

DRAFT PRIORITY 1C – BI

This draft priority agreement is only for use in the following circumstances:

1. Where Barclays and two other Lenders each hold Debentures with or without other security.
2. The monies received under the Barclays Debenture (and other security, if any) and the other Lender's Debenture (and other security, if any) is to be applied in the following order:
 - (i) to Barclays up to a specified amount; then
 - (ii) to the Second Lender up to a specified amount; then
 - (iii) to the Third Lender up to a specified amount; then
 - (iv) to Barclays until it is repaid in full; then
 - (v) to the Second Lender until it is repaid in full; the
 - (vi) to the Third Lender until it is repaid in full.



CASE REF:

This Deed of Priority is made on 20

BETWEEN

- (A) **BARCLAYS BANK PLC** whose registered office is at 1 Churchill Place London E14 5HP and whose address for service is Lending Operations, P O Box 299, Birmingham, B1 3PF (the “**Barclays**”);
- (B) [] [Limited] ([INSERT COMPANY NUMBER (if applicable)]) whose registered office is at [] and whose address for service is [INSERT UK ADDRESS FOR SERVICE] (the “**Second Lender**”);
- (C) [] [Limited] ([INSERT COMPANY NUMBER (if applicable)]) whose registered office is at [] and whose address for service is [INSERT UK ADDRESS FOR SERVICE] (the “**Third Lender**”); and
- (D) [] [Limited] ([INSERT COMPANY NUMBER (if applicable)]) whose registered office is at [] and whose address for service is [INSERT UK ADDRESS FOR SERVICE] (the “**Borrower**”)

NOW THIS DEED WITNESSES

1. In this Deed:
- a) “**Barclays Debt**” means the aggregate amount of the principal interest charges and other money and liabilities from time to time due owing or outstanding by the Borrower to Barclays and secured by the Barclays Security;
- b) “**Barclays Group**” means Barclays PLC and any of its subsidiary undertakings as defined in the Companies Act 2006;
- c) “**Barclays’ Priority Amount**” means such amount of the Barclays Debt as does not exceed the sum of £ [] (or such other figure as may be agreed in writing from time to time by the Lender) and in addition interest commission costs charges and expenses in respect of that amount;
- d) “**Barclays Security**” means the security created pursuant to the documents listed in the First Schedule below together with such collateral additional or substituted securities which Barclays may now have or may in future obtain from the Borrower;
- e) “**Book Debts**” means all those book and other debts and receivables of the Borrower;
- f) “**Plant and Machinery**” means all that plant and machinery of the Borrower apart from the plant and machinery affixed to the Properties;
- g) “**Properties**” means the properties details of which appear in the Third Schedule below;
- h) “**Second Lender’s Debt**” means the aggregate amount of all money and liabilities owing by the Borrower to the Second Lender and interest costs charges and other liabilities actual or contingent from time to time owing or incurred to the Second Lender and secured by the Second Lender’s Security;
- i) “**Second Lender’s Group**” means the Second Lender and any of its subsidiary undertakings as defined in the Companies Act 2006;

- j) "Second Lender's Priority Amount" means such amount of the Second Lender's Debt as does not exceed the sum of £ [] (or such other figure as may be agreed in writing from time to time by the Secured Lenders) and in addition interest commission costs charges and expenses in respect of that amount;
 - k) "Second Lender's Security" means the security created pursuant to the security documents listed in the Second Schedule below together with such collateral additional or substituted securities which the Second Lender may now have or may in future obtain from the Borrower;
 - l) "Secured Parties" means Barclays, the Second Lender and the Third Lender or any one or more of them as the context shall require;
 - m) "Secured Liabilities" means the Barclays Debt and the Second Lender's Debt and the Third Lender's Debt;
 - n) "Securities" means Barclays Security and the Second Lender's Security and the Third Lender's Security or any one or more of them as the context shall require;
 - o) "Third Lender's Debt" means the aggregate amount of all money and liabilities owing by the Borrower to the Lender and interest costs charges and other liabilities actual or contingent from time to time owing or incurred to the Third Lender and secured by the Third Lender's Security;
 - p) "Third Lender's Group" means the Third Lender and any of its subsidiary undertakings as defined in the Companies Act 2006;
 - q) "Third Lender's Priority Amount" means such amount of the Third Lender's Debt as does not exceed the sum of £ [] (or such other figure as may be agreed in writing from time to time by the Secured Lenders) and in addition interest commission costs charges and expenses in respect of that amount;
 - r) "Third Lender's Security" means the security created pursuant to the security documents listed in the Third Schedule below together with such collateral additional or substituted securities which the Third Lender may now have or may in future obtain from the Borrower;
 - s) references to statutory provisions are to the provisions of English statutes and include references to amended, extended or re-enacted versions; and
 - t) references to Barclays, the Second Lender, the Third Lender and Borrower shall include references to their respective successors and permitted assigns.
2. All money received under the terms of any of the Securities or otherwise realised from any of the Securities in respect of the [OPTION delete as appropriate Properties/Book Debts/Plant and Machinery] (after repayment of all outgoings costs charges expenses liabilities and payments ranking in priority) shall be applied in or towards the Secured Liabilities as follows:
- a) FIRST in settlement or reduction of the Barclays' Priority Amount;
 - b) SECOND in settlement or reduction of the Second Lender's Priority Amount;
 - c) THIRD in settlement or reduction of the Third Lender's Priority Amount;
 - d) FOURTH in settlement or reduction of the residue of the Barclays Debt without limit;
 - e) FIFTH in settlement or reduction of the residue of the Second Lender's Debt without limit; and

- f) SIXTH in settlement or reduction of the residue of the Third Lender's Debt without limit.
3. All money received under the terms of any of the Securities or otherwise realised from any of the Securities but excepting the [OPTION delete as appropriate Properties/Book Debts/Plant and Machinery] (after repayment of all outgoings costs charges expenses liabilities and payments ranking in priority) shall be applied in or towards the Secured Liabilities as follows:
- a) FIRST in settlement or reduction of the Barclays' Priority Amount;
 - b) SECOND in settlement or reduction of the Second Lender's Priority Amount;
 - c) THIRD in settlement or reduction of the Third Lender's Priority Amount;
 - d) FOURTH in settlement or reduction of the residue of the Barclays Debt without limit;
 - e) FIFTH in settlement or reduction of the residue of the Second Lender's Debt without limit; and
 - f) SIXTH in settlement or reduction of the residue of the Third Lender's Debt without limit.
4. These priority arrangements shall not be affected by any fluctuations in the amounts secured by the Securities or by the existence at any time of a nil or credit balance on any current or other account.
5. Barclays, the Second Lender and the Third Lender apply to each of the registrar of companies and H M Land Registry or any other appropriate registry to note on the relevant register in the appropriate manner the postponement set out in this Deed.
6. If the Second Lender or the Third Lender has registered a restriction or notice at H M Land Registry the Second Lender or Third Lender (as appropriate) irrevocably consents to the registration of the Barclays' Security and any sale of any Properties by Barclays pursuant to the Barclays' Security and the registration of the purchaser's title free of the Lender's Security and any restriction or notice the Lender may have registered at H M Land Registry.
7. If all or any of the charges contained in the Barclays' Security, the Second Lender's Security or the Third Lender's Security shall be released or be or become wholly or partly invalid or unenforceable Barclays, the First Lender or the Second Lender as the case may be shall itself bear the loss resulting and not be entitled to share in moneys derived from assets over which it has no effective security.
8. Nothing in this Deed shall as between (a) the Borrower and the Second Lender or (b) the Borrower and the Third Lender or (c) the Borrower and Barclays affect or prejudice any of the rights or remedies of the Secured Parties under the Securities each of which will remain in full force as continuing securities for all money and liabilities referred to in them.
9. In the event of Barclays, the Second Lender or the Third Lender wishing to appoint a receiver or administrative receiver or administrator pursuant to their respective Securities or any charge contained in them, Barclays, the Second Lender or the Third Lender (as appropriate shall (if convenient) consult together with the others with a view to agreeing upon a suitable person to be appointed as a receiver or administrative receiver or administrator and such consultation and agreement shall also precede the removal of a receiver or administrative receiver or administrator and the appointment of a successor but without prejudice to the rights of Barclays, the Second Lender and the Third Lender to appoint or remove a receiver or administrative receiver or administrator at their absolute discretion without such consultation (save for notice under paragraph 15 of Schedule B1 of the Insolvency Act 1986) in case of need.

10. Barclays, the Second Lender and the Third Lender direct the Borrower to pay the proceeds of all book debts and other debts to its account with Barclays (or such other member of the Barclays Group as the case may be).
11. The Borrower covenants with Barclays, the Second Lender and the Third Lender that it will pay the proceeds of all Book Debts and other debts from time to time subject to any of the Securities to its current account with Barclays (or such other member of the Barclays Group as the case may be).
12. The Second Lender and the Third Lender each agrees that Barclays (or such other member of the Barclays Group as the case may be) may collect cheques and credits payable to or endorsed in favour of the Borrower and may place the proceeds of such cheques and credits to the credit of the Borrower's account with Barclays (or such other member of the Barclays Group as the case may be) and may permit the Borrower to withdraw the said proceeds from its account and any rights of set-off which Barclays (or such other member of the Barclays Group as the case may be) may have in respect of credit balances held for the Borrower will not be affected by the Second Lender's Security or the Third Lender's Security.
13. Each of the parties to this Deed confirms that it has had the opportunity to take independent legal advice before executing this Deed.
14. The Borrower agrees that it will pay the costs of each of the other parties in relation to the drafting, preparation, negotiation and execution of this Deed on an indemnity basis.
15. The Second Lender acknowledges the right of Barclays and the Third Lender to the production and delivery of copies of the Second Lender's Security.
16. The Third Lender acknowledges the right of Barclays and the Second Lender to the production and delivery of copies of the Third Lender's Security.
17. Barclays acknowledges the right of the Second Lender and the Third Lender to the production and delivery of copies of the Barclays' Security.
18. Each of Barclays, the Second Lender and the Third Lender shall be entitled to grant time or indulgence, release or compound or otherwise deal with and receive money in respect of any security or guarantee at any time held by either of them without reference to each other.
19. The Borrower agrees that that Barclays, the Second Lender and the Third Lender may share any information, obtained at any time, from whatever source relating to the Borrower, its subsidiaries, any underlying facilities and any guarantees and securities to:
 - (a) the Borrower or any of its subsidiaries;
 - (b) the Barclays Group and any of its or their officers, directors, employees, professional advisers, auditors and any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;
 - (c) the Second Lender's Group and any of its or their officers, directors, employees, professional advisers, auditors and any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;
 - (d) the Third Lender's Group and any of its or their officers, directors, employees, professional advisers, auditors and any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;
 - (e) any credit reference or rating agency;

- (f) anyone Barclays considers to be or likely to be involved in an assignment or transfer or possible assignment or transfer of all or any of its rights and/or obligations in respect of the Deed, in whole or in part, including any person or persons (i) in connection with a securitisation of all or any part of the loan assets of any member of the Barclays Group from time to time or (ii) who may otherwise enter into contractual relations with any member of the Barclays Group in connection with the Deed;
 - (g) anyone the Second Lender considers to be or likely to be involved in an assignment or transfer or possible assignment or transfer of all or any of its rights and/or obligations in respect of the Deed, in whole or in part, including any person or persons (i) in connection with a securitisation of all or any part of the loan assets of any member of the Second Lender's Group from time to time or (ii) who may otherwise enter into contractual relations with any member of the Second Lender's Group in connection with the Deed;
 - (h) anyone the Third Lender considers to be or likely to be involved in an assignment or transfer or possible assignment or transfer of all or any of its rights and/or obligations in respect of the Deed, in whole or in part, including any person or persons (i) in connection with a securitisation of all or any part of the loan assets of any member of the Third Lender's Group from time to time or (ii) who may otherwise enter into contractual relations with any member of the Third Lender's Group in connection with the Deed;
 - (i) anyone to whom information is required or requested to be disclosed by any court of competent jurisdiction or governmental, banking, taxation or other regulatory authority or similar body; and
 - (j) anyone to whom information is required or requested to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes.
20. The Borrower, the Second Lender and the Third Lender may not assign or transfer all or any of its rights and/or obligations in respect of this Deed. Barclays may assign or transfer all or any of its rights and/or obligations in respect of this Deed, in whole or in part, to any person or persons including any actual or prospective assignee or transferee or to any other person (i) in connection with a securitisation of all or any part of the loan assets of any member of the Barclays Group from time to time or (ii) who may otherwise enter into contractual relations with any member of the Barclays Group in relation to the Deed.
21. The Borrower joins in this Deed for the purpose of acknowledging the arrangements effected by this Deed and undertakes with each of Barclays, the Second Lender and the Third Lender to observe the provisions of this Deed at all times and not in any way to prejudice or affect the enforcement of those provisions.
22. This Deed forms the entire agreement between the parties relating to the priority of their respective Securities and the application of the proceeds of realisation of the Securities and supersedes all earlier discussions, correspondence, emails, facsimile transmissions, letters and communications, and arrangements of any kind dealing with the priorities of the Securities.
23. A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefits of this Deed.
24. This Deed shall be governed by and construed and interpreted in accordance with the laws of England and the parties submit for the benefit of Barclays to the non-exclusive jurisdiction of the courts of England.
25. This Deed may be executed in any number of counterparts each of which shall be an original but such counterparts shall together constitute one and the same deed.

IN WITNESS, the parties have executed and delivered this Deed on the date shown at the beginning

THE FIRST SCHEDULE
(The Barclays Security)

THE SECOND SCHEDULE
(The Second Lender's Security)

THE THIRD SCHEDULE
(The Third Lender's Security)

**THE FOURTH SCHEDULE
(The Properties)**

[N.B. ensure Land Registry title numbers are shown where appropriate]

BARCLAYS
EXECUTED AS A
DEED by
NAME

SIGNATURE _____

AS ATTORNEY OF BARCLAYS BANK
PLC

in the presence of
WITNESS NAME _____
SIGNATURE _____

SECOND LENDER

[OPTION: if Second Lender is a corporate

EXECUTED AS A DEED by

[INSERT SECOND LENDER NAME]

acting by

_____ Director

_____ Print Name

*[*_____ Director/Secretary

_____ Print Name*]*

*[*in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____*]]*

[OPTION: if Second Lender is an LLP

EXECUTED AS A DEED by
[INSERT SECOND LENDER NAME]
acting by

_____ Member
_____ Print Name

[_____ Member
_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[OPTION: if Second Lender is an LLP or corporate entity where the above signature blocks are not relevant

EXECUTED AS A DEED by
[INSERT SECOND LENDER NAME]
acting by

_____ Authorised
Signatory

_____ Print Name

[_____ Authorised
Signatory

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[If the Second Lender is a different legal entity type e.g. partnership which is not an LLP refer to the Barclays legal team for guidance]

THIRD LENDER

[OPTION: if Third Lender is a corporate

EXECUTED AS A DEED by

[INSERT SECOND LENDER NAME]

acting by

_____ Director

_____ Print Name

[_____ Director/Secretary

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[OPTION: if Third Lender is an LLP

EXECUTED AS A DEED by

[INSERT THIRD LENDER NAME]

acting by

_____ Member

_____ Print Name

[_____ Member

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[OPTION: if Third Lender is an LLP or corporate entity where the above signature blocks are not relevant

EXECUTED AS A DEED by
[INSERT THIRD LENDER NAME]
acting by

_____ Authorised
Signatory

_____ Print Name

[_____ Authorised
Signatory

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[If the Third Lender is a different legal entity type e.g. partnership which is not an LLP refer to the Barclays legal team for guidance]

BORROWER

[OPTION: if Borrower is a corporate

EXECUTED AS A DEED by
[INSERT BORROWER NAME]
acting by

_____ Director

_____ Print Name

[_____ Director/Secretary

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[OPTION: if Borrower is an LLP

EXECUTED AS A DEED by

[INSERT BORROWER NAME]

acting by

_____ Member

_____ Print Name

[_____ Member

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[OPTION: if Borrower is an LLP or corporate entity where the above signature blocks are not relevant

EXECUTED AS A DEED by

[INSERT BORROWER NAME]

acting by

_____ Authorised
Signatory

_____ Print Name

[_____ Authorised
Signatory

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

[OPTION: *for non-corporate or LLP Borrower*

EXECUTED AS A DEED by

[INSERT BORROWER NAME]

acting by

_____ Signatory

in the presence of

SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]