



Registration of a Charge

Company name: **ENCLOTHED LIMITED**

Company number: **08251865**



Received for Electronic Filing: **13/09/2017**

Details of Charge

Date of creation: **04/09/2017**

Charge code: **0825 1865 0001**

Persons entitled: **JOHN BILLYE, JAMES DAVIS AND LEE-ANNE WARWICK**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

TAYLOR WESSING LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8251865

Charge code: 0825 1865 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th September 2017 and created by ENCLOTHED LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th September 2017 .

Given at Companies House, Cardiff on 15th September 2017

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



Companies House



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

DATED

4th September

2017

ENCLOTHED LIMITED
as Chargor

and

THE INDIVIDUALS NAMED IN THIS DEED
as Lenders

DEBENTURE

Certified to be a true copy of the original

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Index

Clause No.	Page No.
1. Definitions and Interpretation	3
2. Undertaking to Pay	6
3. Fixed Security	6
4. Floating Security	7
5. Notice of Charge/Assignment	7
6. Representations	8
7. Information Undertaking	9
8. General Undertakings	9
9. Negative Undertakings	9
10. Undertakings relating to the Charged Property	10
11. Enforcement of Security	11
12. Powers of Receiver and Lenders	12
13. Delegation of Powers by Lenders or Receiver	13
14. Exclusion of Liability	13
15. Reimbursement and Indemnity	13
16. Application of Sums Realised	14
17. Protection of Persons Dealing with Lenders or Receiver	15
18. Notice of Subsequent Charge	15
19. Further Assurance	15
20. Power of Attorney by Chargor	15
21. Discharge of Security	16
22. Redemption	16
23. Remedies and Waivers	16
24. Calculations and Certificates	16
25. Miscellaneous	17
26. Notices	18
27. Law	18
28. Jurisdiction	18
schedule 1	20

THIS DEBENTURE is made on

4th September

2017

BETWEEN

- (1) **ENCLOTHED LIMITED**, a company incorporated in England and Wales with registration number 08251865 whose registered office is at 176a High Street, Barnet, Hertfordshire EN5 5SZ (the "**Chargor**"); and
- (2) **THE INDIVIDUALS LISTED IN PART 1 OF SCHEDULE 1** as lenders (the "**Lenders**" and each a "**Lender**").

AGREED TERMS

1. Definitions and Interpretation

1.1 Definitions

In this deed:

"Account" means any present or future account of the Chargor with a bank or other financial institution or any other account which is opened in place of such account at the request of or with the consent of the Lenders;

"Account Bank" means any bank or other financial institution with which an Account is held;

"Administrator" means any one or more persons appointed as an administrator of the Chargor by a Lender under paragraph 14 of schedule B1 to the Insolvency Act;

"Charged Property" means the assets mortgaged, charged or assigned by the Chargor under this deed;

"Debts" means all book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Enforcement Event" means the occurrence of an Event of Default and/or any of the events referred to in paragraphs (a) to (g) (inclusive) of clause 5.2 (*Conversion*);

"Event of Default" has the meaning given to such term in the Loan Stock Instrument;

"Insolvency Act" means the Insolvency Act 1986;

"Insolvency" in respect of any person means:

- (a) such person is unable to, or admits an inability to, settle its debts as the same fall due for payment;
- (b) that person's bankruptcy, dissolution, liquidation, winding up or administration or that person entering into any voluntary arrangement or composition with creditors;

- (c) the appointment of a receiver or administrative receiver in respect of all or part of that person's assets; and
 - (d) any event having a similar effect under the laws of any relevant jurisdiction,
- and "**Insolvent**" shall be construed accordingly;

"Intellectual Property" means all present and future rights of the Chargor in respect of any patent, copyright, trade mark, service mark, invention, design, knowhow, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission

"LPA" means the Law of Property Act 1925;

"Loan Stock Instrument" means the loan stock instrument dated on or around the date of this deed and granted by the Chargor constituting the Secured Loan Stock;

"Permitted Disposal" means any sale, lease, licence, transfer or other disposal which is on arm's length terms:

- (a) of trading stock, receivables or cash made by the Chargor in the ordinary course of its trading;
- (b) of obsolete or redundant vehicles, plant and equipment for cash; or
- (c) arising as a result of any Permitted Security;

"Permitted Security" means:

- (a) any Security in favour of the Lenders or in respect of which the Lenders are subrogated;
- (b) a lien arising in the ordinary course of business by operation of law (and not as a result of any default or omission by the Chargor) discharged as soon as possible but in any event within 30 days; and
- (c) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Chargor in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission of the Chargor; and
- (d) any Security to which the Lenders have provided their prior written consent to the creation of;

"Receiver" means any one or more persons appointed as a receiver, receiver and manager or administrative receiver under this deed;

"Secured Liabilities" means:

- (a) all liabilities and obligations (including any amount payable to any Lender on a liquidation or Insolvency) of the Chargor (whether owed jointly or severally and whether as principal or as guarantor or in any other capacity) to any Lender, whether under or in connection with the Loan Stock Instrument or otherwise;
- (b) in relation to any obligation of the Chargor referred to in (a) above which is or becomes Unenforceable and any cost, loss or liability which any Lender incurs

as a result of the Chargor not paying any amount expressed to be payable by it when it is expressed to be due;

"Secured Loan Stock" means the £265,000 secured convertible loan notes created by the Chargor and constituted by the Loan Stock Instrument;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

"Unenforceable" means void, voidable, invalid, unenforceable or otherwise irrecoverable (whether or not known to the Lenders or the Chargor) and **"Unenforceability"** will be construed accordingly.

1.2 Interpretation

In this deed, unless a contrary indication appears:

- (a) any reference to a provision of law is a reference to that provision as amended or re-enacted from time to time;
- (b) any reference to clauses, paragraphs and schedules are to the clauses, paragraphs of and schedules to this deed;
- (c) any reference to **"this clause"** is to the clause with a bold heading in which such expression appears and includes each sub-clause in that clause;
- (d) any reference to a time is to London time;
- (e) the words **"including"** and **"in particular"** are used by way of illustration or emphasis only and do not limit the generality of any words preceding them;
- (f) the words **"other"** and **"otherwise"** are not limited by any words preceding them;
- (g) clause and schedule headings are for ease of reference only;
- (h) **"obligations"** means obligations and liabilities;
- (i) references to obligations include the whole or any part of them, present and future, actual and contingent;
- (j) any reference to **"powers"** include rights, powers, discretions and authorities;
- (k) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (l) references to the parties are to the parties to this deed;
- (m) the singular includes the plural and vice versa;
- (n) the expressions **"Lenders"** include their respective successors and permitted assigns and transferees; and
- (o) any reference to any asset include any proceeds of sale of any such asset.

1.3 *Incorporation*

This deed incorporates the terms of any document entered into, or correspondence, between the parties to the extent required to ensure the validity of any purported disposition under this deed of any freehold or leasehold property under s. 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.4 *Continuation of undertakings*

Any undertaking made by or obligation imposed on the Chargor in this deed will continue in force until the Lenders are satisfied that all the Secured Liabilities have been irrevocably paid or discharged in full.

1.5 *Ranking and Priority*

- (a) The Lenders agree that the Secured Liabilities owed by the Chargor to each Lender shall rank *pari passu* in right and priority of payment and without any preference between them.
- (b) Each party to this deed agrees that the Security constituted by this deed shall rank and secure the Secured Liabilities *pari passu* and without any preference between them.

1.6 *Security*

The Security created by this deed constitutes separate charges in favour of each Lender to secure the Secured Liabilities.

2. **Undertaking to Pay**

The Chargor undertakes with each Lender to pay the Secured Liabilities to each Lender when due and payable.

3. **Fixed Security**

As continuing security for the payment of the Secured Liabilities, the Chargor with full title guarantee:

- (a) charges to each Lender by way of fixed charge its rights and interest in:
 - (i) its present and future goodwill and uncalled capital;
 - (ii) any present or future Debts owing to the Chargor;
 - (iii) any money now or at any time after the date of this deed standing to the credit of any Account;
 - (iv) any present or future insurances in respect of any Charged Property and the proceeds of such insurances; and
 - (v) any present or future Intellectual Property.

4. Floating Security

4.1 Floating charge

As continuing security for the payment of the Secured Liabilities the Chargor charges to each Lender by way of floating charge with full title guarantee the whole of its assets to the extent that such assets are not effectively mortgaged, charged or assigned to such Lender by way of fixed security under clause 4 (*Fixed Security*).

4.2 Conversion

Subject to clause 5.3 (*Moratorium under Insolvency Act*), each Lender may at any time by written notice to the Chargor convert the floating charge created by clause 5.1 (*Floating Charge*) into a fixed charge as regards any assets specified in the notice if:

- (a) the Chargor becomes Insolvent; or
- (b) in the opinion of a Lender such assets are at risk of becoming subject to any Security (other than a Permitted Security) or are otherwise at risk of ceasing to be within the ownership or control of the Chargor save as permitted by the Lenders under clause 11.2 (*Disposals*);

4.3 Moratorium under Insolvency Act

No Lender shall be entitled to convert the floating charge created by clause 5.1 (*Floating Charge*) 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 s.1A of and schedule A1 to the Insolvency Act.

4.4 Qualifying floating charge

Paragraph 14(2)(a) of schedule B1 to the Insolvency Act applies to the floating charge created by clause 5.1 (*Floating Charge*) which is a "qualifying floating charge" for the purpose of paragraph 14(1) of schedule B1 to the Insolvency Act.

5. Notice of Charge/Assignment

5.1 Notice of charge of Accounts

The Chargor shall if required by a Lender give notice (in form and substance satisfactory to such Lender) of the charge of each Account into which any Debt is paid to the relevant Account Bank and shall use reasonable endeavours to procure that the Account Bank executes and delivers to such Lender an acknowledgement (in form and substance satisfactory to such Lender) of the rights of the Lender in respect of such Account.

5.2 Notice of assignment of agreements

The Chargor shall, if required by a Lender give notice (in form and substance satisfactory to such Lender) of the assignment of any agreement assigned to the Lender under clause 4 (*Fixed Security*) to the other party or parties to such agreement and shall procure that such party or parties executes and delivers to such Lender an acknowledgement (in form and substance satisfactory to such Lender).

6. Representations

6.1 *Duration and scope*

The Chargor makes the representations and warranties set out in this clause to each Lender on the date of this deed.

6.2 *Status*

- (a) It is a limited liability company duly incorporated and validly existing under the law of England and Wales.
- (b) It has the power to own its assets and carry on its business in England and Wales as it is being conducted.
- (c) Its centre of main interests for the purposes of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency procedures (the "**Regulations**") is in England and Wales and it has no establishment as such term is used in the Regulations in any other jurisdiction.

6.3 *Binding obligations*

The obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations.

6.4 *Non-conflict with other obligations*

The entry into and performance by it of, and the transactions contemplated by, this deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

6.5 *Power and authority*

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this deed and the transactions contemplated by it.
- (b) No limited on any of its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantee or indemnities contemplated by this deed or the Loan Stock Instrument.

6.6 *Validity and admissibility in evidence*

- (a) Except for registration of this deed in accordance with clause 10.9 (Registration Requirements) all authorisations required or desirable:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this deed; and
 - (ii) to make this deed admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

- (b) All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect.

6.7 Security

There is no other Security over any of the assets of the Chargor except for Permitted Security.

6.8 Security Documents

This deed creates valid Security over the assets to which they relate.

6.9 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings or investigations of or before, any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a material adverse effect have (to the best of its knowledge and belief having made due and careful enquiry) been started or threatened against it.

7. Information Undertaking

The Chargor shall notify the Lenders of any Enforcement Event (and the steps, if any, being taken to remedy such Enforcement Event) promptly upon becoming aware of its occurrence.

8. General Undertakings

8.1 Scope

The Chargor which is a party to this deed gives the undertakings set out in this clause to each Lender on the date of this deed.

8.2 Compliance with laws

The Chargor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under this deed or any Loan Stock Instrument to which it is a party.

8.3 Consents

The Chargor shall ensure that all consents and all documents, registrations, licences and other matters and things required by a Lender to perfect this deed are produced executed obtained or made as required by a Lender in accordance with this deed.

9. Negative Undertakings

9.1 Negative pledge

The Chargor shall not create or permit to subsist any Security over any of the Charged Property other than a Permitted Security.

9.2 *Disposals*

- (a) Save for any Permitted Disposals, the Chargor shall not without the prior written consent of the Lenders sell, transfer, lease or otherwise dispose or purport or agree to dispose of:
 - (i) any of its assets which are expressed to be mortgaged by way of legal or equitable mortgage, assigned by way of security or charged by way of fixed security or charge to each Lender under clause 4 (*Fixed Security*);
 - (ii) cash, where the Chargor is prohibited from doing so pursuant to the Loan Stock Instrument;
 - (iii) any of its other assets other than on arm's length terms in the ordinary course of its trading.
- (b) The proceeds of any disposal permitted by the Lenders under paragraph (a) above shall be paid by the Chargor into any bank account nominated by the Lenders for such purpose and the Chargor shall not be entitled to withdraw or direct the withdrawal of any monies from any such account without first obtaining the consent in writing of the Lenders.

9.3 *Merger*

The Chargor shall not merge, or consolidate with any other person or enter into any amalgamation, demerger or reconstruction.

10. **Undertakings relating to the Charged Property**

10.1 *Repair*

- (a) The Chargor shall keep the Charged Property which is of a repairable nature in good and substantial repair and condition.
- (b) If the Chargor fail to comply with the undertakings in paragraph (a) above the Lenders will be entitled to repair and maintain the Charged Property and carry out works of reinstatement at the cost of the Chargor and will for this purpose have the rights of entry set out in this clause.

10.2 *Documents of title*

The Chargor shall deposit with the Lenders all deeds and documents of title relating to the Charged Property.

10.3 *Failure to comply*

If the Chargor fails to comply with any of its obligations under this deed the any Lender may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

11. Enforcement of Security

11.1 Lenders' powers

On the occurrence of an Enforcement Event this deed shall become enforceable and each Lender may immediately or at any time thereafter:

- (a) appoint one or more persons as an Administrator of the Chargor in accordance with schedule B1 to the Insolvency Act;
- (b) exercise the power of sale and all other powers conferred by s. 101 of the LPA as varied or extended by this deed;
- (c) subject to clause 5.3 (Moratorium under Insolvency Act), by written notice to the Chargor convert the floating charge created by clause 5.1 (Floating Charge) into a fixed charge as regards any assets specified in the notice;
- (d) make any lease or agreement for lease or accept surrenders of leases and grant options on such terms as it thinks fit without needing to comply with sections 99 and 100 of the LPA;
- (e) secure and perfect its title to all or any part of the Charged Property and/or transfer any asset into the name of its nominee;
- (f) subject to s.72A of and paragraph 43 of Schedule A1 to the Insolvency Act, appoint one or more persons as a receiver and manager or administrative receiver of any Charged Property; and
- (g) exercise all the powers conferred on a Receiver by this deed, the LPA and the Insolvency Act.

11.2 Powers under the LPA

- (a) S.103 of the LPA will not apply to this deed.
- (b) The power of sale and all other powers conferred by s.101 of the LPA as varied or extended by this deed will arise upon execution of this deed by the Chargor.

11.3 Administrators

If a Lender appoints two or more persons as Administrator of the Chargor, the appointment may specify whether those persons are to act jointly or concurrently.

11.4 Receivers

- (a) A Lender may appoint any Receiver upon such terms as to remuneration and otherwise as such Lender thinks fit and the maximum rate specified in s.109(6) of the LPA shall not apply.
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Lender(s).
- (c) Where two or more persons are appointed as Receiver any act authorised to be done by the Receiver may be done by all of them acting jointly or by any one or more of them acting severally.

- (d) A Lender may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not such Lender appoints any other person as Receiver in his place.

12. Powers of Receiver and Lenders

12.1 Statutory powers

A Receiver shall have and be entitled to exercise all the powers conferred on a receiver by the LPA and, whether or not such a Receiver is an administrative receiver, all the powers conferred upon an administrative receiver by Schedule 1 to the Insolvency Act which powers are incorporated in this deed.

12.2 Additional powers

By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power:

- (a) which the Chargor would have been entitled to do or exercise if no Receiver had been appointed or which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Charged Property;
- (b) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Charged Property or for or in connection with the enforcement of the Security created by this deed or the realisation of any Charged Property,

and may use the name of the Chargor in connection with any exercise of such powers.

12.3 Consideration

The receipt of the Lenders or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property the Lenders or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

12.4 Prior encumbrances

At any time after the Security given by this deed has become enforceable, a Lender may redeem any prior Security against the Charged Property or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor. Any money paid by a Lender in connection with a redemption or transfer of any prior Security will form part of the Secured Liabilities.

12.5 Possession

If the Lenders, any Receiver or any delegate of either of them takes possession of any Charged Property it may go out of possession at any time.

13. Delegation of Powers by Lenders or Receiver

13.1 Delegation

Any Lenders or any Receiver may from time to time delegate by power of attorney or in any other manner to any person any powers which are for the time being exercisable by the relevant Lender or a Receiver under this deed in relation to any Charged Property and any such delegation may be made upon such terms as the relevant Lender or such Receiver may think fit.

13.2 Liability for Delegates

Neither the Lenders nor any Receiver will be in any way liable or responsible to the Chargor for any loss or damage arising from any act or omission on the part of any such delegate unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the delegate.

14. Exclusion of Liability

14.1 No obligation to recover

Neither the Lenders nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Charged Property whether or not it is in possession of the relevant Charged Property.

14.2 Liability as mortgagee in possession

If any Lender or any Receiver takes possession of any Charged Property, it will not be liable to account to the Chargor for anything except actual receipts or be liable to the Chargor for any loss arising from any realisation of any Charged Property or for any default or omission for which a receiver or mortgagee in possession would be liable.

14.3 Losses on enforcement

The Lenders or any Receiver will not be liable to the Chargor for any loss or damage arising from:

- (a) any sale of any Charged Property;
- (b) any act, default or omission of the Lenders or any Receiver in relation to any Charged Property; or
- (c) any exercise or non-exercise by the Lenders or any Receiver of any power conferred upon it in relation to any Charged Property by or pursuant to this deed or by the LPA,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Lenders or any Receiver.

15. Reimbursement and Indemnity

15.1 Reimbursement

The Chargor shall pay to each Lender on demand:

- (a) any money paid by such Lender or any Receiver:

- (i) as a result of such Lender or any Receiver taking action which that Lender or any Receiver considers necessary or desirable in connection with any Charged Property or to procure compliance with any obligation of the Chargor in this deed; or
- (ii) in respect of any action or thing expressed in this deed to be done at the cost of the Chargor;
- (b) all costs, fees, taxes and expenses properly incurred by any Lender or any Receiver under or in connection with this deed or its enforcement and/or the preservation of such Lender's rights under this deed.

15.2 *Indemnity*

The Chargor shall indemnify each of the Lenders and any Receiver against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which it may at any time incur in connection with this deed or for anything done or omitted to be done in the exercise or purported exercise of its powers pursuant to this deed unless such liabilities, claims and expenses are caused by its fraud, gross negligence or wilful misconduct.

15.3 *Priority of Indemnity*

Each Lender and every Receiver and delegate may indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in clause 17.1 (Reimbursement) and shall have a lien on the Security constituted by this deed and the proceeds of enforcement of the Security constituted by this deed for all moneys payable to it.

16. **Application of Sums Realised**

16.1 *Order of application*

Subject to claims having priority to the Security created by this deed all money recovered by any Lender or any Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed will be applied in the following order:

- (a) in payment of all costs, fees, taxes and expenses properly incurred by any Lender or any Receiver in or pursuant to the exercise of the powers set out in this deed and all other outgoings properly payable by any Receiver;
- (b) in payment of remuneration to any Receiver;
- (c) in or towards payment of the Secured Liabilities in accordance with clause 1.5 (Ranking and priority); and
- (d) the balance (if any) will be applied as required by law.

16.2 *Contingent or future liabilities*

If any money is received by a Lender or a Receiver as a result of the enforcement of this deed or otherwise by reason of the Security created by this deed at a time when the Secured Liabilities include contingent or future liabilities the Lenders or any Receiver may hold some or all of such money in a suspense account.

17. Protection of Persons Dealing with Lenders or Receiver

No person dealing with the Lenders or any Receiver will be concerned to enquire:

- (a) whether any event has happened upon which any of the powers conferred by this deed may have arisen or be exercisable;
- (b) otherwise as to the propriety or regularity of any exercise of the powers conferred by this deed or of any act purporting or intended to be in exercise of such powers; or
- (c) whether any Secured Liabilities remain owing.

18. Notice of Subsequent Charge

If any Lender receives notice of any Security or other interest affecting any Charged Property other than as permitted pursuant to the terms of this deed:

- (a) it may open a new account for the Chargor in its books and may transfer any outstanding balance owing by the Chargor to such new account; or
- (b) if it does not open a new account then, unless it gives express written notice to the contrary to the Chargor, all payments made by the Chargor to it will as from the time of receipt of such notice be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

19. Further Assurance

When required by any Lender or any Receiver the Chargor shall, at its own cost:

- (a) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Liabilities and contain a power of sale which arises immediately upon execution, provisions excluding s. 93 of the LPA and the restrictions contained in s. 103 of the LPA and such other provisions including any similar to those in this deed as a Lender may reasonably require;
- (b) execute any documents or do any other thing which any Lender or any Receiver may require for perfecting or protecting any Security created by this deed or in connection with the exercise of any powers given to the Lenders or any Receiver under this deed; and
- (c) convey, transfer, assign or otherwise deal with any Charged Property in such manner as any Lender or any Receiver may require in connection with any enforcement of any Security created by this deed.

20. Power of Attorney by Chargor

The Chargor irrevocably and by way of security appoints each of the Lenders, any person selected by the Lenders and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which:

- (a) the Chargor is entitled to execute or do in relation to the Charged Property including giving a receipt for any money and exercising any rights or remedies forming part of the Charged Property; or
- (b) the Chargor is obliged to execute or do under this deed.

21. Discharge of Security

21.1 Discharge conditional

Any discharge of the Chargor by the Lenders in reliance on a payment or Security received by the Lenders will cease to be effective if that payment or Security is avoided, reduced or invalidated for any reason and the Lenders will be entitled to recover from the Chargor on demand the amount of the Secured Liabilities discharged by such payment or Security.

21.2 Retention of security

Following any discharge of the Chargor made by the Lenders in reliance on a payment or security the Lenders may retain the Security constituted by this deed until the expiry of the maximum period within which such payment or Security can be avoided, reduced or invalidated for any reason. If the person making such payment or giving such Security goes into liquidation or administration or equivalent proceedings in any foreign jurisdiction within that period the Lenders may retain the Security constituted by this deed for as long as it thinks fit.

22. Redemption

After the repayment or discharge in full of the Secured Liabilities and provided that the Lenders are satisfied that the Lenders are not under any obligation to provide financial accommodation to the Chargor the Lenders will at the request and cost of the Chargor release the Charged Property from the Security created by this deed.

23. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of any Lender, any right or remedy under this deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this deed are cumulative and not exclusive of any rights or remedies provided by law.

24. Calculations and Certificates

24.1 Certificates and Determinations

Any certification or determination by the Lenders of a rate or amount under or in connection with the Secured Liabilities or this deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24.2 Day count convention

Any interest, commission or fee accruing under this deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

25. Miscellaneous

25.1 *Third Party Rights*

- (a) Unless expressly provided to the contrary in this deed, a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Rights Act**") to enforce or to enjoy the benefit of any term of this deed.
- (b) Notwithstanding any term of this deed, the consent of any person who is not a party is not required to rescind or vary this deed at any time.
- (c) Any Receiver or delegate may, subject to this clause 30.2 (*Third Party Rights*) and the Third Parties Rights Act, rely on any clause of this deed which expressly confers rights on it.

25.2 *Continuing Security*

This deed is a continuing Security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of monies due to any Lender.

25.3 *Other Security*

This deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Lenders or any other person of any other Security at any time held by the Lenders.

25.4 *Consolidation*

The restrictions on the right of consolidating mortgage securities contained in s. 93 of the LPA will not apply to this deed.

25.5 *Changes to the parties*

- (a) Any Lender may freely transfer or assign any or all of its rights and/or obligations under or in connection with this deed.
- (b) The Chargor may not assign any of its rights or transfer any of its rights or obligations under this deed.
- (c) The Lenders may disclose any information about the Chargor to any person connected to or associated with it, and to any person to whom it proposes to assign or transfer (or has assigned or transferred) any of its rights under this deed.

25.6 *Set-off*

Any Lender may set off any obligation whether or not matured due from the Chargor under this deed against any obligation whether or not matured owed by such Lender to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, such Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

25.7 Counterparts

This deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this deed.

26. Notices

26.1 Communications in writing

Any communication to be made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by letter.

26.2 Addresses

The address of each party for any communication or document to be made or delivered under or in connection with this deed is its registered address from time to time.

26.3 Delivery

(a) Any communication or document made or delivered by the any Lender on the Chargor under or in connection with this deed will be effective:

- (i) if left at an address referred to in this clause, when so left; or
- (ii) if posted by first class post to an address referred to in this clause, on the next working day in the place of receipt following the day when it was posted;

(b) Any communication or document to be made or delivered to any Lender will be effective only when actually received by such Lender.

26.4 Notification of address

Promptly upon receipt of notification of an address or change of address pursuant to clause 29.2 (*Addresses*) or changing its own address the relevant Lender shall notify the Chargor.

27. Law

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by English law.

28. Jurisdiction

28.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed and a dispute regarding a non-contractual obligation referred to in clause 30 (*Law*)) (a "**Dispute**").

28.2 The Lenders and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes. The Chargor will not argue to the contrary.

28.3 This clause is for the benefit of the Lenders only. As a result, a Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, a Lender may take concurrent proceedings in any number of jurisdictions.

This deed has been executed and delivered as a deed by the Chargor and the Lenders on the date shown at the beginning of this deed.

SCHEDULE 1

Part 1 – the Lenders

No.	Name	Address for notices¹
1.	John Bailye	Stags Gate House, 63/64 The Avenue, Southampton, Hampshire, SO17 1XS
2.	James Davis	Stags Gate House, 63/64 The Avenue, Southampton, Hampshire, SO17 1XS
3.	Lee-Anne Warwick	Stags Gate House, 63/64 The Avenue, Southampton, Hampshire, SO17 1XS

¹ Details TBC

EXECUTION PAGE

THE CHARGOR

EXECUTED as a deed by
ENCLOTHED LIMITED
acting by a director
in the presence of:

)
)
)
)

[REDACTED]

Director

[REDACTED]

Name of witness: CASSIDI WOODROW

DANA ZINGHER

04/09/2017

Address of witness: 62 WESTBERE RD
LONDON
NW2 3RU

THE LENDERS

SIGNED by JOHN BAILYE
in the presence of:

)
)

[REDACTED]

Witness's Signature:

[REDACTED]

Name: Ben Ashworth

Address: Willow Horse, Pinders Lane, Peaslake, Surrey, GU25 9RG

Occupation: Commercial Analyst

EXECUTION PAGE



SIGNED by JAMES DAVIS
in the presence of:

)
)



Witness's Signature:



Name: Ben Ashworth

Address: Willow House, Rogers Lane, Peaslake, Surrey, GU5 9ZG

Occupation: Commercial Analyst

EXECUTION PAGE

SIGNED by LEE-ANNE WARWICK)
in the presence of:)

Lee - Anne
Warwick
04/09/2017

Witness's Signature:

Name: Chareen Mannering

Address: 19 Hansler Court, 59 Princes Way, London, SW19 6HT

Occupation: Personal Assistant