

007606/13

In accordance with
Sections 859A and
859J of the Companies
Act 2006

MR01

Particulars of a charge



Companies House

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

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

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

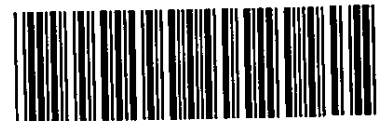
For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form. This will
be scanned and placed on the public record. **Do not send the original**

FRIDAY



A04 19/06/2015 #194
COMPANIES HOUSE

1 Company details

✓ Company number 0 2 4 1 3 5 7 7

✓ Company name in full REACTION ENGINES LIMITED

2 For official use
→ **Filing in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

✓ Charge creation date 1 8 0 6 2 0 1 5

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

✓ Name OXFORDSHIRE COUNTY COUNCIL

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Bede Murtogh* X

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

MRO1

Particulars of a charge

 **Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name **Bede Murtagh (Solicitor)**

Company name **Oxfordshire County Council**

Address **County Hall**

New Road

Post town **Oxford**

County/Region **Oxfordshire**

Postcode **0 X 1 1 N D**

Country

DX **4310 Oxford**

Telephone **01865 323931**

 **Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank

 **Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy

 **Important information**

Please note that all information on this form will appear on the public record

 **How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

 **Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

 **Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number. 2413577

Charge code: 0241 3577 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th June 2015 and created by REACTION ENGINES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th June 2015.

Dx

Given at Companies House, Cardiff on 26th June 2015



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED 18 June 2015

(1) REACTION ENGINES LIMITED

- and -

(2) OXFORDSHIRE COUNTY COUNCIL

Growing Places Fund
Legal Charge of Equipment
Private Sector

P G Clark
County Solicitor
Oxfordshire County Council
County Hall
New Road
Oxford OX1 1ND
BM/42048

CERTIFIED A TRUE COPY
OF THE ORIGINAL.

Bede Mustagh Solicitor
18/6/15
COUNTY SOLICITOR
OXFORDSHIRE COUNTY COUNCIL

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THIS AGREEMENT is made on

18 June

2015

BETWEEN:-

- 1 **REACTION ENGINES LIMITED** (company number 02413577) whose registered office is at Hill House, 1 Little new Street, London, EC4 3TR ("the Borrower")
- 2 **OXFORDSHIRE COUNTY COUNCIL** of County Hall New Road Oxfordshire OX1 1ND ("the Council"),

BACKGROUND

- (A) The Council has agreed, pursuant to the Facility Agreement, to provide the Borrower with loan facilities on a secured basis
- (B) Under this deed, the Borrower provides security to the Council for the loan facilities made available under the Facility Agreement

IT IS AGREED

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement the following words will have the following meanings -

"Approved Location"	Means the site approved by the Council at which the Chattels are to be situated
"Chattels"	the equipment described in Schedule 1 (including any component parts of those assets from time to time held by the Borrower (whether or not attached to those assets)), together with all additions, alterations, substitutions, replacements, renewals or modifications of or to those assets from time to time, and all accessories to those assets from time to time (including maintenance and other records, manuals, handbooks, data, and drawings relating to those assets or documents relating to warranties and patent indemnities given by manufacturers or suppliers of those assets)
"Consents"	includes any necessary approval,

authorisation, consent, exemption, licence, permit, permission or registration from any governmental or other authority, the local planning authority, landlords, funders, adjoining land owners or any other person in relation to the carrying out, use and future maintenance of the Chattels

"Council's Representative" means the person notified in writing by the Council to the Borrower from time to time

"Default Interest Rate" means 2% above the Repayment Interest Rate

"Environmental Information Regulations" means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice relating to such legislation

"Event of Default" means any event or circumstance specified in this definition -

- (a) the Borrower fails to perform and/or observe any provision of this Agreement,
- (b) any fraud on the part of the Borrower
- (c) any representation or warranty made or repeated by the Borrower pursuant to this Agreement, is incorrect, incomplete, untrue or misleading when made or repeated,
- (d) Insolvency of the Borrower

"Facility Agreement" Means the loan agreement dated 1 May 2015 between the Council and the Borrower for the provision of the loan facilities secured by this deed

"Insolvency" means, in relation to the Borrower, any or

the following -

- (i) any step is taken in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of such company or corporation, or
- (ii) an application is made for an administration order in relation to such company or corporation, or
- (iii) in relation to such company or corporation, the appointment of an administrator, the filing of documents with the Court for the appointment of an administrator or the giving of notice of intention to appoint an administrator by such company or corporation or its directors, or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986) or
- (iv) a receiver or manager is appointed in relation to any property or income of such company or corporation, or
- (v) a liquidator is appointed in respect of such company or corporation, or
- (vi) a voluntary winding-up of such company or corporation is commenced, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of

Companies, or

(vii) a petition is made for a winding-up order for such company or corporation, or

(viii) the occurrence at any time of any event or events in relation to such company or corporation in a territory outside the United Kingdom where at such time such company or corporation has its centre of main interests being an event or events which under the Law of that territory at such time have a similar effect as one or more of any of the events previously described in this definition if such event or events so previously described had occurred in the United Kingdom and such company or corporation had its centre of main interests in the United Kingdom

"Insurance Policies"

all the contracts and policies of insurance effected or maintained from time to time in respect of the Chattels

"LPA 1925"

The Law of Property Act 1925

"Receiver"

a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Council under clause 13

"Relevant Agreement"

means

(a) each agreement for the maintenance, repair or upkeep of the Chattels and any guarantee,

warranty or security for the performance of any such agreement, and

- (b) all other contracts, guarantees, appointments, warranties, indemnities and other documents relating to the Chattels to which the Borrower is a party, which are in its favour or of which it has the benefit, the details of which are set out in Schedule 2

"Repayment Interest Rate" means 7 54%

"Representations and Warranties" means each of the representations and warranties set out in Clause 3

"Secured Assets" all the assets, property and undertaking for the time being subject to any Security created by, or pursuant to, this deed

"Secured Liabilities" all monies, obligations and liabilities of the Borrower to the Council under or in connection with the Facility Agreement or this deed together with all interest (including, without limitation, default interest) accruing in respect of such monies, obligations or liabilities

"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 Period" the period starting on the date of this deed

and ending on the date on which the Council is satisfied that all the liability for repayment of the Funding in accordance with the terms of this Agreement have been unconditionally and irrevocably paid and discharged in full

"Working Day"

means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory bank holiday in England

1 2 Interpretation

- 1 2 1 Any reference to this **"Agreement"** includes any subsequent variations and any supplemental agreement made from time to time by the agreement between the Parties,
- 1 2 2. Any reference to the **"Borrower"** includes reference to any statutory successors;
- 1 2 3. Any reference to **"Party"** or **"Parties"** means a party or the parties to this Agreement,
- 1 2 4 Words importing any gender include any other gender Words in the singular include the plural and words in the plural include the singular,
- 1 2 5 The headings and index are inserted for convenience only and shall have no legal effect,
- 1 2 6 References in this Agreement to any Clause, sub-clause or Schedule without further designation shall be construed as a reference to the Clause, sub-clause of or Schedule to this Agreement,
- 1 2 7 References to any statute or statutory provision in this Agreement shall be deemed to refer to those provisions as replaced, amended, extended or re-enacted from time to time whether by instruments, orders, bye-laws, statute or by directive or regulation (which is, in the case of a directive or regulation, intended to have direct application within the United Kingdom and has been adopted by the

Council of the European Union) and all statutory instruments or orders made pursuant to it,

1 2 8 Where consent or approval of any party to this Agreement is required for any purpose under or in connection with the terms of this Agreement -

1 2 8 1 It shall be given in writing following a receipt for a request in writing for such consent or approval,

1 2 8 2 Unless specifically provided for in this Agreement shall not be unreasonably withheld or delayed,

1 2 9 The term "person" includes any individual partnership, firm, trust, body corporate, government, governmental bodies, authority, agency or unincorporated body of persons or association,

1 2 10 The Schedule to this Agreement are an integral part of this Agreement and reference to this Agreement includes reference to the Schedules,

1 2 11 The words "including" and "in particular" shall be construed so as not to limit the generality of any words or expressions in connection with which they are used

2 COVENANT TO PAY

The Borrower shall, on demand, pay to the Council and discharge the Secured Liabilities when they become due

3 REPRESENTATIONS AND WARRANTIES

At the date of this Agreement the Borrower represents and warrants to the Council that -

3 1 Representations and Warranties

3 1 1 It is the sole legal and beneficial owner of, and has good, valid and marketable title to the Secured Assets and none of the Chattels (or any part of them) is or will be treated as being fixed to any land, premises or other property,

3 1 2 It has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or an interest in them,

3 1 3 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Secured Assets,

- 3 1 4 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 Borrower or otherwise,
- 3 1 5 There is no prohibition on assignment in any Insurance Policy or Relevant Agreement, and the entry into this deed will not constitute a breach of any Insurance Policy or Relevant Agreement or any other agreement, instrument or obligation binding on the Borrower or its assets,
- 3 1 6 This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms

3 2 Time for making representations and warranties

The Representations and Warranties are made on the date of this deed and are deemed repeated by the Borrower on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition

4 GRANT OF SECURITY

4 1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Council by way of first legal mortgage, the Chattels

4 2 Fixed charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Council by way of first fixed charge

4 2 1 all its rights in each Insurance Policy, including the proceeds of any claims under any Insurance Policy, to the extent not effectively assigned under clause 4 3 1

4 2 2 the benefit of each Relevant Agreement, to the extent not effectively assigned under clause 4 3 2, and

4 2 3 all authorisations (statutory or otherwise) held or required in connection with the use of any Secured Assets, and all rights in connection with them

4 3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Council, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities

4 3 1 all its rights in each Insurance Policy, including the proceeds of any claims under any Insurance Policy,

4 3 2 the benefit of each Relevant Agreement, and

4 3 3 all authorisations (statutory or otherwise) held or required in connection with the use of any Secured Assets, and all rights in connection with them,

provided that nothing in this clause 4 3 shall constitute the Council as mortgagee in possession

5 COVENANTS

5 1 Negative pledge and disposal restrictions

The Borrower shall not at any time, except with the prior written consent of the Council

5 1 1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed,

5 1 2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets, or

5 1 3 create or grant (or purport to create or grant) any interest in any Secured Asset in favour of a third party

5 2. Preservation of Secured Assets.

The Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Council or diminish the value of any of the Secured Assets (except for expected fair wear and tear) or the effectiveness of the security created by this deed

5 3 Relevant Agreement

The Borrower shall not, without the prior written consent of the Council

5 3 1 waive any of its rights under any Relevant Agreement,
or

5 3 2 supplement, amend, novate, terminate or permit
termination of any Relevant Agreement

5 4 Compliance with laws and regulation

The Borrower shall not, without the Council's prior written consent, use or permit the Secured Assets to be used in any way contrary to law

5 5 Enforcement of rights

The Borrower shall

5 5 1 comply with the requirements of any law and
regulation relating to or affecting the Secured Assets
or the use of them or any part of them,

5 5 2 obtain, and promptly renew from time to time, and
comply with the terms of all authorisations that are
required in connection with the Secured Assets or
their use or that are necessary to preserve, maintain
or renew any Secured Asset, and

5 5 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 Secured Assets

5 6 Notice of misrepresentation and breaches

The Borrower shall use its best endeavours to

- 5 6 1 procure the prompt observance and performance of the covenants and other obligations imposed on the Borrower's counterparties, and
- 5 6 2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Council may require from time to time

5 7 Notice of misrepresentation and breaches

The Borrower shall, promptly on becoming aware of any of the same, notify the Council in writing of

- 5 7 1 any representation or warranty set out in clause 3 that is incorrect or misleading in any material respect when made or deemed to be repeated, and
- 5 7 2 any breach of any covenant set out in this deed

5 8 Notices to be given by the Applicant

The Borrower shall within five days of the execution of this deed

- 5 8.1 give notice to the relevant insurers of the assignment of the Applicant's rights and interest in, and under, each Insurance Policy (including the proceeds of any claims under that Insurance Policy) pursuant to clause 4 3 1 and procure that each addressee of any such notice promptly provides an acknowledgement of the Lender's interest to the Lender, and
- 5 8 2 give notice to the other parties to each Relevant Agreement of the assignment of the Applicant's rights and interest in and under that Relevant Agreement pursuant to clause 4 3 2 and procure that each

addressee of any such notice will promptly provide an acknowledgement of the Council's interest to the Lender

5 9 Notice of mortgage

The Borrower shall, if so requested by the Council, affix to and maintain on each Chattel in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF LEGAL MORTGAGE

This [DESCRIPTION OF ITEM] and all additions to it [and ancillary equipment] are subject to a legal mortgage dated [DATE] in favour of [Oxfordshire County Council] "

shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with this clause 6 10

5 10 Maintenance of Chattels

The Borrower shall.

5 10 1 at its own expense, maintain each Chattel in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules,

5 10 2 at its own expense, renew and replace any parts of the Chattels when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value,

5 10 3 keep or procure to be kept accurate, complete and up to date records of all repairs, servicing and maintenance carried out on the Chattels,

5 10 4 permit the Council, or such persons as it may nominate, at all reasonable times and on reasonable notice to enter on any premises of the Borrower to effect such maintenance or repairs to the Chattels as the Council or its nominee considers necessary, and

5 10 5 not permit any Chattel to be

5 10 5 1 used or handled, other than by properly qualified and trained persons,

5 10 5 2 modified, upgraded, supplemented or altered other than for the purpose of effecting maintenance or repairs permitted by this deed, or

5 10 5 3 to be overloaded or used for any purpose for which it is not designed or reasonably suitable or in any manner which would invalidate or otherwise prejudice any of the Insurance Policies

5 11 Information

The Borrower shall

5 11 1 give the Council such information concerning the location, condition, use and operation of the Secured Assets as the Council may require,

5 11 2 permit any persons designated by the Council 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, and

5 11 3 promptly notify the Council in writing of any action, claim 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 or demand, together with, in each case, the Applicant's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Council's prior approval, implement those proposals at its own expense

5 13 Insurance

The Borrower shall

5 13 1 insure, and keep insured, the Secured Assets against

- (a) loss or damage by fire or terrorist acts,
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- (c) any other risk, perils and contingencies as the Council may reasonably require

Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Council and must be for not less than the replacement value of or, if higher, the cost of reinstating the relevant Secured Assets

5 13 2 The Borrower agrees that it will if requested by the Council, produce to the Council each policy, certificate or cover note relating to the insurance required by clause 16 3 1 and if requested by the Council, procure that a note of the Council's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Council by reason of the act or default of any other joint or named insured and

not to cancel it without giving at least 30 days' prior written notice to the Council

5 14 Insurance premiums

The Borrower shall

- 5 14 1 promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep that Insurance Policy in full force and effect
- 5 14 2 not do or omit to do, or permit to be done or omitted, anything that may invalidate or otherwise prejudice any Insurance Policy

5 15 Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this deed has become enforceable) shall

- 5 15 1 immediately be paid to the Council,
- 5 15 2 (if they are not paid directly to the Council by the insurers) be held by the Borrower as trustee of the same for the benefit of the Council (and the Borrower shall account for them to the Council), and
- 5 15 3 at the option of the Council, be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Secured Liabilities or be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or, after the security constituted by this deed has become enforceable and if the Council so directs, in or

towards discharge or reduction of the Secured
Liabilities

5 16 Payment of outgoings

The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Council

5 17 Compliance with covenants

The Borrower shall observe and perform all covenants, stipulations and conditions to which any Secured Assets, or the use of them, is or may be subjected and (if the Council so requires) produce to the Council evidence sufficient to satisfy the Council that those covenants, stipulations and conditions have been observed and performed

5 18 Maintenance of interests in Secured Assets

The Borrower shall not, without the prior written consent of the Council

- 5 18 1 grant, or agree to grant, any licence or lease affecting the whole or any part of any Secured Assets, or
- 5 18 2 in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable interest in the whole or any part of any Secured Assets,
- 5 18 3 shall keep the Secured Asset in its sole and exclusive possession at the Approved Location or at such other location as the Council may consent in writing and shall not take the Secured Assets, or allow them to be taken, out of England and Wales, and
- 5 18 4 shall, if required by the Council, in the case of any Secured Assets located on leasehold premises, obtain evidence in writing from any

lessor of such premises that it waives absolutely all and any rights it may have now or at any time over any such Secured Assets

5 19 Registration restriction

The Borrower shall procure that no person shall be registered as proprietor of any Chattel without the prior written consent of the Council

5 20 Environment

The Borrower shall, in respect of each Chattel

5 20 1 comply with all the requirements of Environmental Information Regulations both in the conduct of its general business and in the management, possession or use of that Chattel, and

5 20 2 obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Information Regulations

6 TITLE DOCUMENTS

6 1 The Borrower shall, on the execution of this deed (or, if later, the date of acquisition of the relevant Secured Asset), deposit with the Council and the Council shall, for the duration of this deed be entitled to hold

6 1 1 all deeds and documents of title relating to the

6 1 2 Secured Assets that are in the possession or control of the Borrower (and if these are not within the possession or control of the Borrower, the Borrower undertakes to obtain possession of all these deeds and documents of title),

6 1 3 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Borrower is entitled to possess, and

6 1 4 copies of all the Relevant Agreements, certified to be true copies by either a director of the Borrower or the Borrower's solicitors

7 EVENTS OF DEFAULT

7 1 Where an Event of Default occurs, the Council may by notice in writing to the Applicant -

7 1 1 Suspend or alter the timing of the Funding Payment,

7 1 2 Require the Borrower to repay the whole of the Funding and the Borrower agrees that upon receipt of notice from the Council requiring repayment it will repay the sums required, the Council's reasonable administration expenses and interest at the Default Interest Rate from the date of the relevant Funding Payment until such sum is repaid,

7.1.3 Require the Borrower to prepare a plan to remediate and/or mitigate the effects of the Event of Default and submit the plan to the Council within 5 Working Days of the request for a plan, and/or

7 1 4 Terminate this Agreement whereupon the Borrower shall repay the whole of the Funding, with the Council's Administration Expenses and interest at the Default Interest Rate from the date of the relevant Funding Payment until such sum is repaid.

7 1 5 Enforce its security 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 Secured Assets

7 2 Suspension of Funding

If the Council suspends any Funding Payment because of an Event of Default which is, in the opinion of the Council, capable of remedy then the Borrower will on notice in writing from the Council remedy the relevant breach within a reasonable period as specified in such notice. If the breach is remedied as specified then the Council will restart Funding Payments

7 3 Exercise of rights without prejudice

The exercise by the Council of its rights under Clause 9 shall be without prejudice to any other right of action or remedy of the

Council in respect of any breach by the Borrower of the provisions of this Agreement

7 4 Indemnities

7 4 1 The Borrower shall indemnify the Council and each Receiver, 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

7 4 2 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 Secured Assets,

7 4 3 holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed, or

7 4 4 any default or delay by the Borrower in performing any of its obligations under this deed

7 5 Default Interest

If the Borrower does not pay any sum on the due date it will pay interest at the Default Interest Rate which will accrue daily from the due date until the date of actual payment (both before and after judgment)

8 POWERS OF THE COUNCIL (AS LENDER).

8.1 Power to remedy

8 1 1 The Council shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed

8 1 2 The Borrower irrevocably authorises the Council and its agents to do all things that are necessary or desirable for that purpose

8 1 3 Any monies expended by the Council in remedying a breach by the Borrower of its obligations contained in this deed, shall be reimbursed by the Borrower to the Council on a full indemnity basis and shall carry interest in accordance with clause 8 5

8 1 4 The rights of the Council under clause 9 1 are without prejudice to any other rights of the Council under this deed

8.2 Council has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Council in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver

8.3 Indulgence

The Council may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person not being a party to this deed in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Borrower for any of its rights or transfer any or all of its obligations under this Agreement

9 NO FETTERING OF DISCRETIONS/STATUTORY POWERS

Nothing contained in or carried out pursuant to this Legal Charge shall unlawfully prejudice the Council's rights powers or duties and/or obligations in the exercise of their functions or under any statutes, byelaws, instruments, orders or regulations

10 NOTICES

10.1 Details of Service

Any written notice required to be served under this Legal Charge shall be served as follows -

10 1 1 In relation to notices to be served upon the Council, by personal delivery or by sending it by recorded postal delivery to the address specified above and marked for the attention of the Section 151 Office and Head of Legal and Council's Representative or to such other address as shall from time to time be notified in writing by the Council to the other Parties, and

10 1 2 In relation to notices to be served upon the Applicant, by personal or by sending it recorded postal delivery to the address specified above and marked for the attention of the Borrower representative or such other addresses as shall from time to time be notified in writing by the Borrower to the other Parties,

10.2 Timing of Service

Any such written notice shall (where sent by post) be deemed to have been served and received on the second business day following the day of posting and where delivered personally be deemed to have been given when received

11 ENFORCEMENT OF SECURITY

12.1 Enforcement powers

12 1 1 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 deed

12 1 2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under Clause 10 1

12 1 3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed

12.2 Access on enforcement

12 2 At any time after the Borrower defaults in the performance of its obligations under this deed, the Borrower will allow the Council or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Council or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry

12.3 Protection of third parties

12 3 1 No purchaser, mortgagee or other person dealing with the Council, any Receiver shall be concerned to enquire

12 3 1 1 whether any of the Secured Liabilities become due or payable, or remain unpaid or undischarged, ,

12 3 1 2 whether any power the Council or a Receiver is purporting to exercise has become exercisable or is properly exercisable, or

12 3 1 3 how any money paid to the Council or any

Receiver is to be applied

12.4 Conclusive discharge to purchasers

12 4 1 The receipt of the Council, or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the

Council, and every Receiver may do so for any consideration, in any manner and on any terms that it or he thinks fit

12 RECEIVER

13.1 Appointment

13 1 1 At any time after the security constituted by this deed has become enforceable, or at the request of the Applicant, the Council may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets

13.2 Remuneration

13 2 1 The Council may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged

13.3 Power of appointment additional to statutory powers

13 3 1 The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Council under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise

13.4 Agent of the Borrower

13 4 1 Any Receiver appointed by the Council under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender

13 POWERS OF RECEIVER

14.1 General

- 14 1 1 Any Receiver appointed by the Council under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 14 2 to 14 6
- 14 1 2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver

14.2 Repair and improve Secured Assets

- 14 2 1 A Receiver may undertake or complete any works or repairs, alterations, additions, replacements or other acts for the protection or improvement of the Secured Assets as he thinks fit

14.3 Grant or surrender leases

- 14 3 1 A Receiver may grant, or accept surrenders of, any leases, lettings or hire affecting any of the Chattels on any terms and subject to any conditions that he thinks fit

14.4 Employ personnel and advisers

- 14 4 1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit

14.5 Remuneration

- 14 5 1 A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Council may prescribe or agree with him

14.6 Realise Secured Assets

- 14 6 1 A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient

for that purpose, and take possession of the Secured Assets with like rights

14.7 Remove Secured Assets

14 7 1 A Receiver may enter any premises where any Secured Assets are located and sever, dismantle and remove any Secured Assets from the premises without the Applicant's consent

14.8 Manage Secured Assets

14 8 1 A Receiver may do all such things as may be necessary for the ownership, management or operation of the Secured Assets

14.9 Dispose of Secured Assets

14 9 1 A Receiver may grant options and licences over all or any part of the Chattels, sell, assign, lease and accept surrenders of leases of (or concur in selling, assigning, leasing or accepting surrenders of leases of), all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit Any sale may be for any consideration that the Receiver thinks fit

14.10 Valid receipts

14 10 1 A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets

14.11 Make settlements

14 11 1 A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient

14.12 Bring proceedings

14 12 1 A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit

14.13 Insurance

14 13 1 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 9 4 effect with any insurer any policy of

insurance either in lieu or satisfaction of, or in addition to, any insurance

14.14 Powers under the LPA 1925

14 14 1 A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986

14.15 Absolute beneficial owner

14 15 1 A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets

14.16 Incidental powers

14 16 1 A Receiver may do any other acts and things that he.

- (a) may consider desirable or necessary for realising any of the Secured Assets,
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law, or
- (c) lawfully may or can do as agent for the Applicant

15 FURTHER ASSURANCE

15.1 The Borrower shall, at its own expense, take whatever action the Council or any Receiver may reasonably require for

- a) creating, perfecting or protecting the security intended to be created by this deed,
- b) facilitating the realisation of any Secured Asset, or
- c) facilitating the exercise of any right, power, authority or discretion exercisable by the Council or any Receiver in respect of any Secured Asset,

including, without limitation, (if the Council 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 Secured Assets (whether to the Council or to its nominee) and the giving of any notice, order or direction and the making of any registration

16 POWER OF ATTORNEY

16 1 By way of security, the Borrower irrevocably appoints the Council and every Receiver separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which

16 1 1 the Borrower is required to execute and do under this deed, or

16 1 2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender or any Receiver

17. MISCELLANEOUS

17.1. Certificates

A certificate by the Council as to any sum payable hereunder by the Borrower shall be conclusive save in the case of manifest error

17.2. Amendments to this Agreement

This Agreement may only be amended by a written agreement between the Parties which is duly signed by the Parties

17.3. Severance

If at any time any of the provisions of this Agreement become illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement shall be in any way affected or impaired as a result

17.4. No Waiver

No failure or delay on the part of the Council in exercising any right or power and no course of dealing between the Parties hereto shall operate as a waiver nor shall any single or partial exercise of any right or power of

the Council prevent any other or further exercise thereof or the exercise of any other right or power of the Council. The rights and remedies of the Council are cumulative and not exclusive of any rights or remedies which the Council would otherwise have.

17.5. Third Party Rights



Except as expressly provided in this deed, a party who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to 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 the Act.

17.6. English Law

This Agreement shall be governed by and construed in accordance with the laws of England.

IN WITNESS of which this instrument has been duly executed as a deed and delivered on the date written at the beginning of this deed.

SIGNED as a Deed (but not delivered until dated) by **REACTION ENGINES LIMITED** acting by a director and its Secretary or two directors -

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) 

TOM SCROPE

Director

ROBERT BOND

Director/Secretary

SCHEDULE 1

CHATELS

Zeiss Contura G2 RDS

Accura 11 RDS – 12/24/10

(All of which Equipment is, as more particularly described in the Quotation reference number 7740100074 / Purchase Order CP-02830 dated 20 March 2015)

SCHEDULE 2 RELEVANT AGREEMENTS

1 The benefit of the Zeiss Manufacturer's 12 month warranty in relation to the Secured Assets

2 The benefit of all other guarantees, indemnities and other documents relating to the Chattels to which the Borrower is a party or which are in the Borrower's favour