

MR01

Particulars of a charge

IRIS Laserform

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

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

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

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

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

This form **must be delivered to the Registrar for registration** v
21 days beginning with the day after the date of creation of the c
delivered outside of the 21 days it will be rejected unless it is acc
court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form
scanned and placed on the public record



A06

A2Z6QLFC

09/01/2014

#352

COMPANIES HOUSE

THURSDAY

1 Company details

Company number 0 3 8 7 7 7 8 6

Company name in full SIT-UP LIMITED

6

For official use

→ **Filling 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 d0 d6 m0 m1 y2 y0 y1 y4

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 THE GOOD LIFE LIMITED

Name

Name

Name

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

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

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Particulars of a charge

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

COVENANT TO PAY

SIT-UP Limited (the "Chargor") covenants with The Good Life Limited (the "Lender") to pay or discharge the Secured Liabilities on the due date or dates for payment or in the absence of any agreed or specified due date, immediately on demand by the Lender.

SECURITY

1 The Property

The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities charges to the Lender by way of legal mortgage all the Chargor's right, title, benefit, estate and interest in and to the Property

(see Continuation Pages)

5

Fixed charge or fixed security

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

☒ 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

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Negative Pledge

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

☒ Yes

☐ No

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Particulars of a charge

4	Description
	<p>Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security</p>
Description	<p>2. Fixed Charge Property</p> <p>The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities, to the extent not effectively subject to the security constituted by paragraph 3 below (Security by way of mortgage), charges to the Lender by way of fixed charge all the Chargor's present and future rights, title, benefit and interest in and to</p> <p>(a) any other freehold and leasehold property now and at any time during the continuance of this security belonging to, vested in or held by the Chargor (other than the Property) and the proceeds of sale thereof and all licences now or hereafter held by the Chargor to enter upon or use land and the benefit of all other agreements relating to land to which the Chargor is or may become a party or otherwise entitled and all buildings fixtures (including trade fixtures) and fixed plant and machinery owned by the Chargor and from time to time on or in any freehold or leasehold property an interest in which is charged hereunder and all rents and other income of such freehold or leasehold property;</p> <p>(b) all present and future plant, vehicles, machinery, computers and office and other equipment (to the extent not effectively mortgaged or charged under paragraph 1 (The Property) and 2(a) above);</p> <p>(c) all chattels hired, leased, rented or agreed to be sold by the Chargor to any other person;</p> <p>(d) all debts including book debts and receivables and claims of any description now and from time to time due, owing, incurred or accountable to the Chargor and whether presently arising, payable or performable or hereafter arising, falling due for payment or performance, together with all proceeds of any of the foregoing and the benefit of all rights relating to any of the foregoing,</p>

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Particulars of a charge

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

- (e) all and any inventions, patents, applications for patents, registered or unregistered trademarks or service marks, registered or unregistered designs, or applications for registration of trademarks, service marks or designs, and any trade names, rights, licences, copyrights, data base rights, confidential information, know how, trade secrets and any other property or rights in the nature of intellectual property belonging to or in which the Chargor has an interest and all fees, royalties and other rights of every kind deriving therefrom,
- (f) the Chargor's present and future goodwill and uncalled capital,
- (g) all documents which have been or may from time to time be deposited with the Lender and which are not charged to the Lender pursuant to the foregoing sub-clauses, including all rights, monies or property (whether of a capital or income nature) howsoever accruing or derived therefrom or arising in respect thereof,
- (h) all contracts, licences, consents and authorisations held in connection with the Chargor's business or the use of any Charged Property,
- (i) any sum now or at any time after the date of this Debenture received by the Chargor as a result of any order of the court under sections 213, 214, 238, 239, 244 or 423 of the Insolvency Act 1986,
- (j) all other existing and future property not charged or assigned by the previous paragraphs of this clause (other than stock in trade or work in progress)

3 Security by way of mortgage

The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities hereby assigns to the Lender by way of fixed mortgage all the Chargor's present and future right, title, benefit and interest in and to

- (a) absolutely all rights under all Contracts,

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Particulars of a charge

4	Description
	<p>Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security</p>
Description	<p>(b) any contractual, restitutionary and tortious rights now and from time to time vested in the Chargor and whether presently arising or hereafter arising;</p> <p>(c) any balance in whatever currency now or in the future standing to the credit of the Accounts with any bank or financial institution, title and interest in and relating to the Accounts;</p> <p>(d) any present or future contracts or policies of insurance or assurance (including life policies) in which the Chargor now or hereafter has an interest and all claims and monies from time to time arising or payable thereunder, including any refund of premiums,</p> <p>(e) any stocks, shares, units in collective investment schemes, debentures, bonds, notes, commercial paper, certificates of deposit, depository receipts, negotiable instruments and/or other securities of any kind whatsoever in or relating to any company, firm or entity wheresoever situate and any rights or entitlements derived directly or indirectly from the same and whether any of the foregoing is represented by a certificate or instrument or by an entry in any register, account, book entry or other record or common account and whether marketable or otherwise, and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same, together with all dividends, interest allotments, accretions, offers, rights, benefits and advantages whatsoever in respect of or incidental to such securities</p>
	<p>4 Floating Charge</p> <p>(a) The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities charges to the Lender by way of first floating charge the Chargor's undertaking and all its other property assets and rights whatsoever and wheresoever present and future including those expressed above as charged by way of mortgage or fixed charge or assigned to the Lender if and to the extent that such mortgage charge or assignment may fail for any reason to operate as a legal mortgage or fixed security or charge or may otherwise be ineffective.</p>

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Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

(b) The parties hereby confirm that this Debenture contains a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986 and accordingly that paragraph 14 of Schedule B1 shall apply to this Debenture

Definitions:

Accounts: means any account of the Chargor with any bank, financial institution or other person, except for the BoS Account as long as it is subject to the Deposit Account Charge;

BoS Account: means an account in the Chargor's name opened in Bank of Scotland plc (account no: 0611-9633, sort code: 12-01-03) and subject to the Deposit Account Charge,

Charged Property. means the Property and all other assets, rights and undertaking of the Chargor which are the subject of any security created or purported to be created by this Debenture,

Contracts means all deeds and agreements to which the Chargor is a party and which are not mortgaged, charged by way of fixed charge or assigned under any of paragraphs 1 (The Property), to 2 (Fixed Charge Property) (inclusive) above,

Secured Liabilities means all monies, debts, obligations and liabilities whatsoever whether for principal, interest, default interest or otherwise now or in the future due from, owing or incurred by the Chargor to the Lender whether present or future, actual or contingent and whether alone or severally or jointly with any other person and whether as principal, guarantor, surety or otherwise and in whatever name or style and whether on any current or other account or in any manner whatever including any moneys, debts, obligations and liabilities assigned or novated or otherwise vested in the Lender and including interest to the date of payment at such rates and upon such terms as may from time to time be agreed and all commission, fees, costs, expenses and other charges on a full and unqualified indemnity basis

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Particulars of a charge

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Trustee statement ①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X Locke Lord (UK) LLP

X

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

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Particulars of a charge



Presenter information

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

Contact name NICOLE LYONS

Company name LOCKE LORD (UK) LLP

Address 201 BISHOPSGATE

Post town LONDON

County/Region

Postcode E C 2 M 3 A B

Country UK

DX 567 LONDON/CITY

Telephone 020 7861 9000



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: 3877786

Charge code: 0387 7786 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th January 2014 and created by SIT-UP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th January 2014.

127

Given at Companies House, Cardiff on 13th January 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED 6TH JANUARY 2014

SIT-UP LIMITED

as Chargor

- and -

THE GOOD LIFE LIMITED

as Lender

DEBENTURE

We hereby certify this to be a
true copy of the original.
Locke Lord (UK) LLP

Locke Lord (UK) LLP

08/01/2014

N. Lyons

NICOLE LYONS

201 BISHOPSGATE

LONDON, EC2M 3AB

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THIS DEBENTURE is made BY DEED on 6th JANUARY 2014

BETWEEN:

- (1) **SIT-UP LIMITED** (company number 03877786) whose registered office is at 11 Acton Park Estate, Eastman Road, Acton, London W3 7QE (the "**Chargor**"), and
- (2) **THE GOOD LIFE LIMITED** (company number 06482483) whose registered office is at Beech House, 4a Newmarket Road, Cambridgeshire, CB5 8DT (the "**Lender**")

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 In this Debenture

Words and expressions defined in the Loan Agreement have the same meanings in this Debenture unless they are expressly defined herein

"Accounts"	means any account of the Chargor with any bank, financial institution or other person, except for the BoS Account as long as it is subject to the Deposit Account Charge,
"Act"	means the Law of Property Act 1925,
"Administrator"	means any person or persons for the time being acting as administrator of the Chargor pursuant to the provisions of the Insolvency Act 1986,
"BoS Account"	means an account in the Chargor's name opened in Bank of Scotland plc (account no 0611-9633, sort code 12-01-03) and subject to the Deposit Account Charge,
"Business Day"	means a day on which banks generally are open for business in the City of London (excluding Saturdays, Sundays and bank or public holidays),
"Charged Property"	means the Property and all other assets, rights and undertaking of the Chargor which are the subject of any security created or purported to be created by this Debenture,
"Contracts"	means all deeds and agreements to which the Chargor is a party and which are not mortgaged, charged by way of fixed charge or assigned under any of clauses 3.1 (<i>The Property</i>), to 3.2 (<i>Fixed Charge Property</i>) (inclusive),
"Default Rate"	means base rate plus 6% (six per cent) per annum,

"Event of Default"	means each of the events or circumstances set out in clause 8 (<i>Events of Default</i>) or specified as an event of default (howsoever described) in the Finance Documents,
"Finance Documents"	means this Debenture, the Loan Agreement and any other documents evidencing the Secured Liabilities or constituting a Security Interest securing the same,
"Financial Collateral"	has the meaning given to that expression in the Financial Collateral Regulations,
"Financial Collateral Regulations"	has the meaning given to that expression in the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/2006),
"Financial Indebtedness"	means any indebtedness for or in respect of <ul style="list-style-type: none"> (a) moneys borrowed, (b) any amount raised by acceptance under any acceptance credit facility, (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, (d) any amount raised in accordance with any issue of shares which are expressed to be preferred or redeemable; (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease, (f) the amount of any liability outstanding for goods or services bought or received if the same are capable of remaining outstanding for more than six months, (g) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis), (h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account),

- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above, to the extent that the same is not double counted,

"GAAP"	means, in relation to the Chargor, generally accepted accounting principles in the jurisdiction of its incorporation,
"Loan Agreement"	means the loan agreement dated on or about the date of this Debenture between the Chargor and the Lender pursuant to which the Lender agreed to make available to the Chargor a loan facility of up to £6,000,000 (six million pounds), subject to the terms and conditions contained therein,
"Material Adverse Effect"	means a material adverse effect on (a) the business, operations, property, condition (financial or otherwise) or prospects of the Chargor in any jurisdiction, (b) the Property and/or the income derived from the Property, (c) the ability of the Chargor to perform any of its obligations under the Loan Agreement or this Debenture, or (d) the validity or enforceability of this Debenture or the rights or remedies of the Lender under this Debenture;
"Property"	means the freehold/leasehold property or properties as set out in Schedule 1 (<i>The Property</i>) (if any) and includes each and every part of such property or properties and all buildings fixtures and fittings thereon,
"Receiver"	means any person or persons appointed by the Lender under this Debenture or pursuant to any applicable law to be a receiver and/or manager of the Charged Property or any part thereof and (where the context requires or permits) includes any substituted receiver and/or manager,
"Secured Liabilities"	means all monies, debts, obligations and liabilities whatsoever whether for principal, interest, default interest or otherwise now or in the future due from, owing or incurred by the Chargor to the Lender whether present or future, actual or contingent and whether alone or severally or jointly with any other person and whether as principal, guarantor, surety or otherwise and in whatever name or style and whether on any current or other account or in any manner whatever including any moneys, debts, obligations and liabilities assigned or novated or otherwise vested in the Lender and including interest to the date of payment at such rates and upon such terms as may from time to time be

agreed and all commission, fees, costs, expenses and other charges on a full and unqualified indemnity basis,

"Security Financial Collateral Arrangement"

has the meaning given to that expression in the Financial Collateral Regulations, and

"Security Interest"

means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

1 2 In this Debenture unless a contrary indication appears

- (a) references to this Debenture and to any provision of this Debenture shall be construed as references to this Debenture as in force for the time being and as amended, varied, supplemented, restated, substituted or novated from time to time,
- (b) references to any **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing,
- (c) references to any statute or statutory provision are to be construed as including references to that statute or statutory provision as amended, extended, consolidated, supplemented, re-enacted or replaced from time to time (whether before or after the date of this Debenture) and any previous statute or statutory provision amended, extended, consolidated, supplemented, re-enacted or replaced by it and are to include any orders, regulations, instruments or other subordinate legislation made under or deriving validity from that statute or statutory provision,
- (d) Clause and Schedule headings are for ease of reference only and shall not affect the interpretation of this Debenture,
- (e) references to **"the Lender"** include any person to whom the Lender at any future time assigns or transfers any interest or right created by or existing under this Debenture,
- (f) the terms of other Finance Documents are incorporated in this Debenture to the extent required to ensure that any purported disposition or purported contract for the disposition of any freehold or leasehold property contained in this Debenture is a valid disposition or contract for disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, and
- (g) any reference to **"including"** shall be construed as **"including without limitation"**

1 3 Subject to clause 1 4, a person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Debenture.

1 4 The provisions of clause 1.3 will not prevent any Receiver appointed under this Debenture nor any Administrator appointed under paragraph 14 of Schedule B1 to the Insolvency Act

1986 nor any person to whom the Lender at any future time assigns or transfers any interest or right created by or existing under this Debenture from enforcing or enjoying the benefit of any term of this Debenture. For the avoidance of doubt, this Debenture and any of its provisions may be amended, waived or released, in whole or in part, without the necessity of obtaining the consent of any actual or potential Receiver

2. COVENANT TO PAY

The Chargor covenants with the Lender to pay or discharge the Secured Liabilities on the due date or dates for payment or in the absence of any agreed or specified due date, immediately on demand by the Lender

3. SECURITY

3.1 The Property

The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities charges to the Lender by way of legal mortgage all the Chargor's right, title, benefit, estate and interest in and to the Property

3.2 Fixed Charge Property

The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities, to the extent not effectively subject to the security constituted by clause 3.3 (*Security by way of mortgage*), charges to the Lender by way of fixed charge all the Chargor's present and future rights, title, benefit and interest in and to

- (a) any other freehold and leasehold property now and at any time during the continuance of this security belonging to, vested in or held by the Chargor (other than the Property) and the proceeds of sale thereof and all licences now or hereafter held by the Chargor to enter upon or use land and the benefit of all other agreements relating to land to which the Chargor is or may become a party or otherwise entitled and all buildings fixtures (including trade fixtures) and fixed plant and machinery owned by the Chargor and from time to time on or in any freehold or leasehold property an interest in which is charged hereunder and all rents and other income of such freehold or leasehold property,
- (b) all present and future plant, vehicles, machinery, computers and office and other equipment (to the extent not effectively mortgaged or charged under clauses 3.1 (*The Property*) and 3.2(a));
- (c) all chattels hired, leased, rented or agreed to be sold by the Chargor to any other person,
- (d) all debts including book debts and receivables and claims of any description now and from time to time due, owing, incurred or accountable to the Chargor and whether presently arising, payable or performable or hereafter arising, falling due for payment or performance, together with all proceeds of any of the foregoing and the benefit of all rights relating to any of the foregoing,
- (e) all and any inventions, patents, applications for patents, registered or unregistered trademarks or service marks, registered or unregistered designs, or applications for

registration of trademarks, service marks or designs, and any trade names, rights, licences, copyrights, data base rights, confidential information, know how, trade secrets and any other property or rights in the nature of intellectual property belonging to or in which the Chargor has an interest and all fees, royalties and other rights of every kind deriving therefrom,

- (f) the Chargor's present and future goodwill and uncalled capital,
- (g) all documents which have been or may from time to time be deposited with the Lender and which are not charged to the Lender pursuant to the foregoing sub-clauses, including all rights, monies or property (whether of a capital or income nature) howsoever accruing or derived therefrom or arising in respect thereof,
- (h) all contracts, licences, consents and authorisations held in connection with the Chargor's business or the use of any Charged Property,
- (i) any sum now or at any time after the date of this Debenture received by the Chargor as a result of any order of the court under sections 213, 214, 238, 239, 244 or 423 of the Insolvency Act 1986,
- (j) all other existing and future property not charged or assigned by the previous paragraphs of this clause (other than stock in trade or work in progress)

3.3 Security by way of mortgage

The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities hereby assigns to the Lender by way of fixed mortgage all the Chargor's present and future right, title, benefit and interest in and to

- (a) absolutely all rights under all Contracts,
- (b) any contractual, restitutionary and tortious rights now and from time to time vested in the Chargor and whether presently arising or hereafter arising,
- (c) any balance in whatever currency now or in the future standing to the credit of the Accounts with any bank or financial institution, title and interest in and relating to the Accounts,
- (d) any present or future contracts or policies of insurance or assurance (including life policies) in which the Chargor now or hereafter has an interest and all claims and monies from time to time arising or payable thereunder, including any refund of premiums,
- (e) any stocks, shares, units in collective investment schemes, debentures, bonds, notes, commercial paper, certificates of deposit, depository receipts, negotiable instruments and/or other securities of any kind whatsoever in or relating to any company, firm or entity wheresoever situate and any rights or entitlements derived directly or indirectly from the same and whether any of the foregoing is represented by a certificate or instrument or by an entry in any register, account, book entry or other record or common account and whether marketable or otherwise, and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same, together

with all dividends, interest allotments, accretions, offers, rights, benefits and advantages whatsoever in respect of or incidental to such securities

3 5 Floating Charge

- (a) The Chargor with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities charges to the Lender by way of first floating charge the Chargor's undertaking and all its other property assets and rights whatsoever and wheresoever present and future including those expressed above as charged by way of mortgage or fixed charge or assigned to the Lender if and to the extent that such mortgage charge or assignment may fail for any reason to operate as a legal mortgage or fixed security or charge or may otherwise be ineffective
- (b) The parties hereby confirm that this Debenture contains a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986 and accordingly that paragraph 14 of Schedule B1 shall apply to this Debenture.

4. NEGATIVE PLEDGE and SECURITY OVER SHARES

4 1 The Chargor covenants with the Lender that, save with the Lender's prior written consent the Chargor will not

- (a) create nor permit to subsist any Security Interest over the whole or any part of the Charged Property, nor
- (b) other than with respect to the Chargor's stock in trade and work in progress which for the time being remains the subject of a floating charge hereunder, part with possession, convey, transfer, assign, sell, discount, factor, lease or grant any licence over or otherwise dispose of the Charged Property or any part thereof, nor
- (c) with respect to the Chargor's stock in trade and work in progress which for the time being remains the subject of a floating charge hereunder, part with possession, convey, transfer, assign, sell, discount, factor, lease or grant any licence over or otherwise dispose of the same or any part thereof except in the ordinary course of its business on an arm's length basis, on the usual terms of trade for such a business and for the full value thereof, nor
- (d) agree to do anything prohibited by the foregoing

4 2 Where the security given under this Debenture is security over the issued share capital of a corporate entity, the Lender will exercise any rights vested in it by virtue of such security at the direction of and in the interests of the Chargor unless the Lender wishes to exercise such rights for the purpose of preserving the value of its security or realising its security

5. CONVERSION OF FLOATING CHARGE

5 1 Without prejudice to any right it may otherwise have, the Lender may by notice to the Chargor convert the floating charge contained in this Debenture into a fixed charge as regards such of the Charged Property as the Lender may specify (whether generally or specifically) in that notice in any one or more of the following situations (i) if the Lender considers that it would be desirable to do so in order to protect, preserve or supplement the charges over the Charged

Property or the priority of those charges, or (ii) if the Lender receives notice from any source of an intention on the part of any other person to appoint an administrator of the Chargor or of any application by any person to the court for the appointment of an administrator, or (iii) on, or at any time after, this Debenture has become enforceable.

- 5 2 If, without the prior written consent of the Lender, the Chargor breaches or takes any steps with a view to breaching any provision of clause 4 (*Negative Pledge and Security Over Shares*) in respect of any of the Charged Property which is subject to an uncrystallised floating charge under this Debenture, or if any person levies or attempts to levy any distress, attachment, execution or other legal process against any of that Charged Property, the floating charge created by this Debenture over the Charged Property to which the breach or step relates will automatically, without notice, be converted into a fixed charge as soon as that breach occurs or that step is taken
- 5 3 The Lender shall not be entitled to convert the floating charge created by this Debenture into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and schedule A1 to the Insolvency Act 1986

6. REPRESENTATIONS AND WARRANTIES

- 6 1 The Chargor represents and warrants to the Lender that -

(a) **Incorporation:**

it is a corporation duly organised and validly existing under the laws of its place of incorporation, has the capacity to sue or be sued in its own name and has full power and all necessary governmental and other consents, approvals, licences and authorities to own its property and other assets and to carry on its business as it is being conducted,

(b) **Power and Authority:**

it has full power and authority to execute and deliver this Debenture and perform its obligations hereunder and this Debenture has been validly entered into by it and creates valid and legally binding obligations upon it enforceable in accordance with its terms,

(c) **Authorisations and Consents:**

all consents, licences, approvals and authorisations (whether corporate, official or otherwise) required by it in connection with the entry into, execution, performance, validity, enforceability and admissibility in evidence of this Debenture and the transactions contemplated hereby have been unconditionally obtained and are in full force and effect,

(d) **No Contravention:**

neither the execution and delivery of this Debenture nor the performance of any of its obligations hereunder do now or will.

- (i) conflict with its memorandum or articles of association or other constitutional documents, or
- (ii) contravene or constitute a default under or otherwise conflict with any provision contained in any agreement, instrument, law, judgment, order, licence, permit or consent by which the Chargor or any of the assets of the Chargor is bound or affected, or
- (iii) cause any borrowing or other limitation on the Chargor or the powers of the directors or other officers of the Chargor to be exceeded, whether such limitation is imposed by or contained in any document which contains or established its constitution or in any law, order or judgment to which the Chargor is subject or any agreement or instrument by which the Chargor or any of the assets of the Chargor is bound or affected, or
- (iv) constitute a default or an event, which with giving of notice, the passage of time or the making of any determination, or any combination thereof, would constitute a default under any such agreement or instrument,

(e) **Ownership of the Charged Property:**

it is absolutely, solely and beneficially entitled to all the Charged Property as from the date it or any part of it falls to be charged under this Debenture and the rights of the Chargor in respect of the Charged Property are free from any Security Interest of any kind, save as previously disclosed in writing to, and consented to in writing by, the Lender,

(f) **No Disposal:**

it has not sold or agreed to sell or otherwise disposed of, or agreed to dispose of, the benefit of all or any part of the Chargor's right, title and interest in and to the Charged Property, save as previously disclosed in writing to and consented to in writing by the Lender, or as otherwise permitted by this Debenture;

(g) **Centre of Main Interests:**

its centre of main interests for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency procedures is in England and Wales, and

(h) **No proceedings pending or threatened:**

no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a material adverse effect on the ability of the Chargor to perform any of its obligations under this Debenture have (to the best of the Chargor's knowledge and belief) been started or threatened against the Chargor

- 6.2 The representations and warranties given in clause 6.1 are given and made on and as at the date of this Debenture, shall survive the execution of this Debenture and are continuing representations and warranties which are deemed to be repeated during the continuance of the security constituted by this Debenture

7. UNDERTAKINGS BY THE CHARGOR

7.1 General Undertakings

The Chargor undertakes to the Lender that during the continuance of the security constituted by this Debenture the Chargor shall

- (a) comply with all obligations under any present or future statute, regulation, order and instrument or under any byelaws, regulations or requirements of any competent authority and under all other approvals, licences or consents affecting the Charged Property and upon request produce to the Lender within 5 (five) Business Days of receipt every notice, order or proposal given or made in relation to the whole or any part of the Charged Property by any competent authority and either comply with the same or make such objections and representations against the same as the Lender may require or approve;
- (b) promptly provide (or procure to be delivered) to the Lender whatever information, documents or papers relating and/or evidencing title to the Charged Property as the Lender may from time to time request,
- (c) keep or cause to be kept all proper books of accounts and records relating to the Chargor's business, liabilities and affairs and to the Charged Property and promptly produce the same to the Lender on being requested so to do with reasonable notice being given,
- (d) ensure that its centre of main interests will remain as that specified for the purposes of clause 6 1(g) *(Representations and Warranties)*

7.2 Insurance Undertakings

The Chargor undertakes to the Lender that during the continuance of the security constituted by this Debenture the Chargor shall

- (a) effect and maintain insurance policies in respect of all of the Charged Property in full force and effect with such insurers, in such amounts and against all such risks of loss or damage as the Lender may from time to time require or in the absence of any such requirement as may be commercially prudent;
- (b) duly and punctually pay all premiums and other monies due and payable under or in connection with the insurance policies referred to in clause 7.2(a) above (and promptly upon request by the Lender, supply copies of the premium receipts or other evidence of payment) and not do or omit to do anything which may result in any such insurance policy being made void or voidable,
- (c) ensure that the terms of each insurance policy referred to in clause 7.2(a) above provide that the Lender is named as first loss payee and that all claims shall be paid to the Lender or as it may direct and that the insurance policy shall not be invalidated as against the Lender for failure to pay any premium without at least 21 (twenty-one) days' prior written notice being given to the Lender, and whereby the relevant insurer agrees not to vitiate or avoid the insurance policy as a result of any misrepresentation, act or omission of any party other than the Lender

7.3 Intellectual Property

The Chargor undertakes to the Lender that during the continuance of the security constituted by this Debenture the Chargor shall

- (a) take all necessary action to safeguard and maintain its rights, present and future, in or relating to the intellectual property referred to in clause 3.2(e) (*Fixed Charge Property*) (including the payment of all renewal fees and all steps which are necessary or desirable to maintain any applicable registrations with any appropriate registry or other government authority or body),
- (b) keep the Lender fully informed as to the registration or requirement to renew the registration of any such intellectual property,
- (c) not use or refrain from using such intellectual property in a way which would have an adverse effect thereon,
- (d) notify the Lender promptly of any infringement or suspected infringement or any challenge which would have an adverse effect on such intellectual property and take all steps necessary to prevent or bring an end to any such infringement and to defend any such challenge

7.4 Book debts and other debts and receivables

The Chargor undertakes to the Lender that during the continuance of the security constituted by this Debenture the Chargor shall

- (a) promptly realise and get in all of its debts and other monetary claims including its book debts and receivables and hold the same and the proceeds thereof on trust for the Lender and pay or procure the payment thereof into such bank or other accounts as may be required by the Lender,
- (b) not without the prior consent of the Lender sell, assign, factor, discount, release, exchange, compound, set-off, grant time or indulgence in respect of or in any other manner deal with all or any of such debts claims and proceeds except as expressly permitted under this Debenture

7.5 Real property

The Chargor undertakes to the Lender that during the continuance of the security constituted by this Debenture the Chargor shall

- (a) promptly give notice to the Lender of any freehold or leasehold land it may hereafter acquire and on demand by the Lender and at the cost of the Chargor promptly execute and deliver to the Lender a Supplemental Deed in the form set out in Schedule 2 (*Form of Supplemental Deed*) and/or such other security over such freehold or leasehold land as the Lender may require,
- (b) in respect of any freehold or leasehold land which it may hereafter acquire and which is registered land (or unregistered land subject to compulsory first registration) apply for the registration of a restriction against the registered titles in the same terms as

the restriction set out in clause 18.1 (*Further Assurances*) and also give the same authorisation as is clause 18.1 (*Further Assurances*)

7.6 Accounts

- (a) The Chargor undertakes to the Lender to give notice in the form specified in Schedule 3 (*Form of notice to the bank or institution operating an Account*) to the financial institution at which any Account is held that the Chargor has created a fixed charge over the balance standing to the credit of that Account
- (b) The Chargor will give the notices referred to in clause 7.6(a)
 - (i) in the case of an Account held by the Chargor at the date of this Debenture, on the date of this Debenture,
 - (ii) in the case of an Account opened after the date of this Debenture, on the date that Account being opened, and
 - (iii) in the case of the BoS Account, on the date the BoS Account being released from the Deposit Account Charge
- (c) The Chargor shall use reasonable endeavours to procure that the recipient of each such notice acknowledges that notice substantially in the form specified in Schedule 4 (*Form of acknowledgement from bank or institution operating an Account*) within 2 Business Days of that notice being given

7.7 Contracts

- (a) The Chargor undertakes to the Lender to
 - (i) perform all its obligations under the Contracts in a diligent and timely manner,
 - (ii) give notice in the form specified in Schedule 5 (*Form of notice for Contracts*) to its counterparties that the Chargor has assigned to the Lender all its right, title and interest in each relevant Contract
- (b) The Chargor shall give the notices referred to in clause 7.7(a).
 - (i) in the case of each Contract in existence as at the date of this Debenture, on the date of this Debenture, and
 - (ii) in the case of each Contract coming into existence after the date of this Debenture, on the date that this Contract coming into existence.
- (c) While no Event of Default is continuing, the Chargor may exercise all its rights in respect of the Contracts including (subject to the terms of the Finance Documents) receiving and exercising all rights relating to proceeds of those Contracts

7.8 Lender's right to perform and seek reimbursement

If the Chargor shall fail to satisfy the Lender that it has performed any of its obligations under clauses 7.1 (*General Undertakings*) to 7.7 (*Contracts*) inclusive above then the Lender may take

such steps as it considers appropriate to procure the performance of such obligations or may perform such obligations itself and make such payments as are necessary in order to do so and the Lender shall not thereby be deemed to be a Lender in possession and the monies expended by the Lender shall be reimbursed by the Chargor on demand and until reimbursed shall carry interest at the Default Rate from the time of the same having been paid or incurred by the Lender to the date of reimbursement

8. EVENTS OF DEFAULT

Each of the events or circumstances set out in clause 8 is an Event of Default

8.1 Non-payment

The Chargor does not pay on the due date any of the Secured Liabilities at the place at and in the currency in which it is expressed to be payable unless

- (a) its failure to pay is caused by administrative or technical error, and
- (b) payment is made within three Business Days

8.2 Other obligations

- (a) The Chargor does not comply with any provision of the Finance Documents (other than those for payment of the Secured Liabilities)
- (b) No Event of Default under clause 8.2(a) above will occur if the failure to comply is capable of remedy and is remedied within five Business Days of the Lender giving notice to the Chargor or the Chargor becoming aware of the failure to comply

8.3 Misrepresentation

Any representation or statement made or deemed to be made by the Chargor in the Finance Documents or any other document delivered by or on behalf of the Chargor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made

8.4 Cross default

- (a) Any Financial Indebtedness of the Chargor is not paid when due nor within any originally applicable grace period
- (b) Any Financial Indebtedness of the Chargor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described)
- (c) Any commitment for any Financial Indebtedness of the Chargor is cancelled or suspended by a creditor of the Chargor as a result of an event of default (however described)
- (d) Any creditor of the Chargor becomes entitled to declare any Financial Indebtedness of the Chargor due and payable prior to its specified maturity as a result of an event of default (however described)

8 5 Insolvency

- (a) The Chargor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of the Chargor is less than its liabilities (taking into account contingent and prospective liabilities)
- (c) A moratorium is declared in respect of any indebtedness of the Chargor

8 6 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness or a reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Chargor other than a solvent liquidation,
- (b) a composition, assignment or arrangement with any creditor of the Chargor,
- (c) the appointment or intended appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Chargor or any of its assets,
- (d) enforcement of any Security Interest over any assets of the Chargor; or
- (e) any procedure or step analogous to any of those referred to in sub-paragraphs (a),(b), (c) and (d) is taken in any jurisdiction

or any analogous procedure or step is taken in any jurisdiction.

8 7 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Chargor

8 8 Unlawfulness

It is or becomes unlawful or impossible for the Chargor to perform and observe, or to procure the performance or observance of, any of its obligations under the Finance Documents

8 9 Repudiation

The Chargor repudiates a Finance Document or evidences an intention to repudiate a Finance Document

8 10 Compulsory Acquisition

An order is made for the compulsory acquisition of all or any part of the Property and the making of such order will, in the opinion of the Lender, have a Material Adverse Effect.

8 11 Major damage

All or any part of the Property is destroyed or otherwise damaged and the Lender determines that such destruction or damage will have a Material Adverse Effect

8 12 Material adverse change

Any event or circumstance (other than an event or circumstance referred to in clause 8 10 (*Compulsory Acquisition*) or 8 11 (*Major damage*)) occurs which the Lender reasonably believes might have a Material Adverse Effect

9. ENFORCEMENT

9 1 If any Event of Default shall occur then

- (a) the Secured Liabilities shall become immediately due and payable at any time on demand by the Lender, and
- (b) the security constituted by this Debenture shall become immediately enforceable

9 2 At any time after the security constituted by this Debenture has become enforceable the Lender may without further notice to the Chargor exercise the power of sale and other powers conferred by Section 101 of the Act as varied or extended by this Debenture and the restrictions contained in Section 103 of the Act and in Section 109 of the Act will not apply to this Debenture

9 3 The statutory powers of leasing and accepting surrenders of leases conferred by Sections 99 and 100 of the Act shall be exercisable by the Lender at any time after the security constituted by this Debenture shall have become enforceable and whether or not the Lender shall then be in possession of that part of the Charged Property proposed to be leased or surrendered and the Lender may enter into a lease or agreement for lease at a premium and for any length of term and without any restriction on the kinds of leases and agreements for lease that the Lender may make and without the necessity for the Lender to comply with any restrictions imposed by or any other provisions of Sections 99 and 100 of the Act

9 4 The Lender may at any time redeem any security over the Charged Property having priority to the security constituted by this Debenture or procure the transfer thereof to the Lender and may settle the accounts of encumbrancers Any accounts so settled shall be conclusive and binding on the Chargor. The Chargor shall on demand pay to the Lender all principal monies, interest, costs, charges, losses, liabilities and expenses of and incidental to any such redemption or transfer

9 5 To the extent that the Charged Property constitutes Financial Collateral and this Debenture and the obligations of the Chargor hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted by this Debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine The value of any Charged Property appropriated in accordance with this clause 9 5 shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised investment market index or determined by such other method as the Lender may select (including independent

valuation) The Chargor agrees that the methods of valuation provided for in this clause 9.5 are commercially reasonable for the purposes of the Financial Collateral Regulations

10 APPOINTMENT AND POWERS OF A RECEIVER

- 10.1 At any time after the security constituted by this Debenture has become enforceable or if requested by the Chargor, the Lender may without further notice to the Chargor appoint by writing one or more persons to be a Receiver of all or any part of the Charged Property
- 10.2 Where more than one Receiver is appointed, they shall have power to act separately unless the Lender shall otherwise specify in the appointment. The Lender may remove (and may subsequently replace) any Receiver from all or any of the Charged Property of which he is the Receiver and also determine the remuneration of the Receiver from time to time
- 10.3 The Receiver shall be the Chargor's agent (and the Chargor shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which he shall act as principal and shall not become the Lender's agent
- 10.4 A Receiver appointed as aforesaid shall (subject to any limitations or restrictions expressed in the deed pursuant to which he is appointed) have the following powers in addition to his powers under the Act and any other powers conferred on him by law
- (a) to take possession of collect and get in the Charged Property in respect of which he was appointed,
 - (b) to carry on or concur in carrying on the business of the Chargor and raise money from the Lender and others without security or on the security of all or any of the Charged Property in respect of which he was appointed,
 - (c) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking with or without modification of any project in which the Chargor was concerned or interested prior to his appointment being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land,
 - (d) to sell or concur in selling, leasing or otherwise disposing of the whole or any part of the Charged Property in respect of which he was appointed,
 - (e) to carry out any sale lease or other disposal of the whole or any part of the Charged Property in respect of which he was appointed by conveying, transferring, assigning or leasing in the name of the Chargor and for that purpose to enter into covenants and other contractual obligations in the name of and so as to bind the Chargor,
 - (f) to take any such proceedings as he shall think fit in respect of the Charged Property in respect of which he was appointed in the name of the Chargor or otherwise including proceedings for recovery of rent or other monies in arrears at the date of his appointment,
 - (g) to enter into or make any such agreement, arrangement or compromise as he shall think fit,

- (h) to insure the Charged Property in respect of which he was appointed as he shall think fit or as the Lender shall direct and renew any insurances,
 - (i) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit including without prejudice to the generality of the foregoing power to employ his partners and firms,
 - (j) to operate any rent review clause in respect of any Charged Property in respect of which he was appointed or any part thereof and to apply for any new or extended lease, and
 - (k) to do all such other things as may seem to him to be incidental or conducive to any other power vested in him by this Debenture or to the realisation of the security constituted by this Debenture
- 10 5 In making any sale or other disposal in the exercise of their respective powers the Receiver or the Lender may accept as and by way of consideration for such sale or other disposal cash, shares, loan capital or other obligations including, without limitation, consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver shall *ipso facto* be and become charged with the payment of the Secured Liabilities Any contract for any such sale or other disposal by the Receiver or the Lender may contain conditions excluding or restricting the personal liability of the Receiver and the Lender
- 10.6 Only monies actually paid by a Receiver to the Lender in satisfaction or discharge of the Secured Liabilities shall be capable of being applied by the Lender in satisfaction thereof
- 10 7 All or any of the powers, authorities and discretions which are conferred by this Debenture either expressly or impliedly by or upon a Receiver may be exercised by the Lender in relation to the whole of the Charged Property or any part thereof and notwithstanding the appointment of a Receiver of such property or any part of it.
- 11. APPOINTMENT OF AN ADMINISTRATOR**
- 11 1 At any time after the security constituted by this Debenture has become enforceable, the Lender may appoint one or more persons to be an Administrator of the Chargor.
- 11 2 Subject to clause 11 4, where any such appointment is made at a time when an Administrator continues in office, the Administrator shall act jointly with the Administrator previously appointed under this Debenture
- 11 3 Every such appointment shall take effect at the time and in the manner specified by the Insolvency Act 1986
- 11 4 If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as Administrators of the same assets or income, such Administrators may act jointly or concurrently so that each one of such Administrators shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the functions conferred on an Administrator by the Insolvency Act 1986

- 11 5 Every such instrument or deed of appointment, and every delegation or appointment by the Lender in the exercise of any right to delegate its powers herein contained, may be made in writing under the hand of any manager or other officer of the Lender.
- 11 6 Every Administrator shall have all the powers of an administrator under the Insolvency Act 1986
- 11 7 In exercising his functions under this Debenture and under the Insolvency Act 1986, the Administrator acts as agent of the Chargor and not as agent of the Lender
- 11 8 Every Administrator shall be entitled to remuneration for his services in the manner fixed by or pursuant to the Insolvency Act 1986 and the Insolvency Rules 1986

12. APPLICATION OF MONIES

Save as otherwise required by law, all monies received pursuant to this Debenture shall be applied for the following purposes and in the following order

- 12 1 in payment of all costs, fees, taxes, charges and expenses of and incidental to the appointment of any Receiver and the exercise of all or any of the powers aforesaid and of all outgoings properly paid by him,
- 12 2 in payment of remuneration to any Receiver at such rate as may be agreed between him and the Lender,
- 12 3 in or towards payment of any person whose right to payment therefrom ranks ahead of the Lender,
- 12 4 in or towards payment to the Lender of the Secured Liabilities; and
- 12 5 the balance (if any) will be applied as required by law

13. CONSOLIDATION OF ACCOUNTS AND SET-OFF

In addition to any general lien or similar rights to which it may be entitled by operation of law, the Lender shall have the right at any time and without notice to the Chargor (as well before as after any demand under this Debenture or otherwise) to combine or consolidate all or any of the then existing accounts (including accounts in the name of the Lender) with and liabilities to the Lender of the Chargor and/or set off or transfer any sum or sums standing to the credit of any one or more of such accounts of the Chargor with the Lender (whether current or otherwise or subject to notice) and liability to the Chargor of the Lender in or towards satisfaction of the liability of the Chargor to the Lender hereunder on any other account or in any other respect. The liabilities referred to in this clause may be actual, contingent, primary, collateral, several or joint liabilities, and the accounts, sums and liabilities referred to in this clause may be denominated in any currency. If the accounts, sums or liabilities are in different currencies, the Lender may convert any such accounts, sums or liabilities at a market rate of exchange in its usual course of business for the purpose of the set-off

14. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with the Lender or any Receiver appointed by the Lender shall be concerned to enquire whether the Secured Liabilities have become payable or the security constituted by this Debenture has become enforceable or whether any power which it or he is

purporting to exercise has become exercisable or whether any money is due under this Debenture or as to the application of any money paid raised or borrowed or as to the propriety or regularity of any sale by or other dealing with the Lender or Receiver. All the protection for purchasers contained in Sections 104 and 107 of the Act shall apply to any person purchasing from or dealing with the Lender or the Receiver as if the Secured Liabilities had become due and the statutory powers of sale in relation to the Charged Property had arisen on the date of this Debenture.

15. NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither the Lender nor the Receiver is, by virtue of entering into possession of any of the Charged Property or by virtue of exercising any power given to them under this Debenture or at law, liable to account as mortgagee in possession in respect of the Charged Property or for any loss upon realisation or exercise of any power, authority or right of the Lender or the Receiver arising under this Debenture, nor for any act, default, neglect or misconduct of any nature whatsoever.

16. CONTINUING SECURITY

This Debenture shall be a continuing security until discharged by the Lender and shall not be considered satisfied or discharged by any intermediate payment of the whole or any part of the Secured Liabilities and shall extend to cover the balance for the time being due from the Chargor to the Lender.

17. COSTS

The Chargor shall promptly on demand pay to the Lender or the Receiver (as the case may be) and discharge the amount of all reasonable costs and expenses (including legal fees) which the Lender or Receiver incurs on a full and unlimited indemnity basis in connection with

- 17.1 the preparation, negotiation, execution and delivery of this Debenture,
- 17.2 any actual or proposed amendment, variation, supplement, waiver or consent under or in connection with this Debenture,
- 17.3 any discharge or release of this Debenture;
- 17.4 the preservation or exercise (or attempted preservation or exercise) and/or the enforcement (or attempted enforcement) of any rights under or in connection with this Debenture, and
- 17.5 any stamping or registration of this Debenture or any transfer of Charged Property pursuant to this Debenture,

together with interest thereon at the Default Rate from the date of demand (or if earlier the date of payment by the Lender or Receiver) until the date of payment by the Chargor whether before or after and notwithstanding judgment.

18. FURTHER ASSURANCE

18.1 The Chargor hereby consents to

- (a) the registration of this Debenture at Companies House pursuant to Part 25 of the Companies Act 2006, and
- (b) the registration against the registered titles specified in Schedule 1 (*The Property*) of:

(i) a restriction in the following terms

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the debenture dated [•] in favour of [•] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of [•] (Form P)", and

(ii) a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of the Finance Documents

- 18 2 The Chargor shall, at the request of the Lender and at the expense of the Chargor, immediately do all acts and things and execute in favour of the Lender, or as it may direct, such further or other legal assignments, transfers, mortgages, charges, securities and other deeds and documents as the Lender may require, in such form as the Lender may require, in order to
- (a) perfect or improve the security intended to be conferred on the Lender by or pursuant to this Debenture, or
 - (b) facilitate the realisation of all or any of the Charged Property and exercise all of the rights and powers conferred on the Lender, any Receiver, any Administrator or any delegate for the purpose of such realisation or in connection with such realisation
- 18 3 The obligations of the Chargor under this clause shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of the Law of Property (Miscellaneous Provisions) Act 1994
- 18 4 The Chargor shall immediately after the execution of this Debenture (or upon becoming possessed thereof at any time hereafter) deposit with the Lender all deeds, certificates and other documents constituting or evidencing title to its real property comprised within the Charged Property or any part thereof and to any of the assets and rights charged under clause 3 3(e) (*Security by way of mortgage*)

19. POWER OF ATTORNEY

- 19 1 The Chargor by way of security irrevocably appoints the Lender, any person authorised in writing by or on behalf of the Lender and any Receiver appointed by the Lender jointly and severally to be the attorney of the Chargor (with full powers of substitution and delegation) for the Chargor and in its name or otherwise and on its behalf whilst an Event of Default is continuing and as its act and deed to sign seal execute deliver perfect and do all deeds instruments transfers renunciations proxies notices documents acts and things which the Chargor may or ought to do under the covenants and provisions contained in this Debenture and generally in its name and on its behalf to exercise all or any of the powers authorities and discretions conferred by or pursuant to this Debenture or by the Act on the Lender, the Receiver or any substitute or delegate (as the case may be) and to execute and deliver and otherwise perfect any deed assurance agreement instrument or act which it may deem proper in the exercise of all or any of the powers authorities or discretions conferred on the Lender or the Receiver pursuant to this Debenture

- 19 2 The Chargor ratifies and confirms and agrees to ratify and confirm anything such attorney shall lawfully and properly do or purport to do by virtue of clause 19 1 and all money expended by any such attorney shall be deemed to be expenses incurred by the Lender under this Charge
- 19 3 The Chargor undertakes to procure that all registered holders from time to time of any of the Charged Property shall immediately grant the Lender, any person authorised in writing by or on behalf of the Lender and any Receiver appointed by the Lender a power of attorney on the terms set out in clause 19 1 in respect of such Charged Property

20. NOTICES

- 20 1 All notices, demands or other communications 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.
- 20 2 Any communication or document to be made or delivered pursuant to this Debenture shall (unless that other person has by fifteen days' written notice to the other specified another address or another person for whose attention the communication or document should be marked) be made or delivered to the addresses specified in this Debenture and shall be deemed to have been made or delivered when (in the case of a facsimile transmission) it is received legibly and in full by the recipient or (in the case of any communication made by letter) when left at the relevant address or (as the case may be) two days after being deposited in the post first class prepaid in an envelope addressed to the relevant address
- 20 3 Communications by email or any other electronic means not specifically provided for in this Debenture shall not be valid for the purposes of this Debenture and notwithstanding the provisions of section 7 of the Electronic Communications Act 2000 the Lender shall not be obliged to treat such notices as authentic or effective or take any action in relation to the same

21. SUSPENSE ACCOUNT

The Lender may hold in a suspense account on whatever terms the Lender may think fit all monies received, recovered or realised by the Lender pursuant to this Debenture until the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full

22. AVOIDANCE OF PAYMENTS

- 22 1 No assurance security or payment which may be avoided or adjusted under any enactment relating to insolvency under Sections 238-245 or Section 423 of the Insolvency Act 1986 or otherwise or under similar legislation binding on the Chargor in a jurisdiction other than England and Wales and no release settlement or discharge given or made by the Lender on the faith of any such assurance security or payment shall prejudice or affect the right of the Lender to recover the Secured Liabilities from the Chargor (including the right to recover any monies which it may have been compelled by due process of law to refund and any costs payable by it pursuant to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Debenture to the full extent of the Secured Liabilities
- 22 2 Following any discharge of the Chargor made by the Lender in reliance on a payment or security document given by another person the Lender may retain the security constituted by this Debenture until the expiry of the maximum period within which such payment or security

document can be avoided, reduced or invalidated for any reason if the Lender reasonably considers that such other person is likely to go into administration or liquidation within such period provided that if such other person goes into liquidation or administration within that period the Lender may retain the security constituted by this Debenture for as long as it thinks fit.

23. ASSIGNMENTS AND TRANSFERS

- 23 1 This Debenture shall bind and enure to the benefit of the successors and assigns of the Lender
- 23 2 The Lender may at any time assign, transfer, novate or dispose of any of its rights and obligations under this Debenture
- 23 3 The Chargor may not assign or transfer all or any part of its rights and/or obligations under this Debenture
- 23 4 The Lender may disclose to any potential assignee or transferee of all or any part of its rights or obligations under this Debenture or to any person who may otherwise enter into contractual relations with the Lender in relation to this Debenture, such information about the Charged Property or the Chargor and/or its related entities as the Lender thinks fit

24. NEW ACCOUNTS

If the Lender receives or is deemed to be affected by notice (whether actual or constructive) of any subsequent charge or other interest affecting any Charged Property and/or the related proceeds of sale or any part thereof the Lender may open a new account or accounts for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account. If the Lender does not in fact open any such new account then the Lender shall nevertheless be treated as if it had done so at the time it received such notice. As from that time unless the Lender shall notify the Chargor otherwise all payments by or on behalf of the Chargor to the Lender shall be credited, or treated as having been credited, to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

25. PRESERVATION OF SECURITY

25 1 Reinstatement

If any payment by the Chargor or discharge given by the Lender (whether in respect of the obligations of the Chargor or any Security Interest for those obligations or otherwise) is avoided or reduced as a result of insolvency, liquidation, administration or any similar event:

- (a) the liabilities of the Chargor and the Security Interest created by this Debenture shall continue as if the payment, discharge, avoidance or reduction had not occurred, and
- (b) the Lender shall be entitled to recover the value or amount of that Security Interest or payment from the Chargor, as if the payment, discharge, avoidance or reduction had not occurred

25 2 Waiver of defences

Neither the Security Interest created by this Debenture nor the obligations of the Chargor under this Debenture will be affected by an act, omission, matter or thing which, but for this

clause, would reduce, release or prejudice that Security Interest or any of those obligations (whether or not known to the Chargor or the Lender) including.

- (a) any time, waiver or consent granted to, or composition with the Chargor or other person,
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any person,
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or the Security Interest over, assets of the Chargor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any the Security Interest,
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person,
- (e) any amendment (however fundamental), replacement, variation, novation, assignment or the avoidance or termination of a Finance Document or any other document or the Security Interest,
- (f) any unenforceability, illegality or invalidity of any obligation of, or any the Security Interest created by, any person under any Finance Document or any other document, or
- (g) any insolvency, liquidation, administration or similar procedure

25.3 **Chargor intent**

Without prejudice to the generality of clause 25.2 (*Waiver of defences*), the Chargor expressly confirms that it intends that the Security Interest created by this Debenture shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following

- (a) acquisitions of any nature,
- (b) increasing working capital,
- (c) enabling investor distributions to be made,
- (d) carrying out restructurings,
- (e) monies borrowed or raised,
- (f) refinancing existing facilities,
- (g) refinancing any other indebtedness;
- (h) making facilities available to new buyers,

- (i) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and
- (j) any fees, costs and/or expenses associated with any of the foregoing.

25.4 Immediate recourse

The Chargor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security Interest or claim payment from any person before claiming from the Chargor under this Debenture. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

25.5 Appropriations

During the continuance of the security constituted by this Debenture the Lender may

- (a) refrain from applying or enforcing any moneys, Security Interest or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as it sees fit and the Chargor shall not be entitled to the benefit of the same, and
- (b) hold in a suspense account any moneys received from the Chargor or on account of the Secured Liabilities.

25.6 Deferral of Chargor's rights

During the continuance of the security constituted by this Debenture, and unless the Lender otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or the enforcement of the Security Interest created by this Debenture.

- (a) to claim any contribution from any guarantor of, or provider of Security Interest in respect of, the Chargor's obligations under the Finance Documents, and/or
- (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any guarantee or Security Interest taken pursuant to, or in connection with, the Finance Documents by the Lender.

25.7 Additional Security

This Debenture is in addition to, is not in any way prejudiced by and shall not merge with any contractual right or remedy or other Security Interest now or in the future held by or available to the Lender.

26. TACKING

For the purposes of section 94(1) of the Act and section 49(3) of the Land Registration Act 2002 the Lender confirms that it shall make further advances to the Chargor on the terms and subject to the conditions of the Finance Documents.

27. MISCELLANEOUS

27.1 Rights cumulative

The Lender's rights under this Debenture are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Lender deems expedient

27.2 Partial invalidity

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 in any way be affected or impaired

27.3 Additional Security

- (a) The security constituted by this Debenture shall be in addition to and shall not be prejudiced determined or affected by nor operate so as in any way to determine prejudice or affect any other security which the Lender may now or at any time in the future hold for or in respect of the Secured Liabilities or any part of them
- (b) The Lender will not be bound to enforce any other security which the Lender may now or at any time in the future hold for or in respect of the Secured Liabilities or any part of them before enforcing the security created by this Debenture
- (c) Section 93 of the Act shall not apply to this Debenture

27.4 Remedies and waivers

No failure to exercise nor any delay in exercising by the Lender any right or remedy under this Debenture shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of any right or remedy

27.5 Calculations, certifications and demands

- (a) Any statement certificate or determination of the Lender as to the Secured Liabilities or without limitation any other matter provided for in this Debenture shall in the absence of manifest error be conclusive and binding on the Chargor
- (b) Any demand for payment made under this Debenture or otherwise shall be valid and effective notwithstanding that the demand may contain an inaccurate or incomplete statement of the Secured Liabilities

27.6 Counterparts

This Debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document

27.7 Waiver of immunity

Subject to applicable law, the Chargor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

- (a) the giving of any relief by way of injunction or for the recovery of assets or revenues, and
- (b) the issue of any process against its assets or revenues for the enforcement of a judgment or for the arrest, detention or sale of any of its assets and revenues

27.8 Valuation

The Lender shall be entitled, at its sole discretion, to have a valuation of any or all of the assets of the Chargor carried out from time to time by independent experts (to be appointed at the Lender's sole discretion) and the Chargor consents to any such valuation report being prepared and agrees to provide and procure such access and other assistance as may be reasonably required by the Lender for such purposes. The Chargor will pay or reimburse to the Lender (on a full indemnity basis) all fees and expenses incurred by the Lender in connection with any valuation of the assets.

28. GOVERNING LAW AND JURISDICTION

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) shall be governed by and construed for all purposes in accordance with the laws of England and Wales, and the parties hereto submit to the jurisdiction of the English courts to hear any suit or action arising hereunder.

IN WITNESS of which this Debenture has been executed and delivered by the Chargor as a Deed and signed by the Lender on the date stated above.

SCHEDULE 2

Form of Supplemental Deed

THIS DEED is made the _____ day of _____ 20[]

BETWEEN:

- (1) **SIT-UP LIMITED** (company number 03877786) whose registered office is at 11 Acton Park Estate, Eastman Road, Acton, London W3 7QE (the "**Chargor**"); and
- (2) **THE GOOD LIFE LIMITED** (company number 06482483) whose registered office is at Beech House, 4a Newmarket Road, Cambridgeshire, CB5 8DT (the "**Lender**")

RECITALS:

- (A) Pursuant to clause 7.5 (*Real Property*) in a debenture dated _____ and made between the Chargor and the Lender (the "**Debenture**"), the Chargor has agreed to grant this Supplemental Deed
- (B) This document is the deed of the Chargor, even if it has not been duly executed by the Lender or has been executed by the Lender but not as a deed
- (C) The Chargor has completed the purchase of the property as described in the schedule hereto (the "**New Property**")
- (D) This Deed is supplemental to the Debenture
- (E) Words and expressions defined in the Debenture shall unless otherwise specified bear their defined meanings when used in this Deed

THIS DEED WITNESSES as follows

- 1 With effect from the date of execution of this Deed, the Chargor with full title guarantee hereby charges to the Lender by way of legal mortgage all its rights and interests in the New Property in accordance with clause 3 (*Security*) of the Debenture and accordingly references in the Debenture to the "**Property**" shall be deemed to include references to the New Property
- 2 The Chargor hereby consents to and agrees with the Lender to be bound by the terms and conditions of the Debenture as if the New Property had been part of the Property at the date of execution of this Deed
- 3 From the date of execution of this Deed, Schedule 1 (*The Property*) to the Debenture shall be amended to include the details of the New Property as follows "[Property Description]" In all other respects, the Debenture shall remain unaltered and in full force and effect
- 4 This Deed is given in favour of the Lender and its respective successors, transferees and assigns
- 5 This Deed shall be governed by and construed in accordance with English law

IN WITNESS whereof this Deed has been executed and delivered by the Chargor as a Deed and signed by the Lender on the date stated above

EXECUTION of SUPPLEMENTAL DEED

Execution by the Chargor:

EXECUTED (but not delivered until the date hereof) as a Deed by)

SIT-UP LIMITED)

acting by)

(Director)

In the presence of

(Witness signature)

Name

Address

Occupation

Execution by the Lender:

EXECUTED (but not delivered until the date hereof) as a Deed by)

THE GOOD LIFE LIMITED)

acting by)

(Director)

In the presence of

(Witness signature)

Name

Address

Occupation.

SCHEDULE 3

Form of notice to the bank or institution operating an Account

[Date]

To [insert name of account bank]

Attention ♦

Dear Sirs

Notice of charge

Account number: ♦ (Account)
Sort code: ♦
Account holder: SIT-UP LIMITED (Chargor)

We give you notice that we have charged by way of first fixed charge to **THE GOOD LIFE LIMITED (Lender)** all our right, title and interest in and to the moneys from time to time standing to the credit of the Account.

We hereby irrevocably and unconditionally authorise and instruct you

- 1 to hold all moneys from time to time standing to the credit of the Account to the order of the Lender and accordingly to pay all or any part of those moneys to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect, and
- 2 to disclose to the Lender such information relating to us and the Account as the Lender may from time to time request you to provide

By countersigning this notice, the Lender authorises you to permit us to withdraw and otherwise deal with funds standing to the credit of the Account until

- (a) you receive a notice in writing to the contrary from the Lender,
- (b) a petition is presented for a winding up order in respect of us or an application is made for an administration order in respect of us,

(whichever occurs first).

Within 2 days of receipt of this notice, please sign and return the acknowledgement attached to one enclosed copy of this notice to the Lender and the other copy to us

This notice shall be governed by and construed in accordance with English law

Yours faithfully

For and on behalf of
SIT-UP LIMITED

Countersigned by the Lender

For and on behalf of
THE GOOD LIFE LIMITED

SCHEDULE 4

Form of acknowledgement from bank or institution operating an Account

[Date]

To **THE GOOD LIFE LIMITED**
Pond Cottage, Beamond End, Amersham, Bucks
HP7 0QT

Attention Paul Wright

Dear Sirs

Acknowledgement of notice

We acknowledge receipt of the notice of charge (**Notice**) of which the above is a duplicate. Terms defined in the Notice have the same meaning when used in this acknowledgment.

We confirm that

- (a) we shall act in accordance with the Notice,
- (b) as at the date of this acknowledgement we have not received any notice of assignment or charge or other security over the Chargor's interest in the Account in favour of any other person, and
- (c) we will not exercise any right of combination of accounts, set-off or lien over any moneys standing to the credit of the Account.

This acknowledgement shall be governed by and construed in accordance with English law.

Yours faithfully

For and on behalf of
[insert name of account bank]

SCHEDULE 5

Form of notice of assignment of contracts

To. ♦ [insert name and address of counterparty]
Attention ♦
Date ♦

Dear Sirs

Notice of assignment

- 1 We refer to the [specify the relevant Contract] dated ♦ between us and you (**Agreement**)
- 2 We notify you that
 - (a) by a debenture dated ♦ 2014 (**Debenture**) between us and **THE GOOD LIFE LIMITED (Lender)**, we have assigned absolutely by way of security to the Lender all of our right, title and interest in and to, *inter alia*, the Agreement,
 - (b) we may not agree to amend or terminate the Agreement without the prior written consent of the Lender,
 - (c) until you receive written notice to the contrary from the Lender, you may continue to deal with us in relation to the Agreement and credit all moneys to which we are entitled under the Agreement to the following account in our name Account no ♦, Sort Code ♦, IBAN ♦ After receipt of written notice from the Lender we will cease to have any right to deal with you in relation to the Agreement and from that time you should deal only with the Lender, and
 - (d) you are authorised to disclose information relating to the Agreement to the Lender on request.
- 3 We request that you.
 - (a) after receipt of written notice in accordance with paragraph 2(c) above, ensure that all moneys to which we are entitled under the Agreement are credited to the account of the Lender specified in that notice (and are not paid to us),
 - (b) give the Lender written notice of any breach of the Agreement as soon as you become aware of it, and
 - (c) give the Lender not less than 30 days' written notice of your giving notice to terminate the Agreement
- 4 Please sign and return the enclosed copy of this notice to the Lender (with a copy to us) to confirm that you
 - (a) agree to the terms of this notice and to act in accordance with its provisions,

- (b) have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party, and
- (c) have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us, any right of set-off, counter-claim or other right relating to the Agreement

5 This Notice, and any non-contractual obligations arising from or in connection with it, are governed by English law

Yours faithfully

for and on behalf of
SIT-UP LIMITED

Copy to Lender

[On acknowledgement copy]

To **THE GOOD LIFE LIMITED**

Copy to: **SIT-UP LIMITED**

We acknowledge receipt of the above notice and confirm the matters set out in paragraph 4

.....
for and on behalf of

[insert name of counterparty]

Date ♦

DEBENTURE EXECUTION PAGE

Execution by the Chargor:

EXECUTED (but not delivered until the date hereof) as a Deed by)

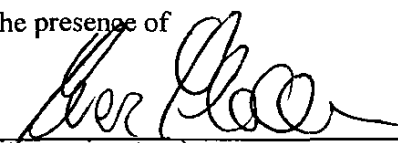
SIT-UP LIMITED

acting by

 PAMELA AUTLA)

(Director)

In the presence of


(Witness signature)

Name

SVEN STOECKER

Address:

41 WONTNER ROAD, SW17 7QT LONDON

Occupation

SENIOR CONSULTANT

Execution by the Lender:

EXECUTED (but not delivered until the date hereof) as a Deed by)


THE GOOD LIFE LIMITED

acting by

 PAUL WICKS)

(Director)

In the presence of


(Witness signature)

Name

SVEN STOECKER

Address

41 WONTNER ROAD, SW17 7QT LONDON

Occupation

SENIOR CONSULTANT