



Registration of a Charge

Company name: **MAGNAVALE LIMITED**

Company number: **08411370**

Received for Electronic Filing: **17/08/2020**



X9BLKAZD

Details of Charge

Date of creation: **07/08/2020**

Charge code: **0841 1370 0004**

Persons entitled: **STUART HANCOCK**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **KUIT STEINART LEVY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8411370

Charge code: 0841 1370 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th August 2020 and created by MAGNAVALE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th August 2020 .

Given at Companies House, Cardiff on 18th August 2020

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



Companies House



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

Dated

07 August

2020

MAGNAVALE LIMITED (1)

and

STUART HANCOCK (2)

DEBENTURE

Taylor Vinters*

Merlin Place, Milton Road, Cambridge Cb4 0DP

THIS DEED is dated 07 August 2020

PARTIES

- 1 **MAGNAVALE LIMITED**, a company registered in England with company number 08411370 whose registered office is at Magnavale House, Park Road, Holmewood Industrial Park, Holmewood, Chesterfield Derbyshire S42 5UY (the "Chargor"); and
- 2 **STUART HANCOCK** of Old Granary Barn, Lincoln Road, Boothby Graffoe, Lincoln, Lincolnshire LN5 0LB (the "Chargee").

BACKGROUND

- 1 The parties, together with the Purchaser and Stephen Lawrence have entered into the Share Purchase Agreement on the same date as this deed pursuant to the terms of which the Purchaser has agreed to purchase the Sale Shares from the Chargee.
- 2 The Chargor and Stephen Lawrence have guaranteed the Purchaser's payment obligations to the Chargee under the Share Purchase Agreement.
- 3 The Company has further agreed to secure the Purchaser's obligations as purchaser and the Company's and Stephen Lawrence's obligations as guarantors under the Share Purchase Agreement by granting this debenture to the Chargee.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

- 1.1 Terms defined in the Share Purchase Agreement shall, unless otherwise defined in this deed, have the same meaning in this deed.
- 1.2 In addition, the following definitions apply in this deed, including in the Background.
 - 1.2.1 "Administrator" means an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 8.5.
 - 1.2.2 "Book Debts" means all present and future book and other debts, and monetary claims due or owing to the Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them.

- 1.2.3 **"Business Day"** means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
- 1.2.4 **"Delegate"** means any person appointed by the Chargee or any Receiver pursuant to clause 13 and any person appointed as attorney of the Chargee or any Receiver or Delegate.
- 1.2.5 **"Environment"** means the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
- 1.2.6 **"Environmental Law"** means all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
- 1.2.7 **"Environmental Licence"** means any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.
- 1.2.8 **"Equipment"** means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Chargor or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.
- 1.2.9 **"Insurance Policy"** means each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment).
- 1.2.10 **"Intellectual Property"** means the Chargor's present and future patents, utility models, rights to inventions, copyright and related rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all

similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

- 1.2.11 **"Intercreditor Deed"** means the intercreditor deed dated on or around the date of this deed between (1) Clydesdale Bank plc (2) the Chargee and (3) the Chargor and others.
- 1.2.12 **"Investments"** means all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Chargor.
- 1.2.13 **"LPA 1925"** means the Law of Property Act 1925.
- 1.2.14 **"Purchaser"** means Beta International Limited, a company registered in Gibraltar with company number 108413 whose registered office is at Suite 23, Portland House, Glacis Road, Gibraltar GX11 1AA.
- 1.2.15 **"Receiver"** means a receiver, receiver and manager or administrative receiver appointed by the Chargee under clause 11.
- 1.2.16 **"Secured Assets"** means all the assets, property and undertaking of the Chargor which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
- 1.2.17 **"Secured Liabilities"** means all present and future obligations and liabilities of the Chargor, the Purchaser and/or Stephen Lawrence to the Chargee, whether actual or contingent and whether owed jointly or severally with any other person (including Stephen Lawrence), as principal or surety or in any other capacity, under or in connection with the Share Purchase Agreement or this deed (including, without limitation, those arising under clause 28¹), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
- 1.2.18 **"Security"** means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest

¹ Note to TV – which clause is this intended to refer to – there is no clause 28

securing any obligation of any person, or any other agreement or arrangement having a similar effect.

1.2.19 **"Security Period"** means the period starting on the date of this deed and ending on the date on which the Chargee are satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2.20 **"Share Purchase Agreement"** means the share purchase agreement in relation to the Sale Shares (as defined therein) entered into on the date of this deed between the Chargee (1) the Purchaser (2) Stephen Lawrence (3) and the Chargor (4).

1.2.21 **"Stephen Lawrence"** means Stephen Andrew Lawrence of Route de Penesson 23, Aubonne, Switzerland.

1.2.22 **"VAT"** means value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.3 In this deed:

1.3.1 clause headings shall not affect the interpretation of this deed;

1.3.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);

1.3.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;

1.3.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;

1.3.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;

1.3.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

- 1.3.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.3.8 a reference to **writing** or **written** does not include email or fax;
- 1.3.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.3.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.3.11 unless the context otherwise requires, a reference to a clause is to a clause of this deed;
- 1.3.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.3.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.3.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.3.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.3.16 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.3.17 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.4 CLAWBACK

If the Chargee considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the

liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.5 NATURE OF SECURITY OVER INVESTMENTS

A reference in this deed to any share, stock, debenture or other security or investment includes:

- 1.5.1** any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment;
- 1.5.2** any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 LAW OF PROPERTY (MISCELLANEOUS PROVISIONS) ACT 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Share Purchase Agreement and of any side letters between any parties in relation to the Share Purchase Agreement are incorporated into this deed.

1.7 PERPETUITY PERIOD

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2 COVENANT TO PAY

The Chargor shall, on demand, pay to the Chargee and discharge the Secured Liabilities in full when they become due.

3 GRANT OF SECURITY

3.1 FIXED CHARGES

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

- 3.1.1 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.1.2 all its present and future goodwill;
- 3.1.3 all its uncalled capital;
- 3.1.4 all the Equipment;
- 3.1.5 all the Intellectual Property;
- 3.1.6 all the Book Debts;
- 3.1.7 all the Investments;
- 3.1.8 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- 3.1.9 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause **Error! Reference source not found.**; and
- 3.1.10 all its rights in respect of and all agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause **Error! Reference source not found.**.

3.2 FLOATING CHARGE

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Chargee, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause **Error! Reference source not found.** to clause **Error! Reference source not found.** inclusive.

3.3 QUALIFYING FLOATING CHARGE

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.2.

3.4 AUTOMATIC CRYSTALLISATION OF FLOATING CHARGE

The floating charge created by clause 3.2 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

3.4.1 the Chargor:

3.4.1.1 creates, or attempts to create, without the prior written consent of the Chargee, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Share Purchase Agreement or the Intercreditor Deed); or

3.4.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

3.4.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

3.4.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor.

3.5 CRYSTALLISATION OF FLOATING CHARGE BY NOTICE

The Chargee may, in his sole discretion, at any time and by written notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Chargee in that notice.

3.6 ASSETS ACQUIRED AFTER ANY FLOATING CHARGE HAS CRYSTALLISED

Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Chargee confirm otherwise to the Chargor in writing) be charged to the Chargee by way of first fixed charge.

4 LIABILITY OF THE BORROWER

4.1 LIABILITY NOT DISCHARGED

The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Chargee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Chargee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

4.2 IMMEDIATE RECOURSE

The Chargor waives any right it may have to require the Chargees to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Chargor.

5 REPRESENTATIONS AND WARRANTIES

5.1 TIMES FOR MAKING REPRESENTATIONS AND WARRANTIES

The Chargor makes the representations and warranties set out in this clause 5 to the Chargee on the date of this deed.

5.2 OWNERSHIP OF SECURED ASSETS

The Chargor is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets.

5.3 ENFORCEABLE SECURITY

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

6 GENERAL COVENANTS

6.1 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Chargor shall not at any time, except with the prior written consent of the Chargee (including pursuant to the Intercreditor Deed):

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed or as is in place as the date of this deed; sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any material part of, or any material interest in, the Secured Assets (except to a bona fide third party purchaser on arm's length terms); or

6.1.2 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 PRESERVATION OF SECURED ASSETS

The Chargor shall not do, or permit to be done, any act or thing that would materially depreciate, jeopardise or otherwise prejudice the security held by the Chargee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 COMPLIANCE WITH LAWS AND REGULATIONS

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

6.4 ENFORCEMENT OF RIGHTS

The Chargor shall use its best endeavours to:

6.4.1 procure the prompt observance and performance by each counterparty to any agreement or arrangement with the Chargor forming part of the Secured Assets of the covenants and other obligations imposed on that counterparty; and

- 6.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets as the Chargee may require from time to time.

6.5 NOTICE OF MISREPRESENTATION AND BREACHES

The Chargor shall, promptly on becoming aware of any of the same, notify the Chargee in writing of:

- 6.5.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.5.2 any breach of any covenant set out in this deed.

6.6 INSURANCE

- 6.6.1 The Chargor shall insure and keep insured the Secured Assets against:
- 6.6.1.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
- 6.6.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor.

6.7 INFORMATION

- 6.7.1 The Chargor shall promptly notify the Chargee in writing of any action, claim, notice or demand made by or against it in connection with all or a material part of a Secured Asset together with the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall implement those proposals at its own expense.

7 INTELLECTUAL PROPERTY COVENANTS

7.1 PRESERVATION OF RIGHTS

The Chargor shall take all reasonably necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

8 POWERS OF THE LENDER

8.1 POWER TO REMEDY

8.1.1 The Chargee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.

8.1.2 The Chargor irrevocably authorises the Chargee and his agents to do all things that are reasonably necessary or desirable for that purpose.

8.1.3 The Chargor shall reimburse the Chargee, on a full indemnity basis, for any monies the Chargee properly expends in remedying a breach by the Chargor of its obligations contained in this deed, and such monies shall carry interest in accordance with clause 15.1.

8.2 EXERCISE OF RIGHTS

8.2.1 The rights of the Chargee under clause 8.1 are without prejudice to any other rights of the Chargee under this deed.

8.2.2 The exercise of any rights of the Chargee under this deed shall not make the Chargee liable to account as a mortgagee in possession.

8.3 POWER TO DISPOSE OF CHATTELS

8.3.1 At any time after the security constituted by this deed has become enforceable, the Chargee or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any freehold or leasehold property owned by the Chargee .

8.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.3.1, the Chargor shall indemnify the Chargee and any Receiver against any liability arising from any disposal made under clause 8.3.1.

8.4 LENDER HAS RECEIVER'S POWERS

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

8.5 APPOINTMENT OF AN ADMINISTRATOR

8.5.1 The Chargee may, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.

8.5.2 Any appointment under this clause 8.5 shall:

8.5.2.1 be in writing signed by a duly authorised signatory of the Chargee; and

8.5.2.2 take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

8.5.3 The Chargee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 8.5 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

9 WHEN SECURITY BECOMES ENFORCEABLE

The security constituted by this deed shall become immediately enforceable upon any failure by the Purchaser, by Stephen Lawrence or the Chargee to pay any of the Secured Liabilities when due to be paid under the Share Purchase Agreement and upon any breach of the terms of this deed.

9.1 DISCRETION

After the security constituted by this deed has become enforceable, the Chargee may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

10 ENFORCEMENT OF SECURITY

10.1 GENERAL

10.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

10.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 10.1.

- 10.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

10.2 EXTENSION OF STATUTORY POWERS OF LEASING

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Chargee and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Chargor, to:

- 10.2.1 grant a lease or agreement for lease;
- 10.2.2 accept surrenders of leases; or
- 10.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Chargee or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

10.3 ACCESS ON ENFORCEMENT

- 10.3.1 At any time after the Chargee has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this deed or the Share Purchase Agreement, the Chargor will allow the Chargee or his Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Chargee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- 10.3.2 At all times, the Chargor must use its best endeavours to allow the Chargee or his Receiver access to any premises for the purpose of clause 10.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

10.4 PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with the Chargee, any Receiver or any Delegate shall be concerned to enquire:

- 10.4.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.4.2 whether any power the Chargee, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 10.4.3 how any money paid to the Chargee, any Receiver or any Delegate is to be applied.

10.5 PRIVILEGES

Each Receiver and the Chargee are entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

10.6 NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither the Chargee nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

10.7 CONCLUSIVE DISCHARGE TO PURCHASERS

The receipt of the Chargee, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Chargee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

11 RECEIVER

11.1 APPOINTMENT

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, the Chargee may, without further notice, appoint by

way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

11.2 REMOVAL

The Chargee may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 REMUNERATION

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

11.4 POWER OF APPOINTMENT ADDITIONAL TO STATUTORY POWERS

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

11.5 POWER OF APPOINTMENT EXERCISABLE DESPITE PRIOR APPOINTMENTS

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Chargee despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 AGENT OF THE BORROWER

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

12 POWERS OF RECEIVER

12.1 GENERAL

12.1.1 Any Receiver appointed by the Chargee under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 12.2 to clause 12.23.

12.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

12.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

12.1.4 Any exercise by a Receiver of any of the powers given by clause 12 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in clause 12.16) or itself.

12.2 REPAIR AND DEVELOP CHARGED PROPERTIES

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

12.3 GRANT OR ACCEPT SURRENDERS OF LEASES

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

12.4 EMPLOY PERSONNEL AND ADVISERS

12.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

12.4.2 A Receiver may discharge any such person or any such person appointed by the Chargor.

12.5 MAKE AND REVOKE VAT OPTIONS TO TAX

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

12.6 REMUNERATION

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Chargee may prescribe or agree with it.

12.7 POSSESSION

A Receiver may take immediate possession of, get in and realise any Secured Asset.

12.8 MANAGE OR RECONSTRUCT THE BORROWER'S BUSINESS

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

12.9 DISPOSE OF SECURED ASSETS

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

12.10 SEVER FIXTURES AND FITTINGS

A Receiver may sever and sell separately any fixtures or fittings from any freehold or leasehold property owned by the Chargor without the consent of the Chargor.

12.11 SELL BOOK DEBTS

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

12.12 VALID RECEIPTS

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

12.13 MAKE SETTLEMENTS

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

12.14 LEGAL ACTION

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

12.15 IMPROVE THE EQUIPMENT

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

12.16 MAKE CALLS ON BORROWER MEMBERS

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

12.17 INSURE

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 15, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this deed.

12.18 SUBSIDIARIES

A Receiver may form a subsidiary of the Chargor and transfer to that subsidiary any Secured Asset.

12.19 BORROW

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Chargees consent, terms under which that security ranks in priority to this deed).

12.20 REDEEM PRIOR SECURITY

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.21 DELEGATION

A Receiver may delegate its powers in accordance with this deed.

12.22 ABSOLUTE BENEFICIAL OWNER

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

12.23 INCIDENTAL POWERS

A Receiver may do any other acts and things that it:

- 12.23.1 may consider desirable or necessary for realising any of the Secured Assets;
- 12.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- 12.23.3 lawfully may or can do as agent for the Chargor.

13 DELEGATION

13.1 DELEGATION

The Chargee or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 18.1).

13.2 TERMS

The Chargee and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

13.3 LIABILITY

Neither the Chargee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14 APPLICATION OF PROCEEDS

14.1 ORDER OF APPLICATION OF PROCEEDS

All monies received or recovered by the Chargees, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Chargee's right to recover any shortfall from the Chargor):

14.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Chargee (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

14.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Chargee determines; and

14.1.3 in payment of the surplus (if any) to the Chargor or other person entitled to it.

14.2 APPROPRIATION

Neither the Chargee, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

14.3 SUSPENSE ACCOUNT

All monies received by the Chargee, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 14.3.1 may, at the discretion of the Chargee, Receiver or Delegate, be credited to a suspense account;
- 14.3.2 shall bear interest, if any, at the rate agreed in writing between the Chargee and the Chargor; and
- 14.3.3 may be held in that account for so long as the Chargee, Receiver or Delegate thinks fit.

15 COSTS AND INDEMNITY

15.1 COSTS

The Chargor shall, promptly on demand, pay to, or reimburse, the Chargee and any Receiver, on a full indemnity basis, all (reasonable, in relation to clause 15.1.1) costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Chargee, any Receiver or any Delegate in connection with:

- 15.1.1 this deed or the Secured Assets;
 - 15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Chargee's, a Receiver's or a Delegate's rights under this deed; or
 - 15.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,
- together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost,

charge, expense, tax or liability was demanded pursuant to this Clause 15 until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment, liquidation, winding-up or administration of the Chargor) at the rate and in the manner specified in the Share Purchase Agreement.

15.2 INDEMNITY

15.2.1 The Chargor shall indemnify the Chargee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

15.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;

15.2.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or

15.2.1.3 any default or delay by the Chargor in performing any of its obligations under this deed.

15.2.2 Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

16 FURTHER ASSURANCE

16.1 FURTHER ASSURANCE

16.2 The Chargor shall promptly, at its own expense, take whatever action the Chargee or any Receiver may reasonably require for:

16.2.1 creating, perfecting or protecting the security created or intended to be created by this deed;

16.2.2 facilitating the realisation of any Secured Asset; or

16.2.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Chargee or any Receiver in respect of any Secured Asset,

16.3 including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Chargee or to their nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Chargee may consider necessary or desirable.

17 POWER OF ATTORNEY

17.1 APPOINTMENT OF ATTORNEYS

By way of security, the Chargor irrevocably appoints the Chargee, every Receiver and every Delegate separately to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

17.1.1 the Chargor is required to execute and do under this deed and has failed to do; or

17.1.2 any attorney (acting reasonably) deems necessary in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Chargee, any Receiver or any Delegate.

17.2 RATIFICATION OF ACTS OF ATTORNEYS

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18.1.

18 RELEASE

18.1 Subject to clause 26.3, at the end of the Security Period, the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to:

18.1.1 release the Secured Assets from the security constituted by this deed; and

18.1.2 reassign the Secured Assets to the Chargor.

19 ASSIGNMENT AND TRANSFER

19.1 ASSIGNMENT BY LENDER

19.1.1 At any time, without the consent of the Chargor, the Chargee may assign or transfer any or all of their rights and obligations under this deed.

19.1.2 The Chargee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this deed that the Chargee consider appropriate.

19.2 ASSIGNMENT BY BORROWER

The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

20 SET-OFF

20.1 LENDER'S RIGHT OF SET-OFF

The Chargee may at any time set off any liability of the Chargor to the Chargee against any liability of the Chargee to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Chargee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Chargee of his rights under this clause 21 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

20.2 NO OBLIGATION TO SET OFF

The Chargee is not obliged to exercise their rights under clause 20.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

20.3 EXCLUSION OF BORROWER'S RIGHT OF SET-OFF

All payments made by the Chargor to the Chargee under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

21 AMENDMENTS, WAIVERS AND CONSENTS

21.1 AMENDMENTS

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

21.2 WAIVERS AND CONSENTS

21.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

21.2.2 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Chargee shall be effective unless it is in writing.

21.3 RIGHTS AND REMEDIES

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

22 SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

23 COUNTERPARTS

23.1.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

23.1.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

24 THIRD PARTY RIGHTS

24.1.1 Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

24.1.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

25 FURTHER PROVISIONS

25.1 INDEPENDENT SECURITY

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Chargee may hold for any of the Secured Liabilities at any time. No prior security held by the Chargee over the whole or any part of the Secured Assets shall merge in the security created by this deed.

25.2 CONTINUING SECURITY

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Chargee discharge this deed in writing.

25.3 DISCHARGE CONDITIONAL

Any release, discharge or settlement between the Chargor and the Chargee shall be deemed conditional on no payment or security received by the Chargee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

25.3.1 the Chargee or his nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Chargee deems necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and

25.3.2 the Chargee may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

25.4 CERTIFICATES

A certificate or determination by the Chargee as to any amount for the time being due to him from the Chargor under this deed and/or the Share Purchase Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25.5 CONSOLIDATION

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

25.6 SMALL COMPANY MORATORIUM

Notwithstanding anything to the contrary in this deed, neither the obtaining of a moratorium by the Chargor under Schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Chargor with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

25.6.1 an event under this deed which causes any floating charge created by this deed to crystallise;

25.6.2 an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Chargor; or

25.6.3 a ground under this deed for the appointment of a Receiver.

26 NOTICES

26.1 DELIVERY

Any notice or other communication given to a party under or in connection with this deed shall be:

26.1.1 in writing;

26.1.2 delivered by hand, by pre-paid special or recorded delivery post or other next working day delivery service or by courier (between UK parties) or by courier (between parties, one of whom is based outside of the UK); and

26.1.3 sent to the parties at the addresses set against their names in this deed or to any other address as is notified in writing by one party to the other from time to time.

26.2 RECEIPT BY BORROWER

Any notice or other communication that the Chargee give to the Chargor shall be deemed to have been received:

26.2.1 if delivered by hand, at the time it is left at the relevant address;

26.2.2 if posted by pre-paid first-class post or other next working day delivery service including by courier, on the second Business Day after posting or the fifth day after posting or sending by courier in the case of a recipient which is based outside of the UK).

A notice or other communication given as described in clause 26.2.1 or clause 26.3.2. on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

The parties shall also send to each other an email copy of any notice or communication sent between them to such email address as they may have notified to each other from time to time but any failure to send such an email copy shall not invalidate the giving of any notice of communication under clause 26.

26.3 RECEIPT BY LENDER

Any notice or other communication given to the Chargee shall be deemed to have been received only on actual receipt.

26.4 SERVICE OF PROCEEDINGS

This clause 26 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

26.5 NO NOTICE BY EMAIL OR FAX

A notice or other communication given under or in connection with this deed is not valid if sent by email or fax.

27 GOVERNING LAW AND JURISDICTION

27.1 GOVERNING LAW

This deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

27.2 JURISDICTION

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Chargee to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

27.3 OTHER SERVICE

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 28.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

THIS AGREEMENT has been entered into as a deed on the date stated at the beginning of it.

EXECUTED as a DEED
MAGNAVALE LIMITED
acting by one director

)
)
)

Director

In the presence of:

Witness Signature

Witness Name

Witness Address

Witness Occupation

SIGNED as a DEED
by STUART HANCOCK
in the presence of:



Stuart Hancock

Hearnidge
Witness Signature

HCEARNIDGE
Witness Name


14 BURNWOOD GORE, GRADHAM NG31 9LJ
Witness Address

ADMI.
Witness Occupation

**EXECUTED as a DEED
MAGNAVALE LIMITED**
acting by one director

)
) 
)
Director

In the presence of:


Witness Signature

ANDREW LAWRENCE
Witness Name

12 CHAPEL GATE LANE, LAUDLEYMILL
Witness Address

DIRECTOR
Witness Occupation

**SIGNED as a DEED
by STUART HANCOCK**
in the presence of:

Stuart Hancock

Witness Signature

Witness Name

Witness Address

Witness Occupation

