

MR01
Particulars of a charge

100373 / 13



Companies House

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

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

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

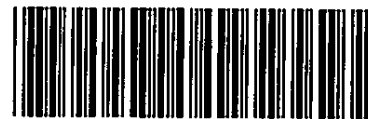
☒ What this form is NOT for
You may not use this form to
register a charge where there is no
instrument Use form MR08

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

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



You must enclose a certified copy of the instrument with this form. The
copy must be scanned and placed on the public record



A2ZRJAA0

A37

17/01/2014

#162

COMPANIES HOUSE

1 Company details

Company number 8614428

Company name in full CLIPPERSAIL LIMITED

→ Filing in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 31/12/2013

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

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

Name MR WILLIAM BROWN

Name

Name

Name

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

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

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4

Description

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

Continuation page

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

Description

5

Fixed charge or fixed security

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

☒ **Yes**

☐ **No**

6

Floating charge

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

☐ **Yes** Continue

☒ **No** Go to **Section 7**

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

☐ **Yes**

7

Negative Pledge

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

☐ **Yes**

☒ **No**

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Particulars of a charge

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Trustee statement ¹

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

☐

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

9


Signature

Please sign the form here.

Signature

Signature

X



X

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

MR01

Particulars of a charge



Presenter information

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

Contact name
MR RUSSELL JENKINS

Company name
RTS OWENS THOMAS LIMITED

Address
**THE COUNTING HOUSE
DUNLEAVY DRIVE**

Post town
CARDIFF

County/Region

Postcode
CF11 0SN

Country
S. WALES

DX

Telephone
029 20 829000



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following.

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



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House'.



Where to send

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

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

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8614428

Charge code: 0861 4428 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st December 2013 and created by CLIPPERSAIL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th January 2014.

f

Given at Companies House, Cardiff on 20th January 2014



Companies House



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

DATED

31

DECEMBER 2013

CHARGE OVER SHARES IN INTENSION (UK) LIMITED

between

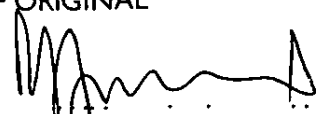
WILLIAM BROWN

and

CLIPPERSAIL LIMITED

[Registration of Charge at Companies House]

CERTIFIED TRUE COPY
OF ORIGINAL

A handwritten signature in black ink, appearing to read 'Russell Jenkins', written over the printed name.

RUSSELL JENKINS - DIRECTOR
KTS OWENS THOMAS

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THIS DEED is dated 31 December 2013

PARTIES

- (1) William Brown of Wibdon Cottage, Stroat, Chepstow, NP16 7LN (the "**Chargee**")
- (2) Clippersail Limited incorporated and registered in England and Wales with company number 08614428 whose registered office is at Unit D14 East Point Industrial Estate, Wentloog, Cardiff CF3 2ES (**Chargor**)

WHEREAS

- (A) This Deed is made pursuant and supplemental to the terms of the Share Purchase Agreement.
- (B) The Chargee has agreed to sell 5,000 ordinary £0.01 shares in the Company to the Chargor. Part of the consideration payable by the Chargor to the Chargee for the sale of the Sale Shares will be credited to a Seller Loan account in the books of the Chargor at Completion. It is a condition of the sale that this Deed is entered into by the Chargor.
- (C) The Chargor has complied with all formalities required by its memorandum and articles to enable it to enter into this Deed and to enable the Chargor to lawfully create the security contained herein.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this charge:

Attorney: an attorney of the Chargor appointed under clause 5

Business Day: a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market.

Company: Intension (UK) Limited, a company incorporated and registered in England and Wales with company number 01041910 whose registered office is at Unit D14 East Point Industrial Estate, Spring Meadows Business Park, Wentloog, Cardiff CF3 2ES further details of which are set out in Schedule 2 of the Share Purchase Agreement

Costs: all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs.

Derivative Assets: means all stock shares warrants or other securities rights dividends interest or other property whether of capital or income nature accruing offered issued or deriving at any time by way of dividend bonus redemption exchange purchase substitution conversion consolidation subdivision preference

option or otherwise attributable to any of the Sale Shares or any Derivative Assets previously described

Encumbrance: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

Purchase Price: the purchase price for the Sale Shares to be paid by the Chargor to the Chargee in accordance with Schedule 6 of the Share Purchase Agreement

Security Period: the period starting on the date of this charge and ending on the date on which the balance credited to the Seller Loan account has to the reasonable satisfaction of the Chargee, been unconditionally and irrevocably paid and discharged in full and no further payment of Purchase Price to the Chargee is capable of being outstanding.

Sale Shares: means the 5,000 ordinary shares of £0.01 each in the Company, all of which have been issued and are fully paid

Share Purchase Agreement: means an agreement of even date herewith executed by the Chargee and the Chargor and any variation, amendment or extension thereof or supplemental thereto from time to time in force,

Seller Loan: means the amount of the consideration for the Sale Shares due from the Chargor to the Chargee and credited to the books of the Chargor at Completion as set out in Schedule 6 to the Share Purchase Agreement.

Warranties: the representations and warranties set out in the Share Purchase Agreement.

12 Interpretation

Unless the context otherwise requires, the following rules of interpretation apply in this charge:

- (a) Schedule and paragraph headings shall not affect the interpretation of this charge;
- (b) a **person** includes a natural person and a corporate or unincorporated body (whether or not having a separate legal personality),
- (c) a reference to **this charge** (or any specified provision of it) or any other document shall be construed as a reference to this charge, that provision or that document as in force for the time being and as amended, novated, varied or supplemented from time to time;
- (d) the Schedules form part of this charge and shall have effect as if set out in full in the body of this charge and any reference to this charge includes the Schedules;
- (e) All terms defined in the Share Purchase Agreement which are used in this Charge shall bear the same meaning as in the Share Purchase Agreement unless the context requires otherwise provided that, in the event of a

conflict between the meaning of any term as defined in the Share Purchase Agreement and any term defined in this Charge, the definitions in this Charge shall prevail

- (f) Except to the extent the context otherwise requires any reference in this document to "this Charge" and any other document referred to in it includes any document expressed to be supplemental to or collateral with or which is entered into pursuant to or in accordance herewith or therewith and shall be deemed to include any instruments amending varying supplementing novating or replacing the terms of any such documents from time to time.
- (g) a reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- (h) words in the singular include the plural and in the plural include the singular;
- (i) a reference to one gender shall include a reference to the other genders,
- (j) a reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it,
- (k) a reference to **writing** or **written** includes faxes but not e-mail; and
- (l) references to clauses and Schedules are to the clauses and Schedules of this charge, references to paragraphs are to paragraphs of the relevant Schedule

2. COVENANT TO PAY

- 2.1 The Chargor shall, subject to and in accordance with the terms of the Share Purchase Agreement, pay the Purchase Price for the Sale Shares.
- 2.2 All sums payable by the Chargor under this Charge shall be paid without any set-off counterclaim withholding or deduction whatsoever unless required by the Share Purchase Agreement or by law in which event the Chargor will simultaneously with making the relevant payment under this Charge pay to the Chargee such additional amount as will result in the receipt by the Chargee of the full amount which would otherwise have been receivable and will supply the Chargee with promptly with evidence satisfactory to the Chargee that the Chargor has accounted to the relevant authority for the sum withheld or deducted.

3. CHARGE AND RELEASE

- 3.1 The Chargor as legal and beneficial owner with full title guarantee hereby charges:
 - (a) the Sale Shares, and
 - (b) the Derivative Assets; and

- (c) all dividends, interest and other income at any time hereafter deriving from the Sale Shares or other property for the time being falling within sub-clauses 3.1 or deriving from any investment of any such dividends, interest or other income

as continuing security for the payment and discharge of the Purchase Price for the Sale Shares in accordance with and on the dates specified in the Share Purchase Agreement

- 3.2 On payment and receipt (in cleared funds) by the Chargee of each sum of £21.50 payable to the Chargee by the Chargor under the Share Purchase Agreement the Chargee will (within 14 days of such receipt) release from his security 1 Sale Share by way of a deed of release in the form determined by the Chargee
- 3.3 The expression "**Charged Property**" shall include all the stocks, shares or other securities, rights, monies or other property referred to in sub-clauses 3.1 above.

4. DEPOSIT OF TITLE DOCUMENTS AND FURTHER ASSURANCE

- 4.1 The Chargor shall on the execution of this charge, deposit with KTS Owens Thomas Ltd all stock or share certificates or other documents of title to or representing the Charged Property
- 4.2 The Chargor shall upon the accrual, offer, issue or receipt of any Derivative Assets deliver or pay to the Chargee or procure the delivery or payment to the Chargee of all such Derivative Assets or the stock or share certificates or other documents of title to or representing them.

4.3 Further assurance

The Chargor shall, at the direction of the Chargee given at any time, forthwith execute and deliver to the Chargee all transfers and other documents and do all such things as may be necessary or desirable:

- (a) for creating, registering, perfecting, maintaining or protecting the security created by this charge; or
- (b) for creating a fixed charge over any of the Sale Shares; or
- (c) to facilitate the realisation of all or any of the Sale Shares after this charge has become enforceable or the exercise of any right, power or discretion vested in the Chargee in relation to this charge

5. POWER OF ATTORNEY

- 5.1 By way of security the Chargor irrevocably appoints the Chargee to be the attorney (the Attorney) of the Chargor (with full powers of substitution and delegation) and in its name and on its behalf and as its act and deed to sign seal execute deliver perfect and do all deeds instruments transfers renunciations proxies notices

documents acts and things which the Chargor may or ought to do under the covenants and provisions contained in this Charge and generally in its name and on its behalf to exercise all or any of the powers authorities and discretions conferred by or pursuant to this Charge or by the Law of Property Act 1925 on the Chargee and to execute and deliver and otherwise perfect any deed assurance agreement instrument or act which it may deem proper in the exercise of all or any of the powers authorities or discretions conferred on the Chargee pursuant to this Charge

- 5.2 The Chargor ratifies and confirms and agrees to ratify and confirm anything such attorney shall lawfully and properly do or purport to do by virtue of clause 5.1 and all money expended by any such attorney shall be deemed to be expenses incurred by the Chargee under this Charge.
- 5.3 The Chargor undertakes to procure that all registered holders from time to time of any of the Charged Property.

6. REPRESENTATIONS WARRANTIES AND COVENANTS BY THE CHARGOR

6.1 The Chargor represents and warrants to the Chargee and undertakes that:

- (a) The Chargor will be the sole absolute owner and the registered holder of all of the Charged Property free from Encumbrances with full title guarantee and the Chargor will not create or attempt to create or permit to arise or subsist any Encumbrance (other than this Charge) on or over the Charged Property;
- (b) it has not sold or otherwise disposed of or agreed to sell or otherwise dispose of or granted or agreed to grant any option in respect of all or any of its right title and interest in and to the Charged Property or any part of it and will not do any of the foregoing at any time during the subsistence of this Charge,
- (c) the Sale Shares are and will at all times be fully paid and there are and will be no monies or liabilities outstanding in respect of any of the Charged Property,
- (d) it has power and authority to execute deliver and perform its respective obligations under this Charge all necessary action has been taken (and not revoked) to authorise the execution delivery and performance of this Charge and this Charge constitutes and when executed and delivered will be its respective valid and legally binding obligation enforceable in accordance with the terms thereof;
- (e) the execution and performance of this Charge does not and will not :-
 - (i) contravene any law regulation directive judgement or order to which the Chargor is subject;

- (ii) result in any actual or potential breach of or default under any obligation agreement instrument to which the Chargor is a party or by which it is bound or which it requires to carry on its business, or
- (iii) contravene any provision in the Chargor's memorandum and articles, or
- (iv) result in any limitation on the Chargor's powers to borrow or incur financial indebtedness being exceeded,

6.2 The Chargor shall indemnify the Chargee on a full indemnity basis against calls or other payments relating to the Charged Property and any defect in the Chargor's title to the Charged Property and against all actions proceedings losses costs claims and demands suffered or incurred in respect of anything done or omitted in any way relating to the Charged Property or in the exercise or purported exercise of its powers contained in this Charge by the Chargee

6.3 The Chargor shall not do or cause to permit anything to be done which may adversely affect the security created or purported to be created by this Charge or which is a variation or abrogation of the rights attaching to or conferred by all or any part of the Charged Property without the prior written consent of the Chargee and shall take such action as the Chargee may in their discretion direct in relation to any proposed compromise arrangement reorganisation conversion repayment offer or scheme of arrangement affecting all or any part of the Charged Property.

6.4 The warranties are made by the Chargor on the date of this charge and shall be deemed to be repeated on each day of the Security Period with reference to the facts and circumstances then existing.

7. LIABILITY OF THE BORROWER

7.1 Liability not discharged

The liability of the Chargor under this charge in respect of any of the Sale Shares shall not be discharged, prejudiced or affected by.

- (a) any Encumbrance, guarantee, indemnity, remedy or other right held by or available to the Chargee being or becoming wholly or partially illegal, void or unenforceable on any ground;
- (b) the Chargee concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission which but for this provision might have discharged or otherwise prejudiced or affected the liability of the Chargor.

7.2 Immediate recourse

The Chargor waives any right it may have of requiring the Chargee to

- (a) enforce any security or other right, or
- (b) claim any payment from or otherwise proceed against any other person,

before enforcing this charge against the Chargor.

8. CHARGOR COVENANTS

The Chargor covenants with the Chargee during the continuance of the security constituted by this charge in the terms set out in Schedule I

9. RIGHTS OF THE CHARGE

9.1 Chargee's exercise of rights

The Chargee may at his discretion (in the name of the Chargor or otherwise after this charge has become enforceable and without any consent or authority from the Chargor) exercise the following rights and powers in respect of the Sale Shares:

- (a) any voting rights and any powers or rights which may be exercised by a person in whose name the Sale Shares are registered.
- (b) All the powers given to trustees by Section 10(3) and (4) of the Trustee Act 1925 (as amended by Section 9 of the Trustee Investments Act 1961) in respect of securities or property subject to a trust

9.2 Post enforcement rights

After the security constituted by this charge has become enforceable.

- (a) all dividends, interest and other distributions paid in respect of the Sale Shares and received by or on behalf of the Chargor shall be held on trust for the Chargee and forthwith paid into an account designated by the Chargee or, if received by the Chargee, may be applied by the Chargee as though they were the proceeds of sale; and
- (b) all voting and other rights and powers attaching to the Sale Shares shall be exercised by, or at the direction of, the Chargee and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Chargee may, in his absolute discretion, give concerning the exercise of those rights and powers.

9.3 Protection of interests

The powers conferred on the Chargee by this charge are solely to protect its interests in the Sale Shares and shall not impose any duty on the Chargee to exercise any of those powers

10. POWERS OF THE LENDER

The Lender shall have the powers set out in Schedule 2

11. ENFORCEMENT

11.1 If any enforcement event shall occur then

- (a) The Chargee may at any time demand thereafter declare the Purchase Price (or such amount as the Chargee may specify) immediately due and payable forthwith on demand, and
- (b) The security constituted by this Charge shall become immediately enforceable and the power of sale and other powers constituted by Section 101 Law of Property Act 1925 ("LPA") as varied or extended by this Charge shall become immediately exercisable without the restrictions contained in the LPA as to the giving of notice or otherwise

11.2 This Charge shall be enforceable if any of the circumstances set out in paragraph 1 of Schedule 3 occur. The parties to this charge agree that the provisions of Schedule 3 shall apply to this charge and shall be binding between them.

11.3 Power of disposal

At any time after this charge has become enforceable, the Chargee and any nominee of the Chargee may (without prejudice to any other right which the Chargee may have) without further notice to the Borrower exercise the power to sell or otherwise dispose of the whole or any part of the Sale Shares

11.4 Terms of disposal

Any sale or disposal under clause 11.3 may be made in such manner, on such terms and for such consideration (whether payable immediately or by instalments) as the Chargee shall in its absolute discretion think fit and without liability for loss

11.5 Application of proceeds

The Lender shall apply the proceeds of a sale or other disposal under clause 11.3 in or towards the satisfaction of the Purchase Price for the Sale Shares

12. COSTS AND INDEMNITY

12.1 Costs

The Chargor shall pay to or reimburse the Chargee on demand, on a full indemnity basis, all Costs incurred by the Chargee in relation to

- (a) this Charge, or

- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Seller's rights under this charge,

including, without limitation, the Costs of any proceedings in relation to this charge

12.2 Indemnity

The Chargee shall be indemnified on a full indemnity basis in respect of all actions, liabilities and Costs incurred or suffered in or as a result of

- (a) the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this charge,
- (b) any default or delay by the Borrower in performing any of its obligations under this charge.

13. DISCHARGE OF SECURITY

13.1 The security constituted by this Charge shall be continuing and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Purchase Price in the Share Purchase Agreement or any other matter or thing whatsoever including the insolvency liquidation or administration of the Chargor and shall be binding until all the Purchase Price has been unconditionally and irrevocably paid and discharged in full.

13.2 Upon the irrevocable payment or discharge in full of the Purchase Price in the Share Purchase Agreement the Chargee will or will procure that its nominees will (as the case may be) at the request and cost of the Chargor retransfer to the Chargor all of the Chargee's right title and interest in or to the Charged Property free from this Charge

14. MISCELLANEOUS

14.1 Any waiver or variation of any right by the Chargee (whether arising under this charge or under the general law) shall only be effective if it is in writing and signed by the Chargee and applies only in the circumstances for which it was given and shall not prevent the Lender from subsequently relying on the relevant provision

14.2 No delay or failure to exercise any right or power under this charge shall operate as a waiver.

14.3 No single or partial exercise of any right under this charge shall prevent any other or further exercise of that or any other such right.

14.4 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this charge under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted,

the provision shall apply with any modification necessary to give effect to the commercial intention of the parties

15. NOTICES

15.1 Service

Any notice or other communication given under this charge shall be in writing and shall be served by delivering it personally or by sending it by pre-paid first class post or by facsimile transmission to the address or fax number and for the attention of the relevant party as set out in Schedule 4 or such other address or fax number as may be notified in writing from time to time by the relevant party to the other party

15.2 Receipt

Receipt of any notice, given under clause 15.1 above, shall be deemed to be received:

- (a) if delivered personally, at the time of delivery; or
- (b) in the case of pre-paid first class letter, 48 hours from the date of posting; or
- (c) in the case of a fax, when received in legible form, but if deemed receipt occurs.
 - (i) before 9 00 am on a Business Day, the notice shall be deemed to have been received at 9.00 am on that day, or
 - (ii) after 5.00 pm on a Business Day or on a day that is not a Business Day, the notice shall be deemed to have been received at 9.00 am on the next Business Day.

15.3 Proof of service

In proving service of a notice, it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant party as set out in Schedule 4 (or as otherwise notified by that party under clause 15.1) and delivered either

- (a) to that address; or
- (b) into the custody of the postal authorities as a prepaid recorded delivery first-class letter.

15.4 E-mails invalid

Notice given under this charge shall not be validly served if sent by e-mail.

16. GOVERNING LAW AND JURISDICTION

16.1 Governing law

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

16.2 Jurisdiction

The parties to this charge irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this charge or its subject matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower 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.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule I Covenants

1. ADDITIONAL REGISTRATION OBLIGATIONS

The Chargor grants and agrees to

- (a) procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of Company or otherwise, for the transfer of the Sale Shares to the Chargee or its nominee or to a purchaser upon enforcement of this charge, and
- (b) procure the amendment of the share transfer provisions of the articles of association of each issuer (not being a public company) in such manner as the Chargee may require in order to permit such a transfer.

2. NOMINATIONS

The Chargor shall not at any time during the Security Period nominate any person, other than the Chargee, to enjoy or exercise any right relating to any of the Sale Shares subject to this charge.

3. NO ALTERATION OF RIGHTS AND LIABILITIES

The Chargor shall not, without the prior written consent of the Chargee, amend, or agree to the amendment of, the memorandum or articles of association of the Company or the rights or liabilities attaching to any of the Sale Shares

4. PRESERVATION OF SALE SHARES

The Chargor shall ensure (insofar as it is able by the exercise of all voting rights, powers of control and other means available to it) that the Company will not:

- (a) consolidate or subdivide any of its stock or shares or reduce or reorganise its share capital in any way; or
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of its shares which may be lodged for registration by or on behalf of the Chargee or the Chargor in accordance with this charge.

5. NO ADVERSE ACTIONS OR VARIATIONS

The Chargor shall not cause or permit to be done anything which may adversely affect the security created by this charge or which is a variation or abrogation of the rights attaching to or conferred on all or any part of the Sale Shares by this charge, without the prior written consent of the Chargee

Schedule 2 Powers of the Chargee

1. POWER TO REMEDY

The Chargee shall be entitled (but shall not be bound) to remedy a breach at any time by the Chargor of any of its obligations contained in this charge and the Chargor irrevocably authorises the Chargee and its agents to do all such things as are necessary or desirable for that purpose

2. EXERCISE OF RIGHTS

The rights of the Chargee under paragraph 1 of this Schedule 2 are without prejudice to any other rights of the Chargee under this charge

3. INDULGENCE

The Chargee may at his discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this charge (whether or not such person or persons are jointly liable with the Borrower) in respect of any of the Sale Shares subject to the charges or of any other Encumbrance for them without prejudice to this charge.

Schedule 3 Enforcement

1. ENFORCEMENT EVENTS

This charge shall be enforceable if

- (a) any of the Sale Shares are not paid or discharged when the same ought to be paid or discharged by the Chargor, or
- (b) the Chargor is in breach of any of its obligations under this charge or the Agreement and that breach (if capable of remedy) has not been remedied to the satisfaction of the Chargee within 14 days of notice by the Chargee to the Borrower to remedy the breach; or
- (c) any representation, warranty or statement made by the Chargor in, or in connection with, this charge is or proves to have been incorrect or misleading when made, or
- (d) the Chargor or the Company:
 - (i) becomes unable to pay its debts as they fall due or the value of the Chargor's assets is less than the amount of its liabilities, taking into account the Chargor's contingent and prospective liabilities, or
 - (ii) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or
 - (iii) makes a general assignment for the benefit of, or a composition with, its creditors, or
- (e) the Chargor or the Company passes any resolution or takes any corporate action or a petition is presented or proceedings are commenced or any action is taken by any person for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues and assets, or
- (f) a distress, execution, attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Chargor or the Company and remains undischarged for seven days.

2. POWER OF SALE

Notwithstanding that as between the Chargee and a purchaser from the Chargee, the power of sale arises on and is exercisable at any time after the execution of this charge, the Chargee shall not exercise that power of sale until an event (as specified in the paragraph 1 of this Schedule 3) entitling the Lender to enforce its security has occurred.

Schedule 4 Notice details

The Chargor

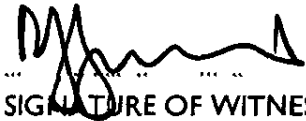
Clippersail Limited whose registered number is 08614428 and whose registered office is at
Unit D14 East Point Industrial Estate, Wentloog, Cardiff CF3 2ES

For the attention of: William George Lamont Brown

The Chargee

William Brown – Wibdon Cottage, Stroat, Chepstow, NP16 7LN

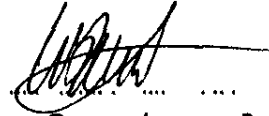
Executed as a deed by Clippersail
Limited acting by William George
Lamont Brown, a director, in the
presence of:



SIGNATURE OF WITNESS

NAME, ADDRESS AND
OCCUPATION OF WITNESS

RUSSELL J JENKINS
CHARTERED ACCOUNTANT
KTS OWENS THOMAS
THE COUNTING HOUSE
DUNLEAVY DRIVE
CARDIFF
CF11 0SN



William George Lamont Brown
Director

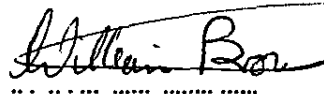
Executed as a deed by William Brown
in the presence of.



SIGNATURE OF WITNESS

NAME, ADDRESS AND
OCCUPATION OF WITNESS

RUSSELL J JENKINS
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William Brown