



Registration of a Charge

Company name: **HARPERS ENVIRONMENTAL LIMITED**

Company number: **01866895**

Received for Electronic Filing: **23/04/2020**



X93KUD4Z

Details of Charge

Date of creation: **21/04/2020**

Charge code: **0186 6895 0022**

Persons entitled: **JONATHAN MARLOW AS SECURITY TRUSTEE**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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: **GUNNERCOOKE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1866895

Charge code: 0186 6895 0022

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st April 2020 and created by HARPERS ENVIRONMENTAL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd April 2020 .

Given at Companies House, Cardiff on 24th April 2020

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 21 APRIL 2020

(1) HARPERS ENVIRONMENTAL LIMITED

(2) JONATHAN MARLOW (as Security Trustee)

DEBENTURE

progeny

1A Tower Square

Leeds

LS1 4DL

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THIS DEBENTURE is made on

21 APRIL

2020

BY:

(1) **HARPERS ENVIRONMENTAL LIMITED (No. 01866895)** whose registered office address is Cleveland, Carr Lane, Sutton on the Forest, York, North Yorkshire, YO61 1EY (**Obligor**)

IN FAVOUR OF:

(2) **JONATHAN MARLOW** of 6 Main Street, Gilling East, York, YO62 4JH as security trustee for the Finance Parties (**Security Trustee**)

BACKGROUND

- (A) The Obligor enters into this Debenture in connection with the Loan Note Instrument.
- (B) Certain sums will be owed to the Lenders from the Obligor under the terms of the Loan Note Instrument.
- (C) The Obligor is granting this Debenture to the Security Trustee as security for sums owed from the Obligor to the Finance Parties.
- (D) The board of directors of the Obligor is satisfied that the giving of the security contained or provided for in this Debenture is in the interests of the Obligor and has passed a resolution to that effect.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Loan Note Instrument shall, unless otherwise defined in this Debenture have the same meanings when used in this Debenture and in addition in this Debenture:

Assets	the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Obligor (and references to the Assets shall include references to any part of them).
Business Day	a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London.
Charged Property	means the whole or any part of the property, assets, income and undertaking of the Obligor from time to time mortgaged, charged or assigned to the Security Trustee under this Debenture.
Debenture	the debenture constituted by this Deed.

Delegate	any person appointed by the Security Trustee or any Receiver as attorney of the Security Trustee, Receiver or Delegate.
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
Environmental Licence	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Assets.
Event of Default	any breach of the terms of a Finance Document.
Finance Documents	the Loan Note Instrument, this Debenture and any other document/s designated as a Finance Document by the Security Trustee.
Finance Parties	the Lenders and the Security Trustee and "Finance Party" shall mean any of them.
Insurance Policy	each contract and policy of insurance effected or maintained by the Obligor from time to time in respect of its assets or business.
Investments	<p>all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Obligor, including any:</p> <p>(a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and</p> <p>(b) right, money, shares, property or other interests accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.</p>
Lenders	Jonathan Marlow, Gordon Mackay and Michael Jones.
Limitation Acts	the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.
Loan Note Instrument	the loan note instrument (in agreed form) constituting the £275,761 aggregate principal amount of secured subordinated

	fixed rate founder loan notes 2026 issued by the Obligor to the Lenders.
properties	at any time any freehold, commonhold, heritable and/or leasehold properties of the Obligor at that time.
Receiver	an administrative receiver, receiver and manager or other receiver appointed pursuant to this Debenture in respect of the Obligor over all or any of the Assets charged by this Debenture.
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Interest	means any mortgage, charge, assignment, pledge, lien, right of set off, hypothecation, encumbrance, priority or other security interest (whether fixed or floating) including, without limitation, any 'hold-back' or 'flawed asset' arrangement together with any preferential right, retention of title, deferred purchase, leasing, sale or purchase, sale and leaseback, arrangement, trust, agreement, declaration of trust, trust arising by operation of law, any option or agreement for any of the same or any arrangement which has substantially the same commercial or substantive effect as the creation of security.
Secured Liabilities	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of the Obligor to the Secured Parties including, without limitation, under the Finance Documents or otherwise in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal or as surety or in some other capacity, together with all expenses and all interest.
Secured Parties	a Finance Party or a Receiver or a Delegate.
Security Period	the period starting on the date of this deed and ending on the date on which the Security Trustee is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

References to:

- 1.1.1 statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall

include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation;

1.1.2 **control** of any company shall be interpreted in accordance with Section 1124 of the Corporation Tax Act 2010;

1.1.3 **including** shall not be construed as limiting the generality of the words preceding it;

1.1.4 this Debenture shall include the Schedules to it;

1.1.5 any term or phrase defined in the Companies Act 2006 (as amended from time to time) shall bear the same meaning in this Debenture;

1.1.6 words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

1.1.7 this Debenture and any provisions of it or any other document referred to in this Debenture shall be construed as references to it in force for the time being as amended, varied, supplemented, restated, substituted or novated from time to time;

1.1.8 any person are to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or agency of a state, whether or not a separate legal entity;

1.1.9 any person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect;

1.1.10 clause headings are for ease of reference only and are not to affect the interpretation of this Debenture; and

1.1.11 the **Security Trustee** means Nicholas Herbert Harper and his successors and assignees.

1.2 The terms of the documents under which the Secured Liabilities arise and of any side letters in relation to the Secured Liabilities are incorporated into this Debenture to the extent required for any purported disposition of the Assets (or any of them) contained in this Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2 COVENANT TO PAY

2.1 The Obligor covenants with the Security Trustee that it will pay, perform and discharge the Secured Liabilities as and when the same fall due for payment in accordance with the terms of the Finance Documents or, in the absence of any such express terms, on demand.

3 CHARGING PROVISIONS

3.1 The Obligor with full title guarantee charges to the Security Trustee as a continuing security for the payment or discharge of the Secured Liabilities:

3.1.1 by way of legal mortgage all that Obligor's right, title and interest in the freehold, commonhold and/or leasehold property now vested in it and described in Schedule 2 together with all present and future buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on any such property;

3.1.2 by way of fixed charge:

3.1.2.1 all estates or interests in any freehold, commonhold or leasehold property belonging to the Obligor now or at any time after the date of this Debenture (other than any property charged in terms of Clause 3.1.1 above) together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;

3.1.2.2 all present and future interests of the Obligor in or over land or the proceeds of sale of it and all present and future licences of the Obligor to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures) which are at any time on any property charged under this Debenture;

3.1.2.3 all present and future plant and machinery, equipment, fittings, installations and apparatus, furniture, furnishings, tools, motor vehicles and all other moveable assets (other than fixtures) not otherwise charged under this Clause 3 and all other present and future chattels of the Obligor (excluding any of the same for the time being forming part of the Obligor's stock in trade or work in progress);

3.1.2.4 all Investments;

3.1.2.5 all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Obligor and the benefit of all rights and claims to which the Obligor is now or may be entitled under any contracts;

3.1.2.6 all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Obligor or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Obligor or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;

- 3.1.2.7 all the Obligor's goodwill and uncalled capital for the time being;
- 3.1.2.8 all present and future book and other debts and monetary claims of the Obligor whether payable now or in the future and the benefit of all present and future rights and claims of the Obligor against third parties relating to them and capable of being satisfied by the payment of money (save as charged under Clause 3.1.2.5); and
- 3.1.2.9 all present and future bank accounts, cash at bank and credit balances of the Obligor with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest); and
- 3.1.3 by way of floating charge all the Assets not effectively otherwise mortgaged, charged or assigned by this Clause 3, (including, without limitation, any immovable property of the Obligor in Scotland and any Assets in Scotland falling within any of the types mentioned in Clause 3.1.2).

- 3.2 Subject to the right of the Obligor to redeem such assignment upon the irrevocable payment or discharge in full of the Secured Liabilities, the Obligor with full title guarantee assigns in favour of the Security Trustee, insofar as they are capable of being assigned by way of security all the right, title and interest of the Obligor in and to any agreement to which the Obligor is a party (including, without limitation, all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy) except to the extent that it is subject to any fixed charge created under any other provision of this Debenture..
- 3.3 To the extent that any such right, title and interest as is referred to in Clause 3.2 is not assignable or capable of assignment, the assignment thereof purported to be effected by such clause shall operate as an assignment of any and all compensation, damages, income, profit or rent which the Obligor may derive therefrom or be awarded or entitled to in respect thereof, in each case as a continuing security for the payment or discharge in full of the Secured Liabilities.
- 3.4 Any mortgage, fixed charge or other fixed security created by the Obligor in favour of the Security Trustee shall have priority over the floating charge created by this Debenture, except insofar as the Security Trustee shall declare otherwise whether at or after the time of creation of such fixed security.
- 3.5 The Security Trustee may, by written notice to the Obligor, immediately convert the floating charge created under Clause 3.1.3 into a fixed charge over any Assets specified in that notice if (a) an event under Clause 8.1 occurs; or (b) the Security Trustee reasonably considers the Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy, and the floating charge will, without notice from the Security Trustee, automatically be converted with immediate effect into a fixed charge:
 - 3.5.1 in respect of any Assets which become subject to a fixed charge in favour of any other person;

- 3.5.2 in respect of all the Assets charged under Clause 3.1.3 if and when the Obligor ceases to carry on business or to be a going concern; and
- 3.5.3 in respect of all the Assets on the making of an order for the compulsory winding-up of the Obligor, on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Obligor or the taking of any steps (including, without limitation, the making of an application or the giving of any notice) by the Obligor or any other person for the appointment of an administrator in respect of the Obligor.
- 3.6 Clause 3.5 will not apply to any Assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion.
- 3.7 The Obligor shall not without the prior written consent of the Security Trustee in any way dispose of the equity of redemption of any such Asset or any interest in any such Asset.
- 3.8 The Obligor applies to the Chief Land Registrar for a restriction to be entered on the Register of Title of all present and future registered freehold, commonhold and/or leasehold property of the Obligor in the following terms:
- “No disposition or charge of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge [date] in favour of [Security Trustee] referred to in the Charges Register or, if appropriate, signed on behalf of such proprietor by its authorised signatory”.
- 3.9 The Obligor will, within five Business Days of the written request of the Security Trustee, deliver to the Security Trustee (or as it shall direct) all certificates and other documents of title to the stocks, shares and other securities referred to in Clause 3.1.2.4 above together with stock transfer forms in respect of the same executed in blank (except for the number and class of shares and the name of the transferor) and left undated. The Security Trustee may at any time after the enforcement of this Debenture complete the instruments of transfer on behalf of the Obligor in favour of itself or such other person as it shall select.
- 3.10 The Obligor (at its own cost) will on demand in writing by the Security Trustee execute and deliver in such form as the Security Trustee may reasonably require:
- 3.10.1 a legal mortgage of any freehold, commonhold or leasehold property of the Obligor which is not effectively charged by Clause 3.1.1 and of any freehold, commonhold or leasehold property acquired by the Obligor after the date of this Debenture;
- 3.10.2 a standard security or other fixed security over the Obligor's heritable freehold, leasehold or other property;
- 3.10.3 a fixed charge or assignment in security of any Asset subject to a floating charge under Clause 3.1.3;

3.10.4 a chattel mortgage over such chattels, plant and machinery as the Security Trustee may specify; and

3.10.5 a notice of any assignment of its right, title and interest to any of the agreements referred to in Clause 3.2 above;

and the Obligor will execute such other deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts or things as the Security Trustee may deem necessary for perfecting, preserving or protecting the security created (or intended to be created) by this Debenture or for facilitating the realisation of the Assets or the exercise of any rights of the Security Trustee hereunder.

3.11 The Obligor shall get in and realise its book and other debts and other monies, in the ordinary course of its business and hold the proceeds of the getting in and realisation upon trust for the Security Trustee.

3.12 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 to the Enterprise Act 2002) shall apply to any floating charge created pursuant to this Debenture.

3.13 The Obligor shall, if so requested by the Security Trustee from time to time:

3.13.1 give notice to each counterparty to an agreement in the form approved by the Security Trustee;

3.13.2 procure that each counterparty provides to the Security Trustee within five Business Days an acknowledgement of the notice in the form approved by the Security Trustee;

3.13.2.1 give notice to each insurer under an insurance policy in the form approved by the Security Trustee; and

3.13.2.2 procure that each insurer provides to the Security Trustee within five Business Days an acknowledgement of the notice in the form approved by the Security Trustee;

3.13.2.3 give notice to each bank, financial institution or other person (other than the Security Trustee) with whom the Obligor holds an account in the form approved by the Security Trustee; and

3.13.2.4 procure that each such bank, financial institution or other person provides to the Security Trustee within five Business Days an acknowledgement of the notice in the form approved by the Security Trustee.

4 CONTINUING SECURITY

- 4.1 The security constituted by this Debenture will be a continuing security for the Secured Liabilities notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or other matter or thing whatsoever and will be without prejudice and in addition to any other right, remedy or security of whatever sort which the Security Trustee may hold at any time for the Secured Liabilities or any other obligation whatsoever and will not be affected by any release, reassignment or discharge of such other right remedy or security or the liquidation or other incapacity or any change in the constitution of the Obligor.
- 4.2 This Debenture is in addition to, and without prejudice to and shall not merge with, any other right, remedy, guarantee or security which the Security Trustee may at any time hold for any of the Secured Liabilities.
- 4.3 The Obligor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Obligor under this Debenture.

5 UNDERTAKINGS

- 5.1 The Obligor will:
- 5.1.1 at all times comply with the terms of this Debenture and of all agreements relating to the Secured Liabilities;
 - 5.1.2 keep the Assets in good and substantial repair and in good working order and condition, ordinary wear and tear excepted;
 - 5.1.3 preserve and maintain all intellectual property rights owned or used by the Obligor (including, without limitation, those referred to in Clause 3.1.2.6);
 - 5.1.4 comply in all material respects with the terms of all applicable laws and regulations including (without limitation) all environmental laws, legislation relating to public health, town & country planning, control and handling of hazardous substances or waste, fire precautions and health and safety at work;
 - 5.1.5 promptly notify the Security Trustee of the acquisition by the Obligor of any estate or interest in any freehold, heritable or leasehold property;
 - 5.1.6 ensure that all of the Assets that are insurable, are insured with reputable insurance companies or underwriters to such extent and against such risks as is normal for prudent companies in businesses similar to those of the Obligor (or as otherwise requested in writing by the Security Trustee from time to time) and (without limitation to the generality of the foregoing);

- 5.1.6.1 pay all premiums and other monies due and payable under all such insurances and, upon written request to do so by the Security Trustee, provide premium receipts or any other evidence of payment promptly; and
 - 5.1.6.2 ensure that the interest of the Security Trustee is noted on the policies in respect of such insurances or, at the written request of the Security Trustee, that such policies contain such other provisions for the protection of the Security Trustee as the Security Trustee may from time to time require in its absolute discretion,
- 5.1.7 at the written request of the Security Trustee, deposit with the Security Trustee all deeds, certificates and documents of title relating to the Assets or any part thereof charged by this Debenture and all policies of insurance and assurance;
- 5.1.8 promptly pay or cause to be paid and indemnify the Security Trustee and any Receiver or administrator against all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time in the future payable in respect of any of its properties (or any part thereof) or by the owner or occupier thereof;
- 5.1.9 not, without the prior written consent of the Security Trustee, make any structural or material alteration to or to the user of any of its properties or do or permit to be done anything which is a “development” within the meaning of the Town and Country Planning Acts from time to time (or any orders or regulations under such Acts) or do or permit to be done any act, matter or thing where to do so would have a material and adverse effect on the value of any of its properties or on the marketability of any of such properties;
- 5.1.10 not, without the prior written consent of the Security Trustee, grant any lease of, part with possession or share occupation of, the whole or any part of any of its properties or confer any licence, right or interest to occupy or grant any licence or permission to assign, under-let or part with possession of the same;
- 5.1.11 not, without the prior written consent of the Security Trustee, vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any of its properties;
- 5.1.12 not create, purport to create or allow to subsist, any Security Interest (or any other interest) in the Assets in favour of a third party over the whole or any part of the Charged Property other than in favour of the Security Trustee or as permitted by the Security Trustee in writing;
- 5.1.13 without prejudice to clause 5.1.14 below, sell, lease or otherwise dispose of the whole or any part of the Charged Property except in the ordinary course of its trade in respect of that part of the Charged Property which is subject only to an uncrystallised floating charge in favour of the Security Trustee;

- 5.1.14 sell, assign, factor or discount any of the book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions), both present and future, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Obligor;
- 5.1.15 observe and perform all covenants, agreements and stipulations from time to time affecting its interest in any of its properties or contained in any lease, agreement for lease or tenancy agreement under which any part of such properties may be held;
- 5.1.16 notify the Security Trustee immediately on it becoming aware of any creditor executing diligence against the Obligor or any distress or execution being levied or enforced against the Obligor or any third party debt order or freezing order being made and served on the Obligor;
- 5.1.17 notify the Security Trustee immediately if any steps (including, without limitation, the making of any application or the giving of any notice) are taken by any person (including, without limitation, the Obligor) in relation to the administration, receivership, winding-up or dissolution of the Obligor;
- 5.1.18 not to allow any person other than itself to be registered under the Land Registration Act 1925 or the Land Registration Act 2002 (as appropriate) as proprietor of any of its properties (or any part thereof) or create or permit to arise any overriding interest (as specified in Section 70(1) of the Land Registration Act 1925) or (as specified in Schedule 1 or Schedule 3 to the Land Registration Act 2002) (as appropriate) affecting any such property;
- 5.1.19 give the Security Trustee such information concerning the location, condition, use and operation of the Assets as the Security Trustee may require;
- 5.1.20 permit any persons designated by the Security Trustee and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice;
- 5.1.21 promptly notify the Security Trustee in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Obligor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Security Trustee's prior approval, implement those proposals at its own expense;
- 5.1.22 promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Assets and, on demand, produce evidence of payment to the Security Trustee;

- 5.1.23 at its own cost, if at any time so required by the Security Trustee, appoint an accountant or firm of accountants nominated by the Security Trustee to investigate the financial affairs of the Obligor and report to the Security Trustee; and co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested;
- 5.1.24 not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of its Assets;
- 5.1.25 not use or permit the Assets to be used in any way contrary to law;
- 5.1.25.1 comply with the requirements of any law and regulation relating to or affecting the Assets or the use of it or any part of them;
- 5.1.25.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 5.1.25.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Assets.

5.2 The Obligor shall, promptly on becoming aware of any of the same, notify the Security Trustee in writing of:

- (a) any representation or warranty set out in this Debenture which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Debenture.

6 SECURITY PROTECTIONS

- 6.1 If the Obligor fails to keep any of the Assets in good and substantial repair and in good working order and condition or does not take out and maintain such insurances as set out above or prove to the Security Trustee that the premiums and other moneys have been paid then the Security Trustee may (as it thinks fit) repair and keep in repair the Assets or any of them (and for that purpose it or any of its agents may enter upon the properties of the Obligor during normal working hours) or take out or renew any such insurance in any sum and on terms as the Security Trustee may think fit.
- 6.2 Subject to any contrary terms of any insurance policy, the Security Trustee will be entitled to be paid the proceeds of any policy of insurance of the Obligor (other than in respect of employers' or public liability) and the Obligor will promptly irrevocably instruct any insurer of a policy to pay the proceeds of it to the Security Trustee and undertakes to the Security Trustee to repeat that instruction if the Security Trustee requires.

- 6.3 Subject to any contrary terms of any insurance policy, all moneys received on any insurance policy of the Obligor (unless paid to the Security Trustee in terms of Clause 6.2) will, as the Security Trustee requires, be applied either in making good the loss or damage in respect of which the money is received or in or towards discharge of the Secured Liabilities.
- 6.4 Following the occurrence of any default (however described) which is continuing under any of the documents governing the Secured Liabilities, the Obligor will permit any authorised representative of the Security Trustee during normal working hours to enter upon any part of the properties of the Obligor and of any other property where the Obligor may be carrying out any contract or other works and to inspect the Obligor's books of account and other books and documents and those of its subsidiaries.
- 6.5 No statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies of the whole or any part of the properties charged under this Debenture will be capable of being exercised by the Obligor without the previous written consent of the Security Trustee.
- 6.6 The Obligor shall not be entitled to part with possession (otherwise than on the determination of any lease, tenancy or licence) of any properties hereby charged, or to share the occupation thereof with any other person or persons, or to surrender or purport to surrender or permit to be forfeited the lease of any leasehold property hereby charged without the prior written consent of the Security Trustee.
- 6.7 The Security Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Obligor of any of its obligations contained in this Debenture and the Obligor irrevocably authorises the Security Trustee and its agents to do all things that are necessary or desirable for that purpose. 6.8 Any monies expended by the Security Trustee in remedying a breach by the Obligor of its obligations contained in this Debenture shall be reimbursed by the Obligor to the Security Trustee on a full indemnity basis and shall carry interest in accordance with clause 14.
- 6.8 The obligations of the Obligor under this Debenture will not be affected by any act, omission, circumstance, matter or thing which but for this provision might operate to release or otherwise exonerate it from any of its obligations hereunder in whole or in part, including (without limitation):
- 6.8.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Security Trustee may have now or in the future from or against the Obligor or any other person in respect of the Secured Liabilities;
 - 6.8.2 any act or omission by the Security Trustee or any other person in taking up, perfecting or enforcing any security or guarantee from or against the Obligor or any other person or the invalidity or unenforceability of any such security or guarantee;
 - 6.8.3 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or

any exercise by the Security Trustee (in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Obligor;

6.8.4 any grant of time, indulgence, waiver or concession to the Obligor or any other person;

6.8.5 any arrangement or compromise entered into between the Security Trustee and the Obligor or any other person;

6.8.6 the administration, insolvency, bankruptcy, liquidation, winding-up, dissolution, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and style of, the Obligor or any other person;

6.8.7 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any of the obligations of the Obligor; or

6.8.8 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any other person resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

7 REPRESENTATIONS AND WARRANTIES

7.1 The Obligor makes the representations and warranties set out in this clause 7 to the Security Trustee:

7.2 The Obligor is the sole legal and beneficial owner of the Assets.

7.3 The Assets are free from any Security other than the Security created by this deed.

7.4 The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Assets or any interest in them.

7.5 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Assets.

7.6 There is no breach of any law or regulation that materially and adversely affects the Assets.

7.7 No facility necessary for the enjoyment and use of the Assets is subject to terms entitling any person to terminate or curtail its use.

7.8 Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Assets.

7.9 No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Obligor or otherwise.

- 7.10 There is no prohibition on assignment in any insurance policy or agreement relating to the Assets and the entry into this deed by the Obligor does not, and will not, constitute a breach of any insurance policy or any other agreement or instrument binding on the Obligor or its assets.
- 7.11 The Obligor has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.
- 7.12 This Debenture constitutes and will constitute the legal, valid, binding and enforceable obligations of the Obligor, and is, and will continue to be, effective security over all and every part of the Assets in accordance with its terms.
- 7.13 The Investments are fully paid and are not subject to any option to purchase or similar rights.
- 7.14 The Obligor has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- 7.15 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.
- 7.16 The representations and warranties set out in clause 7.2 to clause 7.15 above are made by the Obligor on the date of this deed and any representations and warranties contained in this agreement are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

8 ENFORCEMENT

- 8.1 The security constituted by this Debenture shall become enforceable and the Security Trustee may exercise all the powers conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Debenture), all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture without further notice to the Obligor upon and at any time after the occurrence of any Event of Default or any event of default (howsoever described) in any agreement between the Security Trustee and the Obligor.
- 8.2 After the security constituted by this Debenture has become enforceable, the Security Trustee may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Assets.
- 8.3 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Debenture.
- 8.4 Section 103 of the Law of Property Act 1925 will not apply to this Debenture but the statutory power of sale will as between the Security Trustee and a purchaser from the Security Trustee arise on and be exercisable at any time after the execution of this Debenture provided that the Security

Trustee will not exercise the power of sale until payment of all or any part of the Secured Liabilities has been demanded or a Receiver has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made.

- 8.5 The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Trustee under this Debenture are extended so as to authorise the Security Trustee whether in its own name or in that of the Obligor to grant a lease or leases of the whole or any part or parts of the freehold, commonhold and/or leasehold property of the Obligor with whatever rights relating to other parts of it and containing whatever covenants on the part of the Obligor and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Security Trustee thinks fit.
- 8.6 Section 93 of the Law of Property Act 1925 (consolidation of mortgages) will not apply to this Debenture.
- 8.7 Neither the Security Trustee, any Receiver, any Delegate nor any administrator shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Assets for which a mortgagee in possession might be liable as such.
- 8.8 The receipt of the Security Trustee, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Assets or in making any acquisition in the exercise of their respective powers, the Security Trustee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

9 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

- 9.1 At any time after the security constituted by this Debenture has become enforceable the Security Trustee shall be and is entitled by instrument in writing to appoint any one or more persons as:
- 9.1.1 a Receiver of all or any of the Assets; and/or
- 9.1.2 an administrator of the Obligor,
- in each case in accordance with and to the extent permitted by applicable laws.
- 9.2 Where more than one Receiver or administrator is appointed they will have power to act separately (unless the appointment of the Security Trustee specifies to the contrary).
- 9.3 Any appointment over part only of the Assets charged under this Debenture will not preclude the Security Trustee from making any subsequent appointment of a Receiver over any part of the Assets over which an appointment has not previously been made by it or an administrator.

- 9.4 The Security Trustee may from time to time determine the remuneration of the Receiver and may (subject to Section 45 of the Insolvency Act 1986) remove the Receiver from all or any part of the Assets of which he is the Receiver and at any time after any Receiver has vacated office or ceased to act, appoint a further Receiver over all or any part of those Assets.
- 9.5 The Receiver and administrator will be the agent of the Obligor (which will be solely liable for his acts, defaults and remuneration) and will have and be entitled to exercise in relation to the Obligor all the powers set out in Schedule 1 to the Insolvency Act 1986 and all the powers conferred from time to time on Receivers by statute and in particular by way of addition to but without prejudice to those powers (and those of the Security Trustee) the Receiver and administrator will have power:
- 9.5.1 to sell, let or lease or concur in selling, letting or leasing and to vary the terms or determine, surrender or accept surrenders of leases or tenancies of or grant options and licences over all or any part of the Assets and so that any such sale may be made for cash payable by instalments or for shares or securities of another company and the Receiver may promote or concur in promoting a company to purchase the Assets to be sold;
 - 9.5.2 to sever any fixtures (including trade and tenant's fixtures) from the property of which they form part;
 - 9.5.3 to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Assets, including, without limitation, all voting and other rights attaching to stocks, shares and other securities owned by the Obligor;
 - 9.5.4 to make and effect all repairs and improvements;
 - 9.5.5 to redeem any prior encumbrance and to settle and pass the accounts of the encumbrancer and any accounts so settled and passed will (subject to any manifest error) be conclusive and binding on the Obligor and the moneys so paid will be deemed to be an expense properly incurred by the Receiver or administrator;
 - 9.5.6 to promote the formation of a subsidiary or subsidiaries of the Obligor, including, without limitation, any such company formed for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Obligor;
 - 9.5.7 to make any arrangement or compromise which the Security Trustee or the Receiver or the administrator may think fit;
 - 9.5.8 to make and effect all repairs, renewals, improvements, and insurances;
 - 9.5.9 to appoint managers officers and agents for any of the purposes referred to in this Clause 9 at such salaries as the Receiver or administrator may determine; and/or

9.5.10 to do all other acts and things as may be considered by the Receiver or administrator to be incidental or conducive to the above or otherwise incidental or conducive to the preservation, improvement or realisation of the Assets.

9.6 No purchaser or other person dealing with the Security Trustee, any Receiver or administrator or any agent or delegate thereof shall be obliged or concerned to enquire whether the right of the Security Trustee or any Receiver or administrator to exercise any of the powers conferred by or referred to in this Debenture has arisen or become exercisable, whether any of the Secured Liabilities remain outstanding or be concerned with notice to the contrary or whether an event has occurred to authorise the Security Trustee or any Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power.

10 POWER OF ATTORNEY

10.1 The Obligor irrevocably and by way of security appoints the Security Trustee (whether or not a Receiver or administrator has been appointed) and also (as a separate appointment) any Receiver or administrator severally as the attorney of the Obligor, for the Obligor and in its name and on its behalf to execute and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which may be required of the Obligor under this Debenture or may be required or deemed proper in the exercise of any rights or powers conferred on the Security Trustee or any Receiver or administrator hereunder or otherwise for any of the purposes of this Debenture.

11 APPLICATION OF SECURITY PROCEEDS

11.1 Any moneys received under the powers conferred by this Debenture will, subject to the payment or repayment of any prior claims, be paid or applied in the following order of priority:

11.1.1 in or towards satisfaction of all costs, charges and expenses incurred, and payments made, by the Security Trustee and/or the Receiver or administrator including the remuneration of the Receiver or administrator;

11.1.2 in or towards satisfaction of the Secured Liabilities; and

11.1.3 as to the surplus (if any) to the Obligor or other person(s) entitled to it,

provided that the Receiver or administrator may retain any moneys in his hands for so long as he thinks fit, and the Security Trustee may, without prejudice to any other rights the Security Trustee may have at any time and from time to time, place and keep for such time as the Security Trustee may think prudent any moneys received, recovered or realised under or by virtue of this Debenture in a suspense account to the credit either of the Obligor or of the Security Trustee as the Security Trustee thinks fit without any intermediate obligation on the part of the Security Trustee to apply such moneys or any part of such moneys in or towards the discharge of the Secured Liabilities.

11.2 Subject to Clause 11.1, any moneys received or realised by the Security Trustee from the Obligor or a Receiver under this Debenture or any administrator may be applied by the Security Trustee to any

item of account or liability or transaction in such order or manner as the Security Trustee may determine.

- 11.3 All sums due and payable by the Obligor under this Debenture shall be made in full without set-off or counter-claim and free and clear of and without deduction for or on account of any future or present taxes unless the Obligor is required by any law to make any deduction or withholding from any sum payable by the Obligor to the Security Trustee hereunder and provided always that the Obligor must ensure the amount of any payment due under this Debenture is increased to an amount which (after making any such deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.

12 COSTS AND EXPENSES

- 12.1 The Obligor shall pay or reimburse to the Security Trustee, any Receiver and/or any Delegate on demand (on a full indemnity basis) all costs, charges and expenses (including legal fees) incurred or to be incurred by the Security Trustee, Receiver and/or Delegate (including interest) in the creation, registration, perfection, enforcement, discharge and/or assignment of this Debenture (including, without limitation, the costs of any proceedings in relation to this Debenture or the Secured Liabilities), which costs, charges and expenses shall form part of the Secured Liabilities.
- 12.2 The Obligor shall indemnify the Security Trustee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Assets;
 - (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
 - (c) any default or delay by the Obligor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 12.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

13 SET-OFF

- 13.1 The Obligor agrees that the Security Trustee may set off monies owing by the Security Trustee to the Obligor against any monies owing to it under this Debenture.

14 DEFAULT INTEREST

- 14.1 Any amount which is not paid under this Debenture when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is

unconditionally and irrevocably paid and discharged in full on a daily basis at the rate that is two per cent above the highest interest rate payable in respect of the Secured Liabilities from time to time.

- 14.2 Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as the Security Trustee considers are appropriate.

15 INVESTIGATIONS

- 15.1 If any event of default (howsoever described) in any agreement between the Security Trustee and the Obligor occurs then (while it is continuing unwaived) the Security Trustee shall be entitled to initiate an investigation of, and/or instruct any report (accounting, legal valuation or other) on, the business and affairs of the Obligor which the Security Trustee considers necessary to ascertain the financial position of the Obligor, all reasonable fees and expenses incurred by the Security Trustee in so doing being payable by the Obligor.

16 NOTICES

- 16.1 Any communication to be made under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by fax or letter.
- 16.2 The address of the Security Trustee for any communication or document under or in connection with this Debenture is its registered office at the time such communication or document is made or delivered. The fax number of the Security Trustee for any communication or document to be made or delivered under or in connection with this Debenture is the fax number most recently provided to the Obligor by the Security Trustee. The address of the Obligor for any communication or document under or in connection with this Debenture is its registered office at the time such communication or document is made or delivered. The fax number of the Obligor for any communication or document to be made or delivered under or in connection with this Debenture is the fax number most recently provided to the Security Trustee by the Obligor.
- 16.3 Any communication made or document made or delivered by one person to another under or in connection with this Debenture will only be effective:
- 16.3.1 if by way of fax, when received in legible form; or
- 16.3.2 if by way of letter, when it has been delivered to the relevant address or (if later) three Business Days after being deposited in the post (postage prepaid) in an envelope addressed to it at that address.

17 MISCELLANEOUS

- 17.1 If at any time any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the

remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will be in any way affected or impaired.

- 17.2 At any time, without the consent of the Obligor, the Security Trustee may assign or transfer any or all of its rights and obligations under this Debenture.
- 17.3 The Obligor may not assign any of its rights, or transfer any of its rights or obligations, under this Debenture.
- 17.4 No amendment of this Debenture shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).
- 17.5 The rights and remedies provided under this Debenture are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.
- 17.6 This Debenture may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 17.7 No failure or delay by the Security Trustee in exercising any right or remedy under this Debenture shall operate as a waiver, and no single or partial exercise shall prevent further exercise, of any right or remedy.
- 17.8 The Security Trustee will be entitled to disclose to its advisors or to any regulatory authority confidential information concerning this Debenture or any arrangement made in connection with this Debenture, provided that before any such disclosure the Security Trustee shall make those persons aware of its obligations of confidentiality under this Debenture.
- 17.9 A certificate by any duly authorised officer of the Security Trustee as to the amount of the Secured Liabilities or any part of them shall, in the absence of manifest error, be conclusive and binding on the Obligor.

18 FURTHER ASSURANCE

The Obligor shall, at its own expense, take whatever action the Security Trustee or any Receiver may reasonably require for:

- 18.1.1 creating, perfecting or protecting the security intended to be created by this Debenture;
- 18.1.2 facilitating the realisation of any Asset; or
- 18.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Security Trustee or any Receiver in respect of any Asset,

including, without limitation (if the Security Trustee or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or

intended to form part of) the Assets (whether to the Security Trustee or to its nominee) and the giving of any notice, order or direction and the making of any registration.

19 RELEASE

- 19.1 If the Security Trustee is satisfied that the Secured Liabilities have been unconditionally and irrevocably repaid or discharged in full, the Security Trustee will at the request and cost of the Obligor take whatever action is required in order to release the Assets from the security constituted by this Debenture and/or reassign the Assets to the Obligor.
- 19.2 Any release, discharge or settlement between the Obligor and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:
- (a) the Security Trustee or its nominee may retain this Debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Security Trustee deems necessary to provide the Security Trustee with security against any such avoidance, reduction or order for refund; and
 - (b) the Security Trustee may recover the value or amount of such security or payment from the Obligor subsequently as if the release, discharge or settlement had not occurred.

20 THIRD PARTY RIGHTS

- 20.1 Except as expressly provided elsewhere in this Debenture, a person who is not a party to this Debenture shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 20.2 The rights of the parties to rescind or agree any amendment or waiver under this Debenture are not subject to the consent of any other person.

21 GOVERNING LAW & JURISDICTION

- 21.1 This Debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed according to English law.
- 21.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this Debenture, its subject matter or formation (including non-contractual disputes or claims).

This Debenture has been executed and delivered by the Obligor and the Security Trustee as a deed the day and year stated at the beginning of this Debenture.

SCHEDULE 1 - OBLIGOR

Name of Obligor	Company number and jurisdiction of incorporation
Harpers Environmental Limited	01866895, England and Wales

SCHEDULE 2 - PROPERTIES

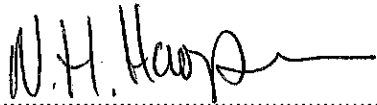
NAME OF OBLIGOR	COMPANY REGISTRATION NUMBER	TITLE NO.(S) (IF REGISTERED LAND)	ADDRESS OR DESCRIPTION

[Intentionally left blank]

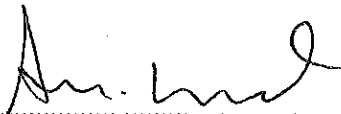
SIGNATURES

OBLIGOR

EXECUTED as a DEED and DELIVERED by)
HARPERS ENVIRONMENTAL LIMITED acting by)
one director in the presence of:


.....

DIRECTOR

Witness Signature: 
.....

Witness Name: ANDREW WOOD
.....

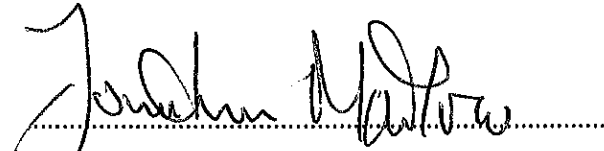
Witness Address: 23 OXCLOSE ROAD
.....

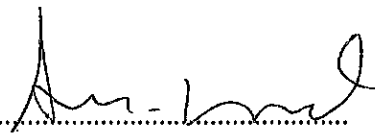
BOSTON SDA
.....

LS23 6FA-
.....

SECURITY TRUSTEE

SIGNED as a DEED and DELIVERED by)
JONATHAN MARLOW in the presence of:)


DIRECTOR

Witness Signature: 

Witness Name: ANDREW WOOD

Witness Address: 23 OXCLOSE ROAD

BOSTON SPA

LS23 6FA