly determined in accordance with its terms;
- c) the date an Insolvency Event occurs in relation to the Chargees; and
- d) the date on which the Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

## 1.2 Construction

1.2.1 Unless otherwise provided in this deed, the provisions of clause ~~XX~~ L (*Construction*) of the Sale and Purchase Agreement apply to this deed as though they were set out in full in this deed, *mutatis mutandis*.

1.2.2 In this deed (unless the context requires otherwise) any reference to:

1.2.2.1 the Chargor, any Administrator or Receiver or any other person shall be construed so as to include their successors in title, permitted assigns, permitted transferees and (in the case of any Administrator or Receiver) lawful substitutes and/or replacements;

1.2.2.2 the Sale and Purchase Agreement or any other agreement or instrument is a reference to the Sale and Purchase Agreement or other agreement or instrument as amended (however fundamentally) from time to time with the agreement of the relevant parties and (where such consent is, by the terms of this deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior consent of the Chargees;

- 1.2.2.3 the Security constituted by this deed becoming "enforceable" shall mean that the Security created under this deed has become enforceable under clause 8.1 (*Enforcement events*);
- 1.2.2.4 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred;
- 1.2.2.5 "law" includes the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing;
- 1.2.2.6 a provision of law is a reference to that provision as amended or re-enacted from time to time;
- 1.2.2.7 a time of day is a reference to London time;
- 1.2.2.8 any gender includes a reference to the other genders;
- 1.2.2.9 the singular includes a reference to the plural and vice versa; and
- 1.2.2.10 a clause or schedule is to a clause or schedule (as the case may be) of or to this deed.

1.2.3 Clause and schedule headings are for ease of reference only.

### 1.3 Nature of security over real property

A reference in this deed to any freehold, leasehold or commonhold property includes:

- 1.3.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- 1.3.2 the proceeds of sale of any part of that property; and
- 1.3.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any monies paid or payable in respect of those covenants.

## 2 Covenant to pay

### 2.1 Covenant to pay

The Chargor hereby covenants with the Chargees that it will, following a Default Event, on demand discharge all Secured Obligations owing or incurred to the Chargees when the same become due in accordance with the terms of the Sale and Purchase Agreement, and that if the Chargor fails to comply with such Secured Obligations due to a Default Event the Chargor shall on demand pay to the Chargees the Foregone Amount.

### 2.2 Potential invalidity

Neither the covenant to pay in clause 2.1 (*Covenant to pay*) nor the Security constituted by this deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

### 2.3 Limited recourse

Notwithstanding any term of any Finance Document, the Chargor and the Chargees agree that:

2.3.1 the sole recourse of the Chargees to the Chargor under this deed is to the Chargor's Charged Property; and

2.3.2 the liability of the Chargor to the Chargees pursuant to or otherwise in connection with this deed and the Sale and Purchase Agreement shall be limited in aggregate to an amount equal to the Foregone Amount,

and none of the Chargees shall have any other claim against the Chargor or any of its assets.

### 3 Grant of security

#### 3.1 Fixed security

As a continuing security for the payment or discharge of the Secured Obligations, the Chargor with full title guarantee hereby:

3.1.1 grants to the Chargees, a charge by way of legal mortgage over all its Property listed in schedule 1 (*Property*); and

3.1.2 charges to the Chargees, by way of first fixed charge, all its:

3.1.2.1 Property Interests; and

3.1.2.2 Equipment.

### 4 Restrictions on dealing

#### 4.1 Negative pledge and restriction on disposal

The Chargor hereby covenants with the Chargees that it will not at any time except in accordance with the terms of the Sale and Purchase Agreement or with the prior consent of the Chargees:

4.1.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Property; or

4.1.2 enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender, share occupation of, part with possession or otherwise dispose of or cease to exercise control of all, or part of, any interest in, or the equity of redemption of, the Charged Property; or

4.1.3 the prohibition in clause 4.1.2 does not apply to leases, licences or sharing of occupation if such can be terminated at Completion.

#### 4.2 Land Registry restriction

4.2.1 In respect of any Property registered at the Land Registry the Chargor hereby consents to the entry of the following restriction on the register of its title to the Property:

*24 October 2011*  
*llms*  
*LLP*  
"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of SEH Manager Limited and SEH Nominee Limited referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its conveyancer".

4.2.2 The Chargor authorises the Chargees to make any application which it deems appropriate for the designation of this deed or any other Finance Document as an exempt information document under rule 136 Land Registration Rules 2003 and will use its reasonable endeavours to assist with any such application

made by or on behalf of the Chargees. The Chargor will notify the Chargees in writing as soon as it receives notice of any person's application under rule 137 Land Registration Rules 2003 for the disclosure of this deed or any other Finance Document, following its designation as an exempt information document and will not make any application under rule 138 Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.

## **5 Property**

The Chargor hereby covenants with the Chargees that it will keep all buildings on the Property and all fixtures belonging to it thereon and therein in good and substantial repair and condition with such insurer and against such risks and in such amounts as it is currently insured.

### **5.1 Information**

5.1.1 within five Business Days after becoming aware thereof give full particulars to the Chargees of any material notice, order, direction, designation, resolution or proposal having specific application to the Property or to the locality in which it is situated given or made by any planning authority or other public body or authority whatsoever, and

5.1.2 if required by the Chargees, forthwith and at the cost of the Chargor take all steps to comply with any such notice, order, direction, designation or resolution and make or join with the Chargees in making such objections or representations in respect of any such proposal as the Chargees may desire;

### **5.2 Compliance with obligations**

5.2.1 observe and perform all covenants, stipulations and conditions to which the Property or the user thereof is now or may hereafter be subjected;

5.2.2 perform and observe all covenants and conditions on its part contained in any lease, agreement for lease, licence or other agreement under which the Property or part of the Property is held; and

5.2.3 promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Property;

### **5.3 No restrictive obligations**

Not without the prior consent of the Chargees enter into any onerous or restrictive obligations affecting the Property or any part thereof or create or knowingly permit to arise any overriding interest or easement or right whatever in or over the Property or any part thereof;

### **5.4 Proprietary rights**

Procure that no person shall become entitled to assert any proprietary or other like right or interest over the Property or any part thereof without the prior consent of the Chargees;

## **6 Representations and warranties**

### **6.1 Representations and warranties**

The Chargor represents and warrants to the Chargees as follows:

6.1.1 it is the legal and beneficial owner of the Charged Property;

6.1.2 the Charged Property is free from all Security (except as permitted under the terms of the Sale and Purchase Agreement);

6.1.3 it has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in them; and

6.1.4 all authorisations required for the Chargor's entry into this deed have been obtained and are in full force and effect.

## 6.2 Repetition

The representations and warranties set out in clause 6.1 (*Representations and warranties*) will be deemed to be repeated by the Chargor on each day during the Security Period are deemed to be repeated by reference to the facts and circumstances then existing.

## 6.3 Notice of breach

The Chargor will promptly upon becoming aware of the same give the Chargees notice in writing of any breach of any representation or warranty set out in clause 6.1 (*Representations and warranties*).

## 7 Power to remedy

7.1 If the Chargor is at any time in breach of any of its obligations contained in this deed, the Chargees shall be entitled (but shall not be bound) to remedy such breach and the Chargor hereby irrevocably authorises the Chargees and its agents to do all things necessary or desirable in connection therewith.

7.2 The rights of the Chargees contained in this clause 7 are without prejudice to any other rights of the Chargees hereunder and the exercise by the Chargees of its rights under this clause shall not make the Chargees liable to account as a mortgagee in possession.

## 8 Enforcement

### 8.1 Enforcement events

The security constituted by this deed shall become immediately enforceable if a Default Event occurs.

### 8.2 Statutory power of sale

The statutory power of sale shall arise on and be exercisable at any time after the execution of this deed (and the Secured Obligations shall be deemed to have become due and payable for that purpose), provided that the Chargees shall not exercise such power of sale until the security constituted by this deed has become enforceable.

### 8.3 Extension of statutory powers

8.3.1 Any restriction imposed by law on the power of sale (including under s.103 LPA) or on the right of a mortgagee to consolidate mortgages (including under s.93 LPA) does not apply to the security constituted by this deed and the Chargees or any Receiver shall have the right to consolidate all or any of the security constituted by this deed with any other Security in existence at any time and to make any applications to the Land Registry in support of the same.

8.3.2 Any powers of leasing conferred on the Chargees or any Receiver by law are extended so as to authorise the Chargees or any Receiver to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargees or Receiver may think fit and without the need to comply with any restrictions conferred by law (including under ss.99 or 100 LPA).

### 8.4 No obligation to enquire

No person dealing with the Chargees, any Administrator or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire.

- 8.4.1 whether the security constituted by this deed has become enforceable;
- 8.4.2 whether any power exercised or purported to be exercised has become exercisable;
- 8.4.3 as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Property shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Property; or
- 8.4.4 how any money paid to the Chargees, Administrator or Receiver, or its agents or brokers is to be applied.

**8.5 No liability as mortgagee in possession**

None of the Chargees, any Administrator or any Receiver shall be liable:

- 8.5.1 to account as mortgagee in possession in respect of all or any of the Charged Property; or
- 8.5.2 for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

**8.6 Power to dispose of chattels**

After the security constituted by this deed has become enforceable, the Chargees, any Administrator or any Receiver may dispose of any chattels or produce found on the Property as agent for the Chargor and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Chargees, the Administrator or the Receiver shall be indemnified by the Chargor against any liability arising from such disposal

**8.7 Redemption of prior Security Interests**

At any time after the security constituted by this deed shall have become enforceable the Chargees may:

- 8.7.1 redeem any prior Security,
- 8.7.2 procure the transfer thereof to itself; and/or
- 8.7.3 may settle and pass the accounts of the prior encumbrancer and any account so settled and passed shall be conclusive and binding on the Chargor and all monies paid by the Chargees to the prior encumbrancer in accordance with such accounts shall as from such payment be due from the Chargor to the Chargees on current account and shall bear interest and be secured as part of the Secured Obligations.

**9 Administrator and Receiver**

**9.1 Appointment of Administrator or Receiver**

At:

- (a) any time after the security constituted by this deed becomes enforceable;
- (b) any time after any corporate action or any other steps are taken or legal proceedings started by or in respect of the Chargor with a view to the appointment of an Administrator; or
- (c) the request of the Chargor,

the Chargees may without further notice, under seal or by writing under hand of a duly authorised officer of the Chargees:

- 9.1.1 appoint any person or persons to be an Administrator of the Chargor; or
- 9.1.2 appoint any person or persons to be a Receiver of all or any part of the Charged Property of the Chargor; and
- 9.1.3 (subject to s.45 Insolvency Act 1986) from time to time remove any person appointed to be a Receiver and appoint another in his place.

**9.2 More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Chargees specifies to the contrary).

**9.3 Additional powers**

- 9.3.1 The powers of appointing an Administrator or a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Chargees under the Insolvency Act 1986 and the LPA or otherwise and shall be exercisable without the restrictions contained in s.109 LPA or otherwise.
- 9.3.2 The power to appoint an Administrator or a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Chargees notwithstanding any prior appointment in respect of all or any part of the Charged Property.

**9.4 Agent of the Chargor**

Any Administrator or Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

**9.5 Powers of Administrator and Receiver**

A Receiver shall have (and shall be entitled to exercise), in relation to the Charged Property over which he is appointed, and an Administrator shall have in addition to the powers he enjoys under Sched B1 Insolvency Act 1986, the following powers (as the same may be varied or extended by the provisions of this deed):

- 9.5.1 (in respect of a Receiver) all of the powers of an administrative receiver set out in Sched 1 Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 9.5.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 9.5.3 all of the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Chargor itself could do or omit to do; and
- 9.5.4 the power to do all things which, in the opinion of the Administrator or Receiver (as appropriate) are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Administrator or Receiver pursuant to this deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Chargor; the collection and/or realisation of Charged Property in such manner and on such terms as the Administrator or Receiver sees fit; and the execution of documents in the name of the Chargor (whether under hand, or by way of deed or by utilisation of the company seal of the Chargor))

**10 Amounts received**

**10.1 Application of proceeds**

Any Receiver shall apply all monies received by him (other than insurance monies):

- 10.1.1 first in paying all rents, taxes, duties, rates and outgoings affecting any Charged Property;
- 10.1.2 secondly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him;
- 10.1.3 thirdly in paying his remuneration (as agreed between him and the Chargees);
- 10.1.4 fourthly in or towards discharge of the Secured Obligations in such order and manner as the Chargees shall determine; and
- 10.1.5 finally in paying any surplus to the Chargor or any other person entitled to it.

**10.2 Section 109(8) Law of Property Act 1925**

Neither the Chargees nor any Receiver or Administrator shall be bound (whether by virtue of s.109(8) LPA, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Obligations.

**10.3 Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Obligations the Chargees may convert any monies received, recovered or realised by the Chargees under this deed from their existing denominations and/or currencies of denomination into such other denominations and/or currencies of denomination as the Chargees may think fit and any such conversion shall be effected at the Chargees's then prevailing spot selling rate of exchange.

**10.4 Suspense account**

All monies received recovered or realised by the Chargees under this deed may at the discretion of the Chargees be credited to any interest bearing suspense or impersonal account and may be held in such account for so long as the Chargees thinks fit pending the application from time to time (as the Chargees shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Obligations.

**10.5 New accounts**

If the Chargees receive notice of any subsequent charge or other interest affecting all or part of the Charged Property, the Chargees may open a new account or accounts for the Chargor in their books and (without prejudice to the Chargees' right to combine accounts) no money paid to the credit of the Chargor in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Obligations. If the Chargees do not open a new account or accounts immediately on receipt of such notice then unless the Chargees give express notice to the contrary to the Chargor as from the time of receipt of such notice by the Chargees all payments made by the Chargor to the Chargees in the absence of any express appropriation by the Chargor to the contrary shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

**10.6 Chargees set-off rights**

If the Chargees shall have more than one account for the Chargor in its books the Chargees may at any time after the security constituted by this deed has become enforceable or the



Chargees has received notice of any subsequent charge or other interest affecting all or any part of the Charged Property and without prior notice forthwith transfer all or any part of the balance standing to the credit of any such account to any other such account which may be in debit but the Chargees shall notify the Chargor of the transfer having been made.

**11 Protection of security and further assurance**

**11.1 Independent security**

This deed shall be in addition to and independent of every other security or guarantee that the Chargees may at any time hold for any of the Secured Obligations. No prior security held by the Chargees over the whole or any part of the Charged Property shall merge in the security created by this deed.

**11.2 Continuing security**

This deed shall remain in full force and effect as a continuing security for the Secured Obligations, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part

**11.3 No waivers; rights cumulative**

No failure to exercise, nor delay in exercising, on the part of the Chargees, any right or remedy under this deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy preclude any further or other exercise, or the exercise of any other right or remedy. The rights and remedies of the Chargees provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

**11.4 No Chargor set-off**

The Chargor waives any right of set-off it may have now or at any time in the future in respect of the Secured Obligations (including sums payable by the Chargor under this deed).

**11.5 Further assurance**

11.5.1 The Chargor must, promptly upon request by the Chargees or any Receiver or Administrator, at its own expense, take whatever action the Chargees or a Receiver or Administrator may require for:

11.5.1.1 creating, perfecting or protecting any security intended to be created by or pursuant to this deed;

11.5.1.2 facilitating the realisation of any Charged Property; or

11.5.1.3 exercising any right, power or discretion conferred on the Chargees, or any Receiver or any Administrator or any of their respective delegates or sub-delegates in respect of any Charged Property.

11.5.2 This includes:

11.5.2.1 the re-execution of this deed;

11.5.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment or assurance of any property, whether to the Chargees or to its nominee; and

11.5.2.3 the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Chargees (or the Receiver or Administrator, as appropriate) may think expedient.

12 **Miscellaneous**

12.1 **Certificates conclusive**

A certificate or determination by the Chargees as to any amount or rate under this deed shall be conclusive evidence of that amount or rate in the absence of any manifest error.

12.2 **Severability**

If any provision of this deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby.

12.3 **Section 2(1) Law of Property (Miscellaneous Provisions) Act 1989**

The terms of the Sale and Purchase Agreement and of any side letters between any parties in relation to the Sale and Purchase Agreement are incorporated in this deed to the extent required to ensure that any purported disposition of Charged Property contained in this deed is a valid disposition in accordance with s.2(1) Law of Property (Miscellaneous Provisions) Act 1989.

12.4 **Third party rights**

Save as expressly provided a third party (being any person other than the Chargor and its successors and permitted assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed. Notwithstanding any term of the Sale and Purchase Agreement, the consent of such third party is not required to rescind or vary this deed at any time.

12.5 **Trustee Act 2000**

The Chargor and the Chargees agree that the Chargees shall not be subject to the duty of care imposed on the trustees by the Trustee Act 2000.

13 **Demands and notices**

Any demand, notice, consent or communication to be made or given by or to the Chargor or the Chargees under or in connection with this deed shall be made and delivered as provided in clause ~~M~~ (Notices) of the Sale and Purchase Agreement. Any demand on the Chargor shall be validly made whether or not it contains an accurate statement of the amount of the Secured Obligations.

14 **Assignment and transfer**

14.1 **Assignment by Chargees**

Each Chargee may at any time without the consent of the Chargor, assign or transfer the whole or any part of its rights under this deed to any person to which it can transfer its rights in accordance with the terms of the Sale and Purchase Agreement.

14.2 **Assignment by Chargor**

The Chargor may not assign any of its rights or transfer any of its obligations under this deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

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**15 Release of Security**

**15.1 Release**

Subject to clause 18 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Chargees shall take whatever action is necessary to promptly release the Charged Property from the security constituted by this deed.

**16 Governing law**

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

**17 Counterparts**

This deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

**18 Discharge conditional**

Any release, discharge or settlement between the Chargor and the Chargees shall be deemed conditional upon no payment or security received by the Chargees or such other Finance Party in respect of the Secured Obligations being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

18.1.1 the Chargees or its nominee shall be at liberty to retain this deed and the Security created by or pursuant to this deed, including all certificates and documents relating to the Charged Property or any part thereof, for such period as the Chargees shall deem necessary to provide the Chargees with security against any such avoidance or reduction or order for refund; and

18.1.2 the Chargees shall be entitled to recover the value or amount of such security or payment from the Chargor subsequently as if such settlement, discharge or release had not occurred and the Chargor agrees with the Chargees accordingly and charges the Charged Property and the proceeds of sale thereof with any liability under this clause, whether actual or contingent.

**In Witness** whereof this deed has been executed by the Chargor and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Chargees.

**SCHEDULE 1**

**Property**

**Part A: Registered Land**

Tesco Extra, Osterley Park, Syon Lane, Isleworth, TW7 5NZ

*Title number AGL25233 & MX138977*

**Part B: Unregistered Land**

None

**SIGNATORIES (TO LEGAL CHARGE)**

**The Chargor**

Executed as a deed by )  
as attorney for **TESCO STORES LIMITED** )  
under a power of attorney in the presence )  
of: )

Attorney for **TESCO STORES LIMITED**

Name of witness:

Signature of witness:

Address:

Occupation:

Counter-executed by [a Statutory Director] )  
[the Company Secretary] of **TESCO** )  
**STORES LIMITED** in the presence of: )

[Statutory Director][Company Secretary]  
**TESCO STORES LIMITED**

Name of witness:

Signature of witness:

Address:

Occupation:

**The Chargees**

EXECUTED as a DEED and  
DELIVERED by **SEH MANAGER  
LIMITED** acting by

} T.J. Harber  
}

Director

TEM

Director/Secretary

EXECUTED as a DEED and  
DELIVERED by **SEH NOMINEE  
LIMITED** acting by

} T.J. Harber  
}

Director

TEM

Director/Secretary