

MR01

Particulars of a charge



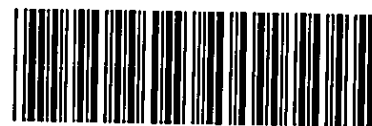
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A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **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 Use form MR02



A03 23/11/2013 #240
COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
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

SATURDAY

1 Company details

Company number 9 8 8 4 0 9
Company name in full HAYDON MECHANICAL & ELECTRICAL LIMITED

For official use
→ **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 1 1 1 2 0 1 3

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	MEARS GROUP PLC
Name	
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

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4	Description	<p>Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security</p>	<p>Continuation page Please use a continuation page if you need to enter more details</p>
Description	<p>Means all the land, assets, goodwill and undertakings of the borrower present or future for the time being subject to the security interests created by this debenture</p> <p>Assets charged by way of fixed charge</p> <p>1 All shares held by the borrower in any other company whether a subsidiary or not</p> <p>2 All or any stocks, shares (other than those described in point 1 above), bonds and securities of any kind (marketable or otherwise), negotiable instruments, warrants, loan notes and any other financial instruments held by the borrower</p> <p>3 All dividends, allotments, options, bonuses, rights issues, offers, benefits and advantages accruing, arising or offered in respect of the shares and investments described in points 1 and 2 above</p> <p>4 All fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment of the borrower and the benefit of any agreements, licences and warranties in respect thereof</p> <p>5 All book debts of the borrower arising in the ordinary course of its business and all benefits, security and rights held in or to secure the payment of the book debts</p> <p>6 All intellectual property belonging to the borrower</p> <p>7 All present and future goodwill in the borrower</p> <p>8 All uncalled capital in the borrower</p> <p>9 All rights under any agreement to which the borrower is a party which has not been assigned to the Lender</p>		
5	Fixed charge or fixed security	<p>Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
6	Floating charge	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	<p>Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

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Trustee statement ①

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)

9

Signature

Please sign the form here

Signature

Signature

X

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X

This form must be signed by a person with an interest in the charge

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Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **Tim Ward**

Company name **BPE Solicitors**

Address

Post town

County/Region

Postcode

Country

DX **141660 Chelt 11**

Telephone **01242 248 233**



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 £13 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.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 988409

Charge code. 0098 8409 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st November 2013 and created by HAYDON MECHANICAL & ELECTRICAL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd November 2013

DX

Given at Companies House, Cardiff on 29th November 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 21 NOVEMBER 2013

BETWEEN
MEARS GROUP PLC
—and—
HAYDON MECHANICAL & ELECTRICAL LIMITED

DEBENTURE



BPE Solicitors LLP

Head Office


St James s House
St James' Square
Cheltenham
GL50 3PR

Tel 01242 224433
Fax 01242 226712

London Office

89 Judd Street
London
WC1H 9NE

Tel 020 7404 9057
Fax 0870 400 3132

 BPE SOLICITORS LLP
WE CERTIFY THIS TO BE A TRUE COPY OF THE ORIGINAL
— BPE SOLICITORS LLP — 22/11/2013
ST JAMES' HOUSE, ST JAMES' SQUARE
CHELTENHAM

THIS DEBENTURE is made

21 NOVEMBER

2013

BETWEEN:

- (1) **MEARS GROUP PLC** a company incorporated in England and Wales under number 03232863 whose registered office is at 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH (the **Lender**), and
- (2) **HAYDON MECHANICAL & ELECTRICAL LIMITED** a company incorporated in England and Wales under number 00988409 whose registered office is at 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH (the **Borrower**)

(each of the Lender and the Borrower being a Party and together the Lender and the Borrower are the Parties).

RECITALS:

- A The Lender has agreed to provide the Borrower with the loan on the terms of the Secured Loan Agreement.
- B It is a requirement of the continuation of the loan that the Borrower provide security to the Lender to secure the payment and discharge of the Secured Liabilities
- C The Borrower has agreed to create the security required by entering into this Debenture

THE PARTIES AGREE:

1 Definitions and interpretation

- 1.1 Words and expressions defined in the Secured Loan Agreement, the Second Loan Agreement or the Share Purchase Agreement will have the same meanings in this Debenture unless they are expressly defined in this Debenture
- 1.2 In this Debenture, unless otherwise provided

Charged Assets

means all the Land, assets, goodwill and undertakings of the Borrower present or future for the time being subject to the security interests created by this Debenture (including those listed in Schedules 1 and 2),

Default Rate

- means the rate of interest provide in clause 3 of the Secured Loan Agreement,

– **Encumbrance**

- means any mortgage, charge, pledge, lien or other security interest of any kind, and any right of set off, assignment, trust, flawed asset or other agreement or arrangement whatsoever for the purpose of providing security or having similar effect to the provision of security, other than liens arising by operation of law in the ordinary course of the Borrower's business,

– **Insurance**

- means each contract or policy of insurance to which the Borrower is a party or in which it has an interest,

– **Intellectual Property**

- means copyright, patents, know-how, trade secrets, trade marks, trade names, the right to sue in passing off, design right, get-up, database right, customer lists, chip topography rights, mask works, utility models, domain names and all similar rights and, in each case.

(i) whether registered or not,

- (ii) including any applications to protect or register such rights,
- (iii) including all renewals and extensions of such rights or applications,
- (iv) whether vested, contingent or future,
- (v) to which the Borrower is or may be entitled and
- (vi) wherever existing and the benefit of any agreement or any licence for the use of any such right,

- **Land**
 - means any right or interest in or over land wherever situated, including without limitation any buildings and fixtures on land, and the benefit of any covenants or rights owed to any person or enforceable by such person by virtue of the ownership, possession or occupation of land and/or all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower or in which the Borrower holds an interest (including (but not limited to) the properties briefly described in Schedule 1)
- **Permitted Encumbrance**
 - Any of
 - (a) liens arising by operation of law,
 - (b) the Encumbrances created by this Debenture,
 - (c) any netting or set off arrangements entered into by the Borrower in the ordinary course of its banking arrangements
- **Receiver**
 - means a receiver appointed pursuant to this Debenture or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and an administrative receiver (if the Lender is permitted to appoint such administrative receiver),
- **Second Loan Agreement**
 - means the second loan agreement dated on or about the date of this Debenture between the (1) the Lender, (2) the Borrower, and (3) Curzon 3003 Limited,
- **Secured Liabilities**
 - means
 - (i) the liabilities of the Borrower to the Lender under or pursuant to the Secured Loan Agreement,
 - (ii) any amounts which are advanced to the Borrower after the date of the Secured Loan Agreement as provided for in clause 5 of the Secured Loan Agreement and paragraph 8 of schedule 1 of the Second Loan Agreement,
 - (iii) any liability that the Seller may suffer in respect of the Bonds or the Mears PCGS more particularly defined in Schedule 9 of the Share Purchase Agreement,
 - (iv) any amounts due but are not paid as provided for in the Second Loan Agreement and as detailed in clause 2.2 of the Second Loan Agreement; and
 - (v) any interest, commission, costs, charges and expenses of the Lender incurred pursuant to the terms of this Debenture or in

respect of the liabilities at paragraphs (i) to (iv) above,

- **Secured Loan Agreement** - means the secured loan agreement dated on or about the date of this Debenture between (1) the Lender, (2) the Borrower and (3) Curzon 3003 Limited,
- **Securities** - means all right, title and interest of the Borrower, now or in the future, in any
 - (i) stocks,
 - (ii) shares,
 - (iii) instruments creating or
 - (iv) acknowledging any debt or other securities issued by any person, and
- **Security Period** - the period starting on the date of this debenture and ending on the day on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

Share Purchase Agreement

means the share purchase agreement dated on or about the date of this Debenture between (1) the Lender, (2) Curzon 3003 Limited, (3) the Guarantors (as detailed in the Share Purchase Agreement) and (4) the Borrower

- 1 3 Unless the context otherwise requires
 - 1 3.1 each gender includes the others,
 - 1 3 2 the singular and the plural are interchangeable,
 - 1.3 3 references to clauses or Schedules means to clauses or Schedules of this Debenture,
 - 1 3.4 references to this Debenture include its Schedules, as amended,
 - 1.3 5 references to persons include individuals, unincorporated bodies, government entities, companies and corporations,
 - 1 3 6 including means including without limitation and general words are not limited by example,
 - 1 3 7 clause headings do not affect their interpretation, and
 - 1 3 8 words and phrases defined in the Secured Loan Agreement, Second Loan Agreement and the Share Purchase Agreement have the same meaning in this Agreement,
 - 1 3.9 references to legislation include any modification or re-enactment thereof before the date of this Agreement
- 1 4 Writing includes manuscript, and facsimiles.

2 Borrower's obligation to pay

- 2.1 The Borrower covenants with the Lender that it will pay and discharge to the Lender the Secured Liabilities on written demand when due
- 2 2 The making of one demand under this Debenture will not stop the Lender making any further demands

2 3 The Lender will not make any demand unless it is entitled to do so

3 Creation of security

3 1 As continuing security for the payment and discharge of the Secured Liabilities the Borrower charges to the Lender with full title guarantee

3 1 1 by way of first legal mortgage all Land now owned by the Borrower;

3 1 2 by way of first fixed charge.

(a) any right, title or interest which the Borrower has now or acquires in the future to any Land, and

(b) the assets set out in Schedule 2, and

3 1 3 by way of first floating charge the Borrower's bank accounts and other assets not otherwise effectively charged by clauses 3 1.1 and 3 1 2

4 Crystallisation

4 1 The floating charge created by clause 3 1 3 will crystallise into a fixed charge

4 1 1 by notice in writing given by the Lender to the Borrower at any time after the security constituted by this Debenture becomes enforceable, specifying the Charged Assets over which the crystallisation will take effect and if no Charged Assets are specified, the notice shall take effect over all the Charged Assets of the Borrower, or

4 1 2 automatically and instantly without notice if the Borrower resolves, without the Lender's prior written consent, to take or takes any step to

(a) create an Encumbrance over any or all of the Charged Assets other than a Permitted Encumbrance,

(b) create a trust over any or all of the Charged Assets,

(c) dispose of any or all of the Charged Assets, except if such disposal is in the ordinary course of the Borrower's business,

4 1 3 automatically and instantly without notice if any person resolves, without the Lender's prior written consent, to take or takes any step to levy any distress, execution, sequestration or other process against any or all of the Charged Assets, or

4 1 4 automatically and instantly without notice if an Event of Default occurs.

4.2 Except as otherwise stated in any notice given under clause 4 1 1 or unless the notice relates to all Charged Assets, Charged Assets acquired by the Borrower after crystallisation has occurred under clause 4 1 shall become subject to the floating charge created by clause 3 1 3, so that the crystallisation shall be effective only as to the Borrower's Charged Assets in existence at the date of crystallisation

4 3 Any charge by the Borrower that has crystallised under clause 4 1 may, by notice in writing given at any time by the Lender to the Borrower, be reconverted into a floating charge in relation to the Charged Assets specified in the notice and if no Charged Assets are specified, the notice shall take effect over all the Charged Assets of the Borrower

5 Borrower's representation and warranties

5 1 The Borrower represents and warrants to the Lender on the date of this Debenture as follows

5 1 1 **Ownership:** The Borrower is the legal and beneficial owner of the Charged Assets free from any Encumbrance other than Permitted Encumbrances

5 1 2 **Liquidation or administration:** No Encumbrance expressed to be created by this Debenture is liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise

6 Borrower's undertakings and covenants

- 6 1** The Borrower covenants not, without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed), to
- 6 1 1** (except in the case of assets charged by way of floating charge only which the Borrower may deal with in the ordinary course of its business) part with possession of, or transfer, sell, lease, assign or otherwise dispose of all or any of the Charged Assets, or attempt or agree to do so,
 - 6 1 2** create, attempt to create, allow to subsist any mortgage, debenture, charge or pledge, increase the amount secured by the Debenture, permit any lien (except a lien arising by operation of law in the ordinary course of trading) or other encumbrance to arise on or affect all or any of the Charged Assets other than a Permitted Encumbrance,
 - 6 1 3** permit any person to be registered as proprietor of any of the Charged Assets under the Land Registration Act 2002 or create or permit to arise any unregistered interest which overrides first registration affecting such property within Schedule 1 to that Act, to become entitled to any proprietary right or interest which might affect the value of any land fixtures or fixed plant and machinery charged by this Debenture,
 - 6 1 4** redeem or purchase its own shares,
 - 6 1 5** cancel, assign or allow to lapse its interest under any credit sale, hire purchase, leasing, rental, licence or similar agreement and to produce proof of payments due under such agreements on request from the Lender,
 - 6 1 6** do or allow any act or omission which may materially prejudice the value to the Lender of the Charged Assets, or
 - 6 1 7** create any subsidiaries
- 6 2** The Borrower covenants that it will, unless, in any case, the Lender has given its written consent otherwise (such consent not to be unreasonably withheld or delayed)
- 6 2 8** carry on its business properly and efficiently and not materially change how it conducts its business,
 - 6 2 9** supply to the Lender within the stated periods
 - (d) a copy of its audited accounts for the last financial period within one week of approval and signature by the board of directors of the Borrower,
 - (e) a copy of its management accounts within two weeks of the end of each month of the Borrower's financial year;
 - (f) such other information relating to the Borrower's business, assets and liabilities as the Lender may reasonably require,
 - 6 2 10** notify the Lender in writing of any breach of this Debenture, the Secured Loan Agreement or any other Security Document, immediately on it becoming aware of such breach,
 - 6 2 11** within five days of request by the Lender give notice to
 - (g) any contracting party to an agreement to be assigned to the Lender of the Lender's interest in such agreement and procure that such contracting party acknowledge the Lender's interest, and
 - (h) any bank or financial institution with whom the Borrower holds an account of the Lender's interest in such account and procure that such bank or financial institution acknowledge the Lender's interest
 - 6 2 12** get in and realise, in the ordinary course of business, all book and other debts and other assets charged under clause 3 1, on receipt pay all monies received in respect of such assets into the account as the Lender may specify prior to which the Borrower will hold such moneys on trust for the Lender and execute such assignment of any such asset as the Lender may require,
 - 6 2 13** in relation to the Land part of the Charged Assets observe all covenants, not enter

into any onerous or restrictive obligation, effect or allow any development within the Town and Country Planning Acts, do, allow or omit anything infringing any statute or regulation and maintain and keep them in good and substantial repair,

- 6 2 14 maintain all plant, machinery, fixtures, fittings, vehicles, computers and office and other equipment part of the Charged Assets in good working order and condition;
- 6 2 15 in relation to the Intellectual Property part of the Charged Assets observe all covenants and obligations and maintain and renew all relevant registrations, permits and licences;
- 6 2 16 institute, pursue and defend proceedings relating to the Charged Assets as required to protect their value and apply moneys from such proceedings in discharge of sums due to the Lender,
- 6 2 17 at its own expense, keep insured any of the Charged Assets to their full replacement value including professional fees and other expenses with reputable insurers against risks normally insured for assets of that type/against such risks as the Lender requests in the name of the Borrower,
- 6 2 18 punctually pay all insurance premiums, have the Lender's interest noted on the policy and produce the insurance documents including any receipt on request of the Lender and, at any time when the security constituted by this Debenture is enforceable, apply moneys received from insurance in discharge of its obligations under this Debenture (other than where such monies are required to be paid to third parties) The Borrower may otherwise utilise insurance proceeds to reinstate assets If the Borrower does not maintain insurance, the Lender may do so at the Borrower's expense,
- 6 2 19 punctually pay, and indemnify the Lender against, all moneys due in respect of the Charged Assets;
- 6 2 20 comply with all statutory, regulatory and other requirements applying to the Charged Assets except where actually or potentially adverse to the Lender's interest, when the Borrower will immediately consult the Lender and make or join the Lender in making such representations as the Lender may request,
- 6 2 21 if requested by the Lender, ensure that each subsidiary of the Borrower guarantees to the Lender payment of all monies covenanted to be paid under this Debenture and charge its undertaking, property and assets to secure such payment in such manner as the Lender may request.

7 Liability of borrower

- 7 1 The Borrower's liability in respect of the Secured Liabilities shall not be discharged or prejudiced by
 - 7 1 1 the renewal, determination, variation or increase of the loan under the Secured Loan Agreement or the acceptance or variation of any compromise, arrangement or settlement or the omission to claim or enforcement of payment from any other person by the Lender, or
 - 7 1 2 any security, guarantee, indemnity, remedy or other right held by or available to the Lender being or becoming wholly or partially illegal, void or unenforceable on any ground, or
 - 7 1 3 any other act or omission which but for this provision might have discharged or otherwise prejudiced the liability of the Borrower
- 7 2 The Borrower may not require the Lender to
 - 7 2 4 enforce any security or other right, or
 - 7 2 5 claim any payment from, or
 - 7 2 6 otherwise proceed,against any other person before enforcing this Debenture against the Borrower.

8 Enforcement

The Lender may enforce this Debenture at any time after the occurrence of an Event of Default which is continuing un-remedied or un-waived

9 Appointment, powers and removal of receivers

9 1 At any time after the security created by this Debenture becomes enforceable the Lender may without further notice appoint in writing any one or more persons to be a receiver or a receiver and manager Where more than one Receiver is appointed they will have the power to act separately (unless the appointment specifies otherwise)

9 2 The Lender may determine the remuneration of the Receiver

9 3 The appointment of a Receiver will not preclude the Lender from appointing a subsequent Receiver over all or any of the Charged Assets whether the previously appointed receiver continues to act or not

9 4 The Receiver will be the agent of the Borrower and the Borrower will be solely liable for the acts, defaults, and remuneration of the Receiver unless and until the Borrower goes into liquidation after which the receiver shall act as principal In no event will the Receiver become the agent of the Lender.

9 5 The Receiver will have and be entitled to exercise all the powers set out in Schedule 1 and Schedule 2 to the Insolvency Act 1986 and the Law of Property Act 1925 and will also have the power, either in his name or in the name of the Borrower

9 5 1 in connection with any sale or other disposition of the Charged Assets, to receive the consideration in a lump sum or in installments and to receive shares and loan notes by way of consideration,

9 5 2 to grant options, licences or any other whatsoever in the Charged Assets,

9 5 3 to sever fixtures from and to repair, improve and make any alterations to, the Charged Assets;

9 5 4 to exercise any voting rights appertaining to the Borrower,

9 5 5 to do all other acts and things which the Receiver may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretion conferred on a Receiver under or by virtue of the Debenture, and

9 5 6 to exercise in relation to any Charged Assets all the powers, authorities and things which he would be capable of exercising if he was absolute beneficial owner of the same,

9 6 Neither the Lender nor the Receiver will be liable to account as mortgagee in possession or otherwise for any money not actually received by the Lender or the Receiver

9 7 Section 109 of the Law of Property Act 1925 will not apply to this Debenture or to any security it creates

10 Powers of sale, leasing etc

10 1 Section 103 of the Law of Property Act 1925 shall not apply to this Debenture but the statutory power of sale will as between the Lender and a purchaser arise on and be exercisable at any time after the execution of this Debenture but the Lender will not exercise such power unless the security created by this Debenture has become enforceable or after the appointment of a Receiver under clause 9

10 2 The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender are extended to allow the Lender to grant or surrender leases of any land vested in the Borrower or in which it has an interest on such terms and conditions as the Lender may think fit

- provided that the security constituted by this Debenture has become enforceable
- 10.3 The statutory power of sale exercisable by the Lender is extended to allow the Lender to sever any fixtures from the land and sell them separately
- 10.4 No person dealing with the Lender or a Receiver, its agents or delegates will be concerned with whether this Debenture has become enforceable, whether any power exercised or purported to be exercised has become exercisable, whether any of the Secured Liabilities remain due upon this Debenture, as to the necessity or expediency of any stipulations and conditions subject to which the sale of any Charged Asset is made, as to the propriety or regularity of the sale of any Charged Asset or to see to the application of any money paid to the Lender or the Receiver, or its agents or delegates and each dealing shall be deemed to be within the powers conferred by this Debenture and to be valid and effectual accordingly
- 10.5 Section 93 of the Law of Property Act 1925 will not apply to this Debenture or to any security it creates
- 11 New accounts**
- 11.1 On receiving notice that the Borrower has encumbered or disposed of any of the Charged Assets the Lender may rule off the Borrower's account and open a new account in the name of the Borrower
- 11.2 If the Lender does not open a new account on receipt of a notice as from that time all payments made to the Lender will be treated as if they had been credited to a new account and will not reduce the amount owing from the Borrower at the time when the notice was received
- 12 Attorney**
- 12.1 By way of security the Borrower irrevocably appoints the Lender, whether or not a Receiver has been appointed, and any Receiver separately as Borrower's attorney with full power to appoint substitutes and to delegate in its name and on its own behalf and as its act and deed or otherwise at any time after this security has become enforceable to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, or perform any act that may be required of the Borrower under this Debenture, or may be deemed by such attorney necessary or desirable for any purpose of this Debenture or to enhance or perfect the security intended to be constituted by the Attorney or to convey or transfer legal ownership of any Charged Assets
- 12.2 The Borrower will ratify and confirm all transactions entered into by the Lender or Receiver in the proper exercise of their powers in accordance with this Debenture and all transactions entered into by the Lender or the Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, deed, assurance, document or act as aforesaid
- 13 Application of moneys received**
- 13.1 Any money received under this Debenture will, subject to the discharge of any prior-ranking claims, be paid or applied in the following order of priority
- 13.1.1 in satisfaction of all costs, charges and expenses incurred and payments made by the Lender and/or the Receiver and of the remuneration of the Receiver,
- 13.1.2 in or towards satisfaction of the Secured Liabilities, and
- 13.1.3 as to the surplus, if any, to the person or persons entitled to it
- 13.2 The Lender may, in its absolute discretion on or at any time or times after demand and pending the payment to the Lender of the whole of the Secured Liabilities, place and keep to the credit of a separate or suspense account any money received, recovered or realised by the Lender by virtue of this Debenture for so long and in such manner as the Lender may determine without any intermediate obligation to apply it in or towards the discharge of any of

the Secured Liabilities

14 Indemnity

- 14 1 The Borrower will indemnify the Lender against all and any properly incurred costs, charges and expenses arising.
- 14 1 1 out of any of the assets charged or assigned pursuant to clause 3 resulting in the Borrower or the Lender or the Receiver infringing or allegedly infringing any third party rights, and
- 14 1 2 in relation to any proceedings referable to the Borrower brought against the Lender and/or the Receiver or to which the Lender and/or the Receiver may be joined whether as the plaintiff or defendant that relate to any of the Charged Assets.
- 14 2 The Borrower agrees that if it fails to pay any moneys owing in respect of the Charged Assets or to take (or not take) any action which might materially diminish the value of the Charged Assets to the Lender, the Lender may pay such monies or take such action and recover the cost from the Borrower
- 14 3 The Borrower indemnifies the Lender and its employees and agents fully at all times against any claim, liability, loss or expense properly incurred by the Lender directly or indirectly as a result of any delay or failure of the Borrower in complying with clause 6 or with any law, regulation, directive or code of practice applicable to the Borrower or to its business or the Charged Assets or relating to the protection of the environment or to health and safety matters
- 14 4 Without prejudice to the generality of this clause the costs recoverable by the Lender and/or any Receiver under this Debenture shall include
- 14 4 1 all costs properly incurred by the Lender and the beneficiaries in preparing and administering this Debenture or perfecting the security created by it,
- 14 4 2 all costs properly incurred, whether or not allowable on a taxation by the Court, of all proceedings for the enforcement of this Debenture or for the recovery or attempted recovery of the Secured Liabilities,
- 14 4 3 all money expended and all costs properly arising out of the exercise of any power, right or discretion conferred by this Debenture; and
- 14 4 4 all costs properly arising from any default by the Borrower in the payment when due of any of the Secured Liabilities or the performance of its obligations under this Debenture
- 14.5 Any overdue amounts secured by the Debenture will carry interest at the Default Rate Interest will accrue on a day-to-day basis to the date of repayment Interest shall continue to be charged on this basis after as well as before any demand or judgment There shall be no double recovery of interest where it is charged at a default rate under any document evidencing the Secured Liabilities
- 14 6 Money received or held by the Lender pursuant to this debenture may, from time to time after demand of all or any part of the Secured Liabilities has been made, be converted into such currency as the Lender considers necessary or desirable to discharge the Secured Liabilities in that currency at the Lender's bank's then prevailing spot rate of exchange for purchasing the currency to be acquired with the existing currency

15 Release

- 15 1 The Lender will, at the request and cost of the Borrower, execute all documents as the Borrower may reasonably require to release the Charged Assets from the security constituted by this Debenture

16 Continuing security

16.1 This Debenture will remain as continuing security in favour of the Lender, regardless of the settlement of any account or any other matter whatever and will be without prejudice and in addition to any and all other rights, remedies or security which is or are in place now or in the future in respect of any Charged Assets in favour of the Lender for the payment of an Indebtedness

17 Further security

The Borrower will on the demand of the Lender execute and deliver to the Lender at the cost of the Borrower any document that the Lender requires further to secure the payment of the Secured Liabilities, or to create, enhance or perfect any fixed security over any of the Charged Assets or to give full effect to this debenture or to vest title to any of the Charged Assets in the Lender or the Lender's nominee or any purchaser

18 Miscellaneous

18.1 Variation

Variations to this Agreement will only have effect when agreed in writing by the parties' authorised representatives

18.2 Severability

The unenforceability of any part of this Agreement will not affect the enforceability of any other part

18.3 Waiver

Unless otherwise agreed, no delay, act or omission by either party in exercising any right or remedy will be deemed a waiver of that, or any other, right or remedy

18.4 Consent

Consent by a party, where required, will not prejudice its future right to withhold similar consent

18.5 Further assurance

Each party will, at the cost of the Borrower, do all further acts and execute all further documents necessary to give effect to this Debenture

18.6 Rights of third parties

This Debenture is not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999

18.7 Assignment and subcontracting

18.7.1 The Lender may not assign any of its rights under this Debenture or transfer all its rights or obligations by novation without obtaining the prior written consent of the Borrower

18.7.2 The Borrower may not assign any of its rights or transfer any rights or obligations under this Debenture

18.8 Entire agreement

This Debenture and documents referred to in it represent the entire agreement between the parties and supersede all previous agreements, term sheets and understandings relating to the Loan made available in this Debenture whether written or oral

18.9 Succession

This Debenture will bind and benefit each party's successors and assignees

18.10 Counterparts

This Debenture may be signed in any number of separate counterparts. Each, when executed and delivered by a party, will be an original, all counterparts will together constitute one instrument

19 Notices

19.1 Notices under this Debenture will be in writing and sent to the persons and addresses in clause 19.2. They may be given, and will be deemed received:

19.1.1 by first-class post two Business Days after posting,

19.1.2 by airmail seven Business Days after posting,

19.1.3 by hand on delivery,

19.1.4 by facsimile: on receipt of a successful transmission report from the correct number

19.2 Notices will be sent

19.2.1 to the Borrower at its registered office from time to time for the attention of Dave Curzon,

19.2.2 to the Lender at its registered office from time to time for the attention of Andrew Smith

20 Governing law and jurisdiction

20.1 This Debenture is governed by the laws of England and Wales

20.2 The parties will submit to the exclusive jurisdiction of the courts of England and Wales

IN WITNESS WHERE OF the Parties have executed and delivered this Deed on the day and year first above written

EXECUTED AS A DEED)

by MEARS GROUP PLC)

Ad Sp

acting by one director)

in the presence of)

Director ANDREW SMITH

Witness Signature *A.L.*

Name ADAM KEAN

Address

BPE SOLICITORS LLP
St James' House, St James' Square
Cheltenham
Gloucestershire GL50 3PR
Telephone (01242) 224433

Occupation SOLICITOR

EXECUTED AS A DEED)

by HAYDON MECHANICAL &)

ELECTRICAL LIMITED)

acting by one director)

in the presence of)

Director

Witness Signature

Name

Address

Occupation

EXECUTED AS A DEED)

by MEARS GROUP PLC)

acting by one director)

in the presence of)

Director

Witness Signature

Name

Address

Occupation

EXECUTED AS A DEED)

by HAYDON MECHANICAL &)

ELECTRICAL LIMITED)

acting by one director)

in the presence of)

Director

Witness Signature

Name TOM POTTS

Address 44 Baker Street, London

Occupation Solicitor



SCHEDULE 1

Land charged by way of legal mortgage

Part 1: Registered Land

Description and address Title number

Part 2: Unregistered Land

Description and address Document[s] evidencing root of title

SCHEDULE 2

Assets charged by way of fixed charge

- 1 All shares held by the Borrower in any other company whether a subsidiary or not
- 2 All or any stocks, shares (other than those described in paragraph 1 above), bonds and securities of any kind (marketable or otherwise), negotiable instruments, warrants, loan notes and any other financial instruments held by the Borrower
- 3 All dividends, allotments, options, bonuses, rights issues, offers, benefits and advantages accruing, arising or offered in respect of the shares and investments described in paragraphs 1 and 2 above
- 4 All fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment of the Borrower and the benefit of any agreements, licences and warranties in respect thereof
- 5 All book debts of the Borrower arising in the ordinary course of its business and all benefits, security and rights held in or to secure the payment of the book debts
- 6 All Intellectual Property belonging to the Borrower
- 7 All present and future goodwill in the Borrower
- 8 All uncalled capital in the Borrower
- 9 All rights under any agreement to which the Borrower is a party which has not been assigned to the Lender