



Registration of a Charge

Company name: **HORSTMAN DEFENCE SYSTEMS LIMITED**

Company number: **01511975**



X65TZCRN

Received for Electronic Filing: **05/05/2017**

Details of Charge

Date of creation: **02/05/2017**

Charge code: **0151 1975 0012**

Persons entitled: **AMICUS ASSET FINANCE GROUP LIMITED**

Brief description: **THE FREEHOLD PROPERTY AT LOCKSBROOK ROAD, BATH BA1 3EX
TITLE NUMBER AV236269**

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **JEREMY GUILFOYLE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1511975

Charge code: 0151 1975 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd May 2017 and created by HORSTMAN DEFENCE SYSTEMS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th May 2017 .

Given at Companies House, Cardiff on 8th May 2017

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 2 MAY 2017

HORSTMAN DEFENCE SYSTEMS LIMITED (1)

and

AMICUS ASSET FINANCE GROUP LIMITED (2)

MORTGAGE OF LAND & CHATTELS

(corporate direct)

THIS DEED OF MORTGAGE is made on
BETWEEN

2 MAY 20 17

- (1) THE COMPANY described as the Company in part 1 of the schedule to this Deed (referred to below as the Company); and
- (2) AMICUS ASSET FINANCE GROUP LIMITED (a company registered in England and Wales with number 04286156) of 7, Air Street, London, W1B 5AF (referred to below as the Lender).

1 Definitions and interpretation

1.1 Definitions: In this Deed:

Associate means any present or future holding company, subsidiary (or subsidiary of any such holding company) of the Lender from time to time (but only for so long as the Associate remains such a holding company, subsidiary or subsidiary of such a holding company of the Lender);

Business Day means any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling in the City of London;

Charged Assets means all of the property, assets, rights and undertaking of the Company described in clause 3.1 (and also any part or interest in the same where the context permits);

Default Rate means the rate of interest per annum referred to in clause 2.1.3;

Enforcement Date means the date on which the Lender demands the payment or discharge of all or any part of the Secured Obligations or serves notice that an Enforcement Event has occurred;

Enforcement Event means any of: (a) the failure by the Company to pay when due any Secured Obligation, (b) the failure by the Company to comply with any of its obligations under this Deed, (c) a petition being presented or a notice or an application being given or filed for the administration or liquidation of the Company, (d) the Company being wound up (either compulsorily or voluntarily), (e) the Company entering into any composition or voluntary arrangement (whether under the Insolvency Act 1986 or otherwise) with the Company's creditors generally or any class of them or (f) any person taking any step to enforce any security over the Charged Assets;

Environmental Claim means any claim, notice of violation, prosecution, demand, action, official warning, abatement or other order (conditional or otherwise) relating to Environmental Matters and any notification or order requiring compliance with the terms of any Environmental Licence or Environmental Law;

Environmental Laws includes all or any laws, statutes, rules, regulations, treaties, directives, directions, by-laws, codes of practice, circulars, guidance notes, orders, notices, demands, decisions of the courts or anything like any of the foregoing of any governmental authority or agency or any regulatory body or any other body whatsoever in any jurisdiction or the European Community relating to Environmental Matters applicable to the Property, the operation of any business carried on at or using the Property or the occupation or use of the Property;

Environmental Licence means any permit, licence, authorisation, consent or other approval required at any time by any Environmental Law in relation to the Property or the occupation or use of, or the operation of any business from or using, the Property;

Environmental Matters means (a) the generation, deposit, disposal, keeping, treatment, transportation, transmission, handling, importation, exportation, processing, collection, sorting, presence or manufacture of any waste (as defined in the Environmental Protection Act 1990) or any other substance of any kind which is capable of causing harm to man or the environment; (b) nuisance, noise, defective premises, health and safety at work or elsewhere; (c) the carrying out of any development; and (d) the pollution, conservation or protection of the environment (both natural and built) or of man or any living organisms supported by the environment or any other matter whatsoever affecting the environment or any part of it;

Finance House Base Rate means the Finance House Base Rate as published by the Finance and Leasing Association;

Full Title Guarantee has the meaning ascribed by the Law of Property (Miscellaneous Provisions) Act 1994.

Goodwill means the goodwill and connection of, and rights that the Company has in, any business carried on by or for the account of the Company upon all or any part of the Property;

Insurances means all contracts and policies of insurance taken out by or on behalf of the Company in relation to the Charged Assets (or its interest in the same);

Mortgaged Chattel Assets means all of the assets listed in part 3 of the schedule to this Deed (if any) together with all additions, alterations, accessories, replacements and renewals from time to time thereto, any component parts (whether or not attached) and all log books and records relating to the same (if no such assets are listed in such part 3 then all references to the expression *Mortgaged Chattel Assets* in this Deed should be ignored);

Mortgaged Licences means all present and future licences (if any) (excluding any Environmental Licences) held in connection with any business at any time carried on by the Company at the Property;

Property means the land and property referred to in part 2 of the schedule to this Deed, all rights attaching or appurtenant to such land and property, all buildings, structures and fixed plant and machinery from time to time on it and which belong to the Company, and where the context permits, it also means any part of the same;

Receiver means any one or more receiver or receivers and managers appointed (either originally or as a substituted receiver or receivers) under this Deed; and

Secured Obligations means all money, obligations and liabilities covenanted to be paid or discharged under clause 2 or any other clause of this Deed or which are otherwise intended to be secured by this Deed.

1.2 **Interpretation:** In this Deed:

- 1.2.1 the expressions **the Company** and **the Lender** where the context permits, includes their respective successors in title, transferees and/or assigns, whether immediate or derivative (although no transfer or assignment will be effective unless permitted by clause 13.6);
- 1.2.2 references to **clauses** and **schedules** are to clauses of and schedules to this Deed;
- 1.2.3 words in the singular include the plural and vice versa;
- 1.2.4 references to any statutory provision shall be construed as referring to the statutory provision as replaced, amended or re-enacted from time to time;
- 1.2.5 a reference to a "**person**" will be construed to include any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

- 1.2.6 references to (or to any provision of) this Deed or any other agreement or document include references to it as altered, supplemented or replaced in any manner and from time to time;
- 1.2.7 the expression **document** includes information recorded in any form, **expenses** includes costs, charges and expenses of every description (and all VAT charged on them), **development** will be given the meaning ascribed by the Town & Country Planning Acts, **notice** includes a demand, consent or waiver and **written** in relation to a notice given by the Lender under this Deed includes sent by fax;
- 1.2.8 the expression **subsidiary** means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006 which for this purpose shall be treated as including any person the shares or ownership interests in which are subject to security and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such security;
- 1.2.9 the expression **holding company** means, in relation to a company or corporation, any other company or corporation in respect of which it is a subsidiary;
- 1.2.10 the word **land** has the meaning given in Schedule 1 to the Interpretation Act 1978; and
- 1.2.11 if a particular freehold or leasehold interest in any land is specifically described as such in part 2 of the schedule to this Deed then the expression **the Property** when used in this Deed will be understood to also refer to and to encompass any other estate or interest in such land from time to time owned by the Company.
- 1.3 **Headings:** clause headings shall be ignored in interpreting this Deed.
- 2 **Covenant to pay**
- 2.1 **Secured Obligations:** The Company agrees that it will on demand pay to the Lender (as agent and trustee for itself first and then each Associate):
- 2.1.1 all monies and discharge all obligations and liabilities now or at any time in the future due, owing or incurred to the Lender and each Associate when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied, present, future or contingent, joint or several, or incurred as principal or surety or howsoever they may arise;
- 2.1.2 all costs and expenses (including legal costs) together with VAT as incurred by the Lender, any Associate and/or any Receiver in relation to the Company, this Deed, the Charged Assets or the recovery of the Secured Obligations including all expenses incurred in registering, perfecting, defending, preserving or enforcing the security created by this Deed, in locating the Mortgaged Chattel Assets or any other chattel assets mortgaged or charged by this Deed, in attempting to do any of the same or in defending any such actions (all such costs and expenses being payable on a full indemnity basis);
- 2.1.3 additional interest on all amounts demanded from the date of demand to the date of payment at such rates as may from time to time be agreed or, in the absence of agreement, at the rate of 5 per cent per annum above the published Finance House Base Rate from time to time; and
- 2.1.4 all other amounts payable under any other clause of this Deed.
- 2.2 **No deductions:** The Company agrees that the Secured Obligations and all other amounts payable under this Deed will be paid without deduction, set off or counterclaim of any kind.
- 2.3 **Interest terms:** The Company will pay interest at the rate referred to above to the date of payment (as well after as before demand or judgment) upon such days as the Lender may from time to time determine and such interest shall be compounded with rests on such days until paid (although without prejudice to the right to require payment of such interest). The agreement to pay interest under clause 2.1.3 does not prejudice the terms of any other agreement or entitlement to interest; its purpose is to ensure that interest will at least accrue at the rate referred to in clause 2.1.3 from the date of demand.

3 **Security**

3.1 **Security** The Company with Full Title Guarantee and as a continuing security for the payment and discharge of the Secured Obligations:

- 3.1.1 **Property:** charges to the Lender by way of legal mortgage the Property together with all rights, easements and privileges appurtenant to or benefiting the same;
- 3.1.2 **Goodwill and Mortgaged Licences:** assigns absolutely to the Lender all of the Goodwill and the full benefit of the Mortgaged Licences (if any);
- 3.1.3 **Related property assets:** assigns to the Lender the benefit of all guarantees or covenants by any surety or sureties of any lessee's obligations under any lease, underlease or licence of the Property and all other debts or monetary claims and rights to compensation to which the Company is entitled or to which it may become entitled in its capacity as owner of the Property;
- 3.1.4 **Mortgaged Chattel Assets:** charges to the Lender by way of first fixed charge all of its right, title and interest in the Mortgaged Chattel Assets and assigns absolutely to the Lender the full benefit of all warranties, guarantees, servicing and maintenance agreements and other contracts of any kind relating to the same;
- 3.1.5 **Other property rights:** charges to the Lender by way of first fixed charge all and any interests in land, easements, benefits or rights acquired by the Company at any time in the future which benefit the Property or are treated by the Company as being part of the same property or land as the Property;
- 3.1.6 **Other fixed plant:** charges to the Lender by way of first fixed charge all other fixed plant and machinery from time to time at the Property not comprised within the Mortgaged Chattel Assets (and the full benefit of all warranties, guarantees, servicing and maintenance agreements and other contracts of any kind relating to the same);
- 3.1.7 **Insurances:** charges to the Lender by way of first fixed charge all present and future right, title and interest in the Insurances including to all moneys from time to time payable to the Company under or pursuant to the Insurances and the right to all claims and refund of any premiums; and
- 3.1.8 **Floating charge:** charges to the Lender by way of floating charge all movable plant, machinery, equipment, utensils, furniture, goods and other assets now or from time to time placed on or used in or about the Property and which have not been effectively mortgaged or charged by a fixed charge by any other part of this clause 3.1.

The security created by this Deed is given to the Lender as agent and trustee for itself first and then each Associate and will extend to all beneficial interests in the Charged Assets and (without prejudice to the fixed nature of the security created or to the covenants in this Deed) to all proceeds of sale or other realisation.

3.2 **Warranty:** The Company confirms that it is the sole legal and beneficial owner of the Charged Assets and that the security created by this Deed includes the entirety of the Company's interest in the Charged Assets and the proceeds of sale thereof.

3.3 **Further charge:** Without prejudice to the warranty contained in clause 3.2 and all remedies which the Lender may have thereunder, if the Company is not the sole legal owner of the Property or if this Deed does not create an effective legal mortgage of the Property for any reason:

- 3.3.1 this Deed will operate as an equitable fixed charge on such right, title and interest as the Company does have in the Property; and
- 3.3.2 the Company will procure that a legal mortgage is granted to the Lender of the Property forthwith.

3.4 **Set Off:** The Company irrevocably and unconditionally agrees that if the Lender and/or any Associate at any time owes the Company any money, obligation or liability then the Lender may set off the same

against the Secured Obligations due to the Lender and/or any Associate, but that (subject to rule 4.90 Insolvency Rules 1986) the Lender shall not be obliged to do this.

- 3.5 **H. M. Land Registry:** The Company now applies to the Chief Land Registrar for the registration of the following restriction against the Property and the registered title(s) (if any) specified in part 2 of the schedule to this Deed (and against any title to any unregistered property specified in part 2 of the schedule to this Deed which is or ought to be the subject of a first registration of title at H.M. Land Registry at the date of this Deed or as a result of this Deed having been entered into):

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated.... in favour of Amicus Asset Finance Group Limited referred to in the charges register"

The Company certifies that nothing in this Deed contravenes any of the terms of its memorandum and articles of association.

- 3.6 **Assignments:** In respect of the Charged Assets which are assigned to the Lender under clause 3.1:

3.6.1 they are assigned absolutely but subject to reassignment in the circumstances specified in clause 3.6.2;

3.6.2 upon all Secured Obligations being paid or discharged in full and there being no future or contingent Secured Obligations which may arise, the Lender shall, at the request and cost of the Company, reassign such Charged Assets to the Company. A redemption administration fee of £100 will be payable; and

3.6.3 the Lender may (but shall not be obliged to) and the Company shall promptly on request by the Lender (but not otherwise), give to any relevant third parties such notices of assignment as the Lender shall from time to time require.

- 3.7 **Prior Mortgages:** if no details are completed in part 4 of the schedule to this Deed then the Company confirms that the security created by this Deed is first ranking in all respects. If details of any prior mortgage or charge have been inserted (referred to in this Deed as the **Prior Mortgage(s)**) then the Company and the Lender agree that, unless and to the extent otherwise agreed with the prior mortgagee(s), the security created by this Deed will be postponed and rank behind the Prior Mortgage(s) to the extent noted in part 4 of the schedule (and that such postponement will not be prejudiced by any fluctuation in the amounts owed to the prior mortgagee(s) or the Lender). The Company agrees that it will pay when due all amounts secured by any Prior Mortgage, that it will not allow any greater amount than is specified in part 4 of the Schedule to this Deed to be secured thereby and will provide evidence to the Lender on request of payment when due of all and any amounts payable to such Prior Mortgagee(s). The Company authorises such Prior Mortgagees to provide any information the Lender may request in regard to amounts owed to it by the Company.

- 3.8 **Subsequent encumbrances:** If the Lender receives notice of any subsequent mortgage, charge or other encumbrance affecting the Charged Assets or any part thereof, the Lender may open a new account for the Company. If it does not do so then, unless the Lender gives express written notice to the contrary to the Company, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made by or on behalf of the Company to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Company to the Lender or otherwise secured by this Deed at the time when it received such notice.

- 3.9 **Priority of claims and no liability as trustee:** the Lender may, in its absolute discretion, determine the respective claims of itself and each Associate to amounts realised under this Deed and accordingly all obligations to marshal securities (or to appropriate realisations in any particular manner) are excluded. All duties and liabilities arising from the Lender acting under this Deed as a trustee for each Associate are also excluded.

4 **Undertakings**

- 4.1 **Property covenants:** The Company agrees that it will keep the Property and the other Charged Assets in good and substantial repair and condition, that it will comply with all obligations affecting the

Property (including the terms of any lease of the Property), that it will not carry out (or permit to be carried out) any structural alterations to or any development of the Property (without first obtaining the prior written consent of the Lender) and that it will pay (and indemnify the Lender and any Receiver against) all present and future rent, rates, taxes, duties and charges arising or payable in respect of the Property.

4.2 **Insurance:** The Company agrees that it will insure (and keep insured) the Charged Assets on terms and with a UK insurer approved by the Lender, for their full replacement or reinstatement cost from time to time and against all normal and prudent risks and any further contingencies nominated by the Lender from time to time. The Company will procure that the Lender's interest is noted on the insurance policy, that the Lender is recorded as the first loss payee and that the policy contains mortgagee protection language acceptable to the Lender to ensure that the policy would not be invalidated as against the Lender due to the acts or omissions of the Company alone. The Company further authorises the Lender (and appoints the Lender as its agent) to deal directly with the insurer on its behalf, to pay any premium not paid by the Company in breach of its obligations under this Deed, to agree or compromise any claims relating to the Charged Assets and to receive any insurance proceeds to be applied in accordance with the terms of this Deed. the Lender is not obliged to exercise any of the rights given to it by this clause.

4.3 **Environmental:** The Company agrees to ensure that any business from time to time carried on at the Property (and the use of the Property) complies in all respects with all Environmental Laws and that the Lender is promptly informed of any Environmental Claim that may be threatened or made against the Company or any occupier of the Property. The Company agrees to ensure that no substance is brought to the Property which could give rise to an Environmental Claim without first obtaining all necessary licences and permits and complying with all Environmental Laws applicable to same.

4.4 **Access and information:** The Company further agrees that it will give the Lender (and its representatives or nominees) immediate access to the Property on request during normal working hours on any normal working day (and immediate access at any time on or after the Enforcement Date) to inspect the Property and to check that the Company is complying with its obligations to the Lender. The Company agrees to give the Lender promptly such information as it may from time to time request regarding the Charged Assets.

4.5 **Restrictions:** The Company agrees that it will not (without the prior written consent of the Lender):

4.5.1 create or permit to subsist, or arise any mortgage, debenture, charge or pledge on all or any of the Charged Assets, save only for the Prior Mortgage(s); or

4.5.2 part with possession or share occupation of the whole or any part of the Property; or

4.5.3 sell, lease, let, sub-let or otherwise dispose of the whole or any part of the Charged Assets (save for a sale of assets charged by floating charge by clause 3.1.8 only made in the ordinary course of business).

In particular the Company agrees not to dispose of any of the Mortgaged Chattel Assets, whether by way of sale, lease, licence or sub licence without first obtaining the Lender's prior written consent.

4.6 **Statutory power of leasing:** The Company accepts and agrees that during the continuance of the security created by this Deed the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Company in relation to the Charged Assets or any part thereof.

4.7 **Power to remedy:** If the Company fails to comply with any of its obligations contained in this Deed the Lender shall, without prejudice to any other rights arising as a consequence of such default, be entitled (but not bound) to make good such failure and the Company irrevocably authorises the Lender and its agents by way of security to do all such things (including, without limitation, entering the Company's property) necessary or desirable in connection therewith. Any money spent or liability incurred by the Lender shall be repayable by the Company to the Lender on demand together with interest at the Default Rate from the date of payment by the Lender until such repayment, both before and after judgment, and will be included in the Secured Obligations. No exercise by the Lender of its powers under this clause 4.7 shall make it liable to account as a mortgagee in possession.

5 **Further Assurance**

5.1 **Further assurance:** The Company shall if and when at any time required by the Lender execute such further security in favour of the Lender and do all such acts and things as the Lender shall from time to time require over or in relation to all or any of the Charged Assets to further secure the Secured Obligations or to perfect or protect the security intended to be created by this Deed over the Charged Assets or any part thereof or to facilitate the realisation and enforcement of the same.

5.2 **Certain documentary requirements:** Such further security shall be prepared by or on behalf of the Lender at the expense of the Company and shall contain (a) an immediate power of sale without notice, (b) a clause excluding section 93 Law of Property Act 1925 and the restrictions contained in section 103 Law of Property Act 1925 and (c) such other clauses for the benefit of the Lender as the Lender may require.

6 **Certain powers of the Lender: Enforcement**

6.1 **Powers on enforcement:** At any time on or after the Enforcement Date or if requested by the Company, the Lender may, without further notice, without the restrictions contained in section 103 Law of Property Act 1925 and whether or not a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed and all the powers and discretions conferred by this Deed on a Receiver either expressly or by reference. All of such powers arise on the date of this Deed.

6.2 **Crystallisation:** At any time on or after the Enforcement Date or if requested by the Company the Lender may crystallise the floating charge created by clause 3.1.8 by written notice to the Company over all of any of the assets charged by such clause.

6.3 **Statutory power of leasing:** the Lender shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Lender shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 Law of Property Act 1925.

6.4 **Prior Mortgage:** If there is a Prior Mortgage then the Lender and any Receiver may settle and agree the amount due to the prior mortgagee and any such settlement will bind the Company provided the Lender or the Receiver acted in good faith.

6.5 **Contingencies:** If the Lender enforces the security constituted by this Deed at a time when no amount in respect of the Secured Obligations is due and payable, or when the amount due and payable is not fully ascertained or when the Company is subject to an actual or proposed voluntary arrangement or a winding-up petition is pending or an order granted, the Lender (or the Receiver) may pay the proceeds of any recoveries received into an interest bearing suspense account at a UK clearing bank. The Lender may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of such suspense account for application (a) firstly, in paying all costs, charges and expenses incurred and payments made by the Lender (or the Receiver) in the course of such enforcement; (b) secondly, in paying remuneration to the Receiver as and when the same becomes due and payable; and (c) thirdly, in paying amounts due and payable in respect of the Secured Obligations as and when the Lender considers it appropriate to do so.

7 **Appointment and Powers of Receiver**

7.1 **Appointment:** At any time on or after the Enforcement Date or if requested by the Company, the Lender may by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any person to be a Receiver of the Charged Assets or any part thereof. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally and independently of any other joint Receivers, except to the extent that the Lender may specify to the contrary in the appointment. The Lender may remove any Receiver so appointed and appoint another in his place.

7.2 **Receiver as agent:** Any Receiver shall be the agent of the Company and the Company shall be solely responsible for his acts or defaults and for his remuneration.

7.3 **Powers of Receiver:** In relation to the Charged Assets, any Receiver shall have all the powers conferred from time to time on receivers by statute (in the case of powers conferred by the Law of Property Act

1925, without the restrictions contained in section 103 of that Act) and power on behalf and at the expense of the Company (notwithstanding any liquidation or dissolution of the Company) to do or omit to do anything which the Company could do or omit to do in relation to the Charged Assets or any part thereof. In particular (but without limitation) a Receiver shall have power to do all or any of the following acts and things:

- 7.3.1 Take possession: take possession of, collect and get in all or any of the Charged Assets;
- 7.3.2 Manage Property: manage, develop, alter, improve or reconstruct the Property or concur in so doing; buy, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage; acquire, renew, extend, grant, vary or otherwise deal with easements, rights, privileges and licences over or for the benefit of the Property;
- 7.3.3 Manage business: carry on, manage, develop or diversify or concur in carrying on, managing, developing or diversifying any business of the Company at any time carried on at the Property and for any of those purposes receive, retain or use any Mortgaged Chattel Assets or other assets charged by this Deed and any proceeds, books or records of such business;
- 7.3.4 Borrow money: raise or borrow any money from or incur any other liability to the Lender or others on such terms with or without security as he may think fit and so that (subject to the consent of the Lender) any such security may be or include a charge on the whole or any part of the Charged Assets ranking in priority to the security created by this Deed or otherwise;
- 7.3.5 Dispose of assets: without the need to observe any of the provisions of sections 99 and 100 of such Act, sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Assets or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Assets in the name and on behalf of the Company or otherwise and so that covenants and contractual obligations may be granted and assumed in the name of and so as to bind the Company (or other the estate owner) if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all the Secured Obligations; plant, machinery and other fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Company;
- 7.3.6 Compromise contracts: make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
- 7.3.7 Repair and maintain assets: make and effect such repairs, renewals and improvements to the Charged Assets or any part thereof as he may think fit and maintain, renew, take out or increase insurances;
- 7.3.8 Appoint employees: appoint managers, agents, officers and employees for any of the purposes referred to in this clause 7 or to guard or protect the Charged Assets at such salaries and commissions and for such periods and on such terms as he may determine and may dismiss the same;
- 7.3.9 Exercise statutory leasehold powers: without any further consent by or notice to the Company exercise for and on behalf of the Company all the powers and provisions conferred on a landlord or a tenant by the Landlord and Tenant Acts, the Rent Acts, the Housing Acts or the Agricultural Holdings Act or any other legislation from time to time in force in any relevant jurisdiction relating to security of tenure or rents or agriculture in respect of the Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;

- 7.3.10 Legal proceedings: institute, continue, enforce, defend, settle or discontinue any actions, suits or proceedings in relation to the Charged Assets or any part thereof or submit to arbitration as he may think fit;
- 7.3.11 Execute documents: sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the security created by or pursuant to this Deed and to use the name of the Company for all the purposes aforesaid;
- 7.3.12 Insolvency Act powers: exercise all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 as if the words "he" and "him" referred to the Receiver and "company" referred to the Company.
- 7.4 Remuneration: the Lender may from time to time determine the remuneration of any Receiver and section 109(6) Law of Property Act 1925 shall be varied accordingly. Subject to any agreement to the contrary with the Lender, a Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm.
- 8 **Application of Proceeds; Purchasers**
- 8.1 Application of proceeds: All moneys received by the Lender or by any Receiver shall be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Secured Obligations, in or towards satisfaction of an equal amount of the Secured Obligations, except that the Lender may credit the same to a suspense account at a UK clearing bank for so long and in such manner as the Lender may from time to time determine and the Receiver may retain the same for such period as he and the Lender consider expedient.
- 8.2 Insurance proceeds: All moneys receivable by virtue of any of the Insurances shall be paid to the Lender (or if not paid by the insurers directly to the Lender shall be held on trust for the Lender) and shall at the option of the Lender be applied in replacing, restoring or reinstating the Property (any deficiency being made good by the Company) or (except where the Company is obligated (as landlord or tenant) to lay out such insurance moneys under the provisions of any lease of any of the Charged Assets) in reduction of the Secured Obligations.
- 8.3 Protection of purchasers: No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Lender or any Receiver to exercise any of the powers conferred by this Deed has arisen or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.
- 9 **Indemnities; Exclusions**
- 9.1 Indemnity from Charged Assets: the Lender and any Receiver, attorney, agent or other person appointed by the Lender under this Deed and the Lender's and the Receiver's officers and employees (each an **Indemnified Party**) shall be entitled to be indemnified out of the Charged Assets in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort, delict or otherwise and whether arising at common law, in equity or by statute which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising directly or indirectly out of or as a consequence of:
- 9.1.1 anything done or omitted in the exercise or purported exercise of the powers contained in this Deed; or
- 9.1.2 any breach by the Company of any of its obligations under this Deed; or
- 9.1.3 any Environmental Claim made or asserted against an Indemnified Party
- and independently of (and in addition to any right to be indemnified from the Charged Assets) the Company shall indemnify the Lender and any Receiver on demand against all such matters.
- 9.2 No liability as mortgagee in possession: Neither the Lender, nor any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets or be liable for any loss upon

realisation or for any neglect or default of any nature whatsoever for which a mortgagee in possession may be liable as such (provided that this clause does not purport to exclude liability for fraud).

10 Effect of Enforcement Date

10.1 Cancellation of commitment: On the Enforcement Date, the Lender (and its Associates) shall cease to be under any further commitment or legal obligation to the Company (whether under any loan facility, finance agreement, equipment or other leasing or factoring facility or of any other kind or under any other contract whatsoever), all Secured Obligations (other than contingent liabilities) of the Company not otherwise so payable shall immediately become payable on demand and the Company shall provide cash cover to the Lender on demand for the maximum amount of any contingent liabilities owed to the Lender and/or any Associate.

11 Power of Attorney

11.1 Power of attorney: The Company by way of security hereby irrevocably appoints each of the Lender and any Receiver severally to be its attorney in its name and on its behalf:

11.1.1 to execute and complete any documents or instruments which the Lender or such Receiver may require for perfecting the title of the Lender to the Charged Assets or for vesting the same in the Lender, its nominees or any purchaser;

11.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document referred to in clause 5;

11.1.3 to compromise or settle any insurance claim; and

11.1.4 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Lender or a Receiver under this Deed or which may be deemed expedient by the Lender or a Receiver in connection with any disposition, realisation or getting in by the Lender or such Receiver of the Charged Assets or any part thereof or in connection with any other exercise of any power under this Deed.

11.2 Ratification: The Company ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney as is mentioned in clause 11.1 shall do or purport to do in the exercise of his powers under such clause.

12 Continuing Security and other matters

12.1 Continuing security: This Deed and the obligations of the Company under this Deed shall:

12.1.1 secure the ultimate balance from time to time owing by the Company to the Lender and each Associate and shall be a continuing security notwithstanding any settlement of account or other matter whatsoever;

12.1.2 be in addition to, and not prejudice or affect, any present or future guarantees, rights, remedies or security of any kind granted to or held by the Lender and each Associate in respect of the Secured Obligations (in this clause 12, a **Collateral Security**); and

12.1.3 not merge with or be in any way prejudiced or affected by the existence of any such Collateral Security or by the same being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Lender or any Associate dealing with, exchanging, releasing, varying or failing to perfect or enforce any of the same, or giving time for payment or indulgence or compounding with any other person liable.

12.2 Collateral security: the Lender (and each Associate) shall not be obliged to resort to any Collateral Security or other means of payment now or hereafter held by or available before enforcing this Deed and no action taken or omitted by the Lender or any Associate in connection with any such Collateral Security or other means of payment shall discharge, reduce, prejudice or affect the liability of the Company nor shall the Lender be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such Collateral Security or other means of payment.

- 12.3 **Settlements conditional:** Any release, discharge or settlement between the Company and the Lender (and/or the Company and any Associate) shall be conditional upon no security, disposition or payment to the Lender by the Company or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration, bankruptcy or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Lender shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.
- 13 **Miscellaneous**
- 13.1 **Cumulative rights:** The rights of the Lender and any Receiver under this Deed are cumulative. Nothing in this Deed excludes or restricts any right which the Lender, any Associate or any Receiver would have, apart from this Deed, under the general law or under any other document or agreement.
- 13.2 **Waivers:** No waivers, no failure or delay on the part of the Lender or any Receiver to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or any partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.
- 13.3 **Successors and assigns:** Any appointment or removal of a Receiver under clause 7 and any consents under this Deed may be made or given in writing signed or sealed by any successors or assigns of the Lender and accordingly the Company hereby irrevocably appoints each successor and assign of the Lender to be its attorney in the terms and for the purposes set out in clause 11.
- 13.4 **Consolidation:** Section 93 Law of Property Act 1925 shall not apply to the security created by this Deed or to any security given to the Lender pursuant to this Deed.
- 13.5 **Reorganisation of the Lender:** This Deed shall remain binding on the Company notwithstanding any change in the constitution of the Lender or its absorption in, or amalgamation with, or the acquisition of all or part of its undertaking by, any other person, or any reconstruction or reorganisation of any kind. The security granted by this Deed shall remain valid and effective in all respects in favour of any assignee, transferee or other successor in title of the Lender in the same manner as if such assignee, transferee or other successor in title had been named in this Deed as a party instead of, or in addition to, the Lender.
- 13.6 **Assignment and transfer:** the Lender may assign or transfer its interest in this Deed the security created by it and all or any of its rights against the Company or any part of the same (the **Security Rights**) to any person as it sees fit. If any Security Rights are transferred then following written notice to the Company the person receiving the transfer (the **Transferee**) may enforce this Deed and the Security Rights as if the Transferee had been named as the original party to this Deed in place of (or alongside) the Lender. The Company may not assign or transfer any of its rights or obligations under this Deed.
- 13.7 **Unfettered discretion:** Any liability or power which may be exercised or any determination which may be made under this Deed by the Lender or any Receiver may be exercised or made in its absolute and unfettered discretion and it and he shall not be obliged to give reasons therefor.
- 13.8 **Disclosure:** the Lender may disclose and supply any information relating to the Company and to the matters referred to in this Deed to any trade register or credit reference agency, to any other mortgagee of the Charged Assets and to any other company or person associated with the Lender for the purposes of the business of the Lender.
- 13.9 **Provisions severable:** Each of the provisions of this Deed (and part of a provision) is severable and distinct from the others and if any time one or more of such provisions (or parts) is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions (and parts) of this Deed shall not in any way be affected or impaired thereby.
- 13.10 **Counterparts:** This Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement.
- 14 **Entire agreement**
- 14.1 This Deed constitutes the entire agreement and understanding between the Lender and the Company in relation to its subject matter. It supersedes any prior promises, representations and undertakings or

implications whether made orally or in writing by the Lender which may not be relied upon once this Deed has been entered into. All and any liability for any prior representations made by the Lender or any other person to the Company or anyone acting on its behalf is expressly excluded even if made negligently or carelessly.

15 **Notices**

15.1 **Mode of service:** Any notice or demand for payment by the Lender under this Deed (a "Notice") shall, without prejudice to any other effective mode of making the same, be deemed to have been properly served on the Company if served personally on any one of its directors, officers, or on its company secretary (each an "Officer") at the time or delivered or sent by letter to the Company at its registered office or any of its principal places of business for the time being or by email. A Notice served by email may be served by sending to the address as shown on the Company's notepaper or as otherwise notified by the Company to the Lender.

15.2 **Time of service:** Any Notice shall be deemed to have been served (in the case of a letter delivered by hand) when delivered if left at an address referred to in clause 15.1 above or if given to an officer of the Company personally. Any Notice served by post shall be deemed to have been served 2 Business Days after that on which it is posted. In proving service of any Notice it shall be sufficient to prove that the envelope containing the Notice was properly addressed and stamped and put in the postal system. A Notice so addressed and posted to the Company shall be effective notwithstanding that it be returned undelivered. If earlier service can be proven then this will take precedence in the case of a Notice sent by post.

15.3 **Service by fax:** A Notice served by fax will be deemed served when dispatched subject only to the Lender's fax machine recording successful transmission.

15.4 **Notices conclusive:** Any certificate as to the amount at any time secured by this Deed shall be conclusive and binding upon the Company (absent manifest error) if signed by an officer or director of the Lender.

16 **Law**

16.1 **Applicable law:** English law is applicable to this Deed and to any non contractual obligations arising out of this Deed.

16.2 **Jurisdiction:** For the exclusive benefit of the Lender, the parties agree that the Courts of England shall have jurisdiction to determine any dispute arising in connection with this Deed.

IN WITNESS whereof this Deed has been executed and delivered by or on behalf of the parties on the date stated at the beginning of this Deed.

SCHEDULE

Part 1 – the Company

HORSTMAN DEFENCE SYSTEMS LIMITED registered in England and Wales with number 01511975 and whose registered office is at Locksbrook Road, Bath, Avon, BA1 3EX

Part 2 – the Property

The freehold property known as Horstman Defence Systems Ltd, Locksbrook Road, Bath (BA1 3EX) and registered at H M Land Registry under title number AV236269.

Part 3 – the Chattel Assets

Description of asset

Unique serial or registration number

Part 4 – the Prior Mortgage(s)

<u>Date</u>	<u>Mortgagee</u>	<u>Assets charged</u>	<u>Extent of priority</u>
4/1/11	HSBC Bank plc	The Property	Full

SIGNED and delivered as a deed by
John Graham Harris a director
for and on behalf of Horstman
Defence Systems Limited
in the presence of:

)
)
)
)

J. G. Harris

Witness

Signature

:

Stuart Turner

Name

:

STUART ANDREW TURNER

Occupation

:

SOLICITOR

Address

:

ALLIUM HOUSE, 36 WATER STREET, BIRMINGHAM B3 1HP

SIGNED for and on behalf
of AMICUS ASSET FINANCE GROUP LIMITED

)
)

J. G. Harris

HORSTMAN DEFENCE SYSTEMS LIMITED

BIRMINGHAM Extract of Minutes of a Meeting of the Board of Directors held at Allum House, 36 WATER STREET
on 2 MAY 2017 at am/pm

1. It was noted that a quorum of directors was present, that due notice of the meeting had been given to all board directors in accordance with the Company's Articles of Association and that all relevant interests of the directors had been declared as required by the Company's Articles of Association and applicable law.
2. The directors considered carefully the attached Mortgage of Land and Chattels ("the Mortgage").
3. IT WAS THEN RESOLVED that
 - 3.1. for the reasons discussed at the meeting, it is in the Company's best interests to enter into the Mortgage;
 - 3.2. the terms of the Mortgage be approved;
 - 3.3. that any two directors or one director and the company secretary or any one director in the presence of a witness be authorised to execute and deliver the Mortgage as a deed.

I certify that the above is a true and complete extract of Minutes of a Meeting of the Company's directors.

Signature:

J. G. Harris

Full name and position:

JOHN GRAHAM HARRIS DIRECTOR

Date:

4/5/2017