

DRAFT PRIORITY 1B – BI

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

1. **Where Barclays and another Lender both hold Debentures with or without other security:**
2. **The Barclays Debenture (and other security, if any) is to have unlimited priority over the other Lender's Debenture (and other security, if any)**

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 “**Lender**”); and
- (C) [] [Limited] ([INSERT COMPANY NUMBER (if applicable)]) whose registered office is at [] and whose address for service is [INSERT UK ADDRESS FOR SERVICE] (the “**Borrower**”)

WHEREAS

- 1) By a debenture (the “**Barclays’ Debenture**”) dated [INSERT DATE] the Borrower charged all its property, assets and undertaking (including any real estate (the “**Properties**”)) as security for the payment and discharge of all money and liabilities detailed in the Barclays’ Debenture.
- 2) The Barclays’ Debenture together with all collateral additional or substituted security as replaced or amended from time to time which Barclays holds or may in future obtain from the Borrower are individually or collectively referred to in this Deed as the “**Barclays’ Security**”.
- 3) By a debenture (the “**Lender’s Debenture**”) dated [INSERT DATE] and made between the Borrower of the one part and the Lender of the other part, the Borrower charged to the Lender all its property assets and undertaking with the payment and discharge of all money and liabilities detailed in the Lender’s Debenture.
- 4) The Lender’s Debenture together with all collateral additional or substituted security as replaced or amended from time to time which the Lender holds or may in future obtain from the Borrower are individually or collectively referred to in this Deed as the “**Lender’s Security**”.
- 5) Barclays and the Lender have agreed to regulate their respective priorities as follows and the Borrower joins in to acknowledge the arrangements.

NOW THIS DEED WITNESSES

1. In this Deed:

- (a) “**Barclays Group**” means Barclays PLC and any of its subsidiary undertakings as defined in the Companies Act 2006;

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- (b) "Lender's Group" means the Lender and any of its subsidiary undertakings as defined in the Companies Act 2006;
 - (c) references to statutory provisions are to the provisions of English statutes and include references to amended, extended or re-enacted versions; and
 - (d) references to the Barclays, the Lender and Borrower shall include references to their respective successors and permitted assigns.
2. All money received by a receiver or administrator appointed under the terms of the Barclays' Security or the Lender's Security or otherwise realised from the Barclays' Security or the Lender's Security (after repayment of all outgoings costs charges expenses liabilities and payments ranking in priority) shall be applied as follows:-
 - (i) FIRST in settlement or reduction of all money and liabilities due owing or incurred and secured by the Barclays' Security without limit; and
 - (ii) SECOND in settlement or reduction of all money and liabilities due owing or incurred and secured by the Lender's Security without limit.
 3. These priority arrangements shall not be affected by any fluctuations in the amounts secured by the Barclays' Security or the Lender's Security or by the existence at any time of a nil or credit balance on any current or other account.
 4. Barclays and the 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.
 5. If the Lender has registered a restriction or notice at H M Land Registry the Lender 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.
 6. Nothing in this Deed shall as between (a) the Borrower and the Lender or (b) the Borrower and Barclays affect or prejudice any of the rights or remedies of the Lender under the Lender's Security or Barclays under the Barclays' Security each of which will remain in full force as continuing securities for all money and liabilities secured by them.
 7. The Lender shall take no steps to appoint a receiver or administrative receiver or administrator whether pursuant to the Lender's Security or any charge contained in the Lender's Security or otherwise without the prior written consent of Barclays in addition to complying with the requirements of paragraph 15 of Schedule B1 of the Insolvency Act 1986 that the Lender may not appoint an administrator without first serving two business days' notice on Barclays as holder of a prior qualifying floating charge.
 8. In the event that Barclays wishes to appoint a receiver or administrative receiver or administrator whether pursuant to the Barclays' Security or any charge contained in the Barclays' Security, Barclays shall (if convenient) consult with the Lender 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

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receiver or administrative receiver or administrator and the appointment of a successor but without prejudice to the rights of Barclays to appoint or remove a receiver or administrative receiver or administrator at their absolute discretion without such consultation in case of need.

9. Barclays and the 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).
10. The Borrower covenants with Barclays and the Lender that it will pay the proceeds of all book debts and other debts from time to time subject to the Barclays' Security and the Lender's Security to its current account with Barclays (or such other member of the Barclays Group as the case may be).
11. The Lender 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 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 Lender's Security.
12. Each of the parties to this Deed confirms that it has had the opportunity to take independent legal advice before executing this Deed.
13. 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.
14. The Lender acknowledges the right of Barclays to the production and delivery of copies of the Lender's Security.
15. Barclays acknowledges the right of the Lender to the production and delivery of copies of the Barclays' Security.
16. Each of Barclays and the 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 the other of them.
17. The Borrower agrees that Barclays and the 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 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;

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- (d) any credit reference or rating agency;
 - (e) 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;
 - (f) anyone the 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 Lender's Group from time to time or (ii) who may otherwise enter into contractual relations with any member of the Lender's Group in connection with the Deed;
 - (g) 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
 - (h) 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.
18. The Borrower or the 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.
19. The Borrower joins in this Deed for the purpose of acknowledging the arrangements effected by this Deed and undertakes with each of Barclays and the 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.
20. 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.
21. 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.
22. 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.

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23. 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

BARCLAYS
EXECUTED AS A DEED
by
NAME

SIGNATURE _____

AS ATTORNEY OF BARCLAYS BANK
PLC

in the presence of
WITNESS NAME
SIGNATURE

LENDER

[OPTION: if Lender is a corporate

EXECUTED AS A DEED by

[INSERT LENDER NAME]

acting by

_____ Director

_____ Print Name

[_____ Director/Secretary

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____*]]*

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[OPTION: if Lender is an LLP

EXECUTED AS A DEED by

[INSERT LENDER NAME]

acting by

_____ Member

_____ Print Name

[_____ Member

_____ Print Name]

[in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]]

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

EXECUTED AS A DEED by

[INSERT 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 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*

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

_____ Signatory

in the presence of
SIGNATURE OF WITNESS _____

NAME OF WITNESS _____

ADDRESS _____

OCCUPATION _____]

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