



**Registration of a Charge**

Company name: **FALCON ACCOUNTANCY SERVICES LIMITED**

Company number: **09417971**



X9Z133OQ

Received for Electronic Filing: **03/03/2021**

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**Details of Charge**

Date of creation: **03/03/2021**

Charge code: **0941 7971 0002**

Persons entitled: **WEDO PAYROLL FINANCE LIMITED**

Brief description: **AS A CONTINUING SECURITY TO SECURE THE PAYMENT AND PERFORMANCE AS PROVIDED FOR IN CLAUSE 2.1, THE CHARGOR WITH FULL TITLE GUARANTEE CHARGES TO THE FINANCIER, BY WAY OF A FIRST LEGAL MORTGAGE, ALL ESTATES OR INTERESTS IN ANY FREEHOLD, LEASEHOLD OR COMMONHOLD PROPERTY NOW OWNED BY IT, INCLUDING THE REAL PROPERTY (IF ANY) SPECIFIED IN SCHEDULE 1.**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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## Authentication of Instrument

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

Certified by: **O.NOLAN**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 9417971

Charge code: 0941 7971 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd March 2021 and created by FALCON ACCOUNTANCY SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd March 2021 .

Given at Companies House, Cardiff on 4th March 2021

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 03<sup>rd</sup> March

2020

FALCON ACCOUNTANCY SERVICES LIMITED  
and  
WEDO PAYROLL FINANCE LTD

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## DEBENTURE

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I certify that this document is  
a true copy of the original  
document and that it has been  
prepared in accordance with  
the provisions of the Companies  
Act 1985.



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THIS DEED IS MADE ON THE 03<sup>rd</sup> DAY OF March 2024  
BETWEEN

(1) FALCON ACCOUNTANCY SERVICES LIMITED incorporated and registered in England and Wales with company number 09417971 whose registered office is at Suite 22 30-38 Dock Street, Leeds, West Yorkshire, England, LS10 1JF (the "Chargor");

(2) WEDO PAYROLL FINANCE LTD incorporated and registered in England and Wales with company number 12422384 whose registered office is at Unit 6, Hollinwood Business Centre, Albert Street, Hollinwood, Oldham, OL8 3QL (the "Financier").

**RECITALS**

(A) The Financier has agreed, pursuant to the IFA, to provide the Chargor with invoice finance on a secured basis.

(B) Under this Deed, the Chargor provides security to the Financier for all its present and future obligations and liabilities to the Financier, including those under the IFA.

**IT IS HEREBY AGREED**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 DEFINITIONS**

The following definitions apply in this Deed:

"Accounting Records" all books, records, ledgers, computer data and all documents in which accounting entries are recorded relating to the Chargor's sales, purchases, expenses and Debts, and all invoices, credit notes or other documents and data relating to the creation, collection or enforcement of Debts.

"Administrator" an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 14.8.

"Associated Rights" means all the Chargor's rights under a Supply Contract, the benefit of all guarantees, indemnities, insurances and securities given to or held by the Chargor in respect of Customer's obligations to the Chargor, all Remittances held by the Chargor in relation to any such obligation, the right to possession of all Accounting Records, any Goods returned or rejected by the Customer, the Financier's right to have the ownership of any Goods transferred to the Financier and any interest payable under the Supply Contract or statute.

"Blocked Account" means the Remittance Account and/or any other bank account of the Chargor approved in writing by the Financier for such purpose, whether in the name of the Chargor or the Financier and in either case subject to such restriction, encumbrance and mandates as the Financier may require.

**"Borrowed Money"** any indebtedness of the Chargor for or in respect of:

- (a) borrowing or raising money, including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptances under any acceptance credit facility or dematerialised equivalent or bill discounting, note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Chargor if those receivables or financial assets are not paid when due;
- (e) any deferred payments for assets or services acquired, other than trade credit that is given in the ordinary course of trade and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under any finance lease (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Chargor's performance of a contract;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities that are not shown as borrowed money on the Chargor's balance sheet because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurance against financial loss given by the Chargor for any indebtedness of the type referred to in any other paragraph of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

**"Business Day"** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

**"Charged Property"** any freehold, leasehold or commonhold property the subject of the security constituted by this Deed and reference to "Charged Property" shall include references to the whole or

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Conditions"</b>        | any part or part of it.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Customer"</b>          | the general conditions of invoice finance incorporated into the IFA (as amended, varied or replaced from time to time).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Debt"</b>              | a person from whom a Debt is, or will become owing to the Chargor pursuant to a Supply Contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Delegate"</b>          | the amount of any indebtedness (including any tax or duty payable) incurred by a Customer under a Supply Contract and its Associated Rights.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Disruption Event"</b>  | <p>any person appointed by the Financier or any Receiver pursuant to clause 19 and any person appointed as attorney of the Financier, Receiver or Delegate.</p> <p>either or both of:</p> <p>(a) an event (not caused by, and outside the control of, either party) that materially disrupts the systems for payment or communication or the financial markets needed, in each case, to enable either payment to be made or transactions to be carried out under this Deed or any other document entered into between the Chargor and the Financier; or</p> <p>(b) any other event (not caused by, and outside the control of, the party whose operations are disrupted) that results in disruption (of a technical or systems related nature) to the treasury or payments operations of a party and which prevents either or both parties from (i) performing its payment obligations under this Deed or any other document entered into between the Chargor and the Financier, or (ii) communicating with the other party as required by the terms of this Deed or any other document entered into between the Chargor and the Financier.</p> |
| <b>"Environment"</b>       | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Environmental Law"</b> | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Environmental"</b>     | any authorisation, permit or licence necessary under                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Licence"</b>          | Environmental Law in respect of any of the Secured Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Equipment"</b>        | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>"Event of Default"</b> | any of the following events: <ul style="list-style-type: none"> <li>(a) the Chargor fails to pay any of the Secured Liabilities when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date or by a Disruption Event and payment is made within three Business Days of its due date;</li> <li>(b) the Chargor fails (other than a failure to pay referred to in paragraph (a) of this definition) to comply with any provision of this Deed or any document under which the Chargor owes obligations to the Financier and (if the Financier considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of the Financier notifying the Chargor of the default and the remedy required and the Chargor becoming aware of the default;</li> <li>(c) any representation, warranty or statement made, repeated or deemed made by the Chargor to the Financier is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made;</li> <li>(d) the Chargor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business;</li> <li>(e) any Borrowed Money is not paid when due or within any originally applicable grace period;</li> <li>(f) any Borrowed Money becomes due, or capable of being declared due and payable, before its stated maturity by reason of an event of default (however described);</li> <li>(g) any commitment for any Borrowed Money is cancelled or suspended by a creditor of the Chargor by reason of an event of default (however described);</li> <li>(h) any creditor of the Chargor becomes entitled to declare any Borrowed Money due and payable before its stated maturity by reason of an event of default (however described);</li> <li>(i) the Chargor stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its</li> </ul> |

debts as they fall due;

- (j) the Chargor commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Financier) with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties);
- (k) a moratorium is declared in respect of any Indebtedness of the Chargor;
- (l) any action, proceedings, procedure or step is taken in relation to the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Chargor;
- (m) any action, proceedings, procedure or step is taken in relation to a composition, compromise, assignment or arrangement with any creditor of the Chargor;
- (n) any action, proceedings, procedure or step is taken in relation to the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Chargor or any of its assets;
- (o) the value of the Chargor's assets is less than its liabilities (taking into account contingent and prospective liabilities);
- (p) any event occurs in relation to the Chargor similar to those set out in paragraphs (i) to (o) (inclusive) under the laws of any applicable jurisdiction;
- (q) control of the Chargor's goods is taken or a distress, attachment, execution, expropriation, sequestration or other analogous legal process in any jurisdiction is levied, enforced or sued out on, or against, the Chargor's assets;
- (r) any Security on or over the assets of the Chargor becomes enforceable;
- (s) all or any part of this deed or any document under which the Chargor owes obligations to the Financier is or becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect or it becomes unlawful for any party to this deed or any document under which the Chargor owes obligations to the Financier (other than the Financier) to perform any obligation under this deed or that document;

|                                           |                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           | (t) the Chargor repudiates or rescinds or shows an intention to repudiate or rescind this deed or any document under which the Chargor owes obligations to the Financier; or                                                                                                                                               |
|                                           | (u) any guarantee given as security for the payment of the Secured Liabilities, or any amounts due from the Chargor to the Financier is terminated or otherwise ceases to have effect                                                                                                                                      |
|                                           | (v) any event of default occurs pursuant to the terms of the IFA or any other invoice finance, factoring agreement or other agreement entered into between the Chargor and the Financier.                                                                                                                                  |
|                                           | (w) any event occurs (or circumstances exist) that, in the reasonable opinion of the Financier, has or is reasonably likely to have a Material Adverse Effect.                                                                                                                                                             |
| <b>"Excluded Property"</b>                | each leasehold property held by the Chargor under a lease that either precludes absolutely, or requires consent of a third party to, the creation of Security over the Chargor's leasehold interest in that property.                                                                                                      |
| <b>"Financial Collateral"</b>             | has the meaning given to that expression in the Financial Collateral Regulations.                                                                                                                                                                                                                                          |
| <b>"Financial Collateral Regulations"</b> | the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226).                                                                                                                                                                                                                                              |
| <b>"Goods"</b>                            | any goods or services the subject of a Supply Contract.                                                                                                                                                                                                                                                                    |
| <b>"IFA"</b>                              | the invoice finance agreement (incorporating the Conditions) dated [DATE] between the Chargor and the Financier for the provision of invoice finance secured by the this Deed and any similar documents entered into between the Chargor and the Financier, in each case as varied, amended or replaced from time to time. |
| <b>"Indebtedness"</b>                     | any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of those obligations.                                                                                                                                                                  |
| <b>"Insurance Policy"</b>                 | 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).                                                               |
| <b>"Intellectual Property"</b>            | the Chargor's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral 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.

**"Investments"**

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.

**"LPA 1925"**

the Law of Property Act 1925.

**"Material Adverse Effect"**

any event or circumstance which, in the opinion of the Financier:

- (a) is likely to materially and adversely affect the Chargor's ability to perform or otherwise comply with all or any of its obligations under this Deed or any other document entered into between the Chargor and the Financier;
- (b) is likely to materially and adversely affect the business operations, property condition (financial or otherwise) or prospects of the Chargor; or
- (c) is likely to result in this Deed or any other documents entered into between the Chargor and the Financier, not being legal, valid and binding on, and enforceable in accordance with its terms against the, Chargor and, in the case of this Deed, not providing to the Financier security over the assets expressed to be subject to a security interest under this Deed.

**"Other Obligations"**

all obligations (other than monetary obligations) of the Chargor in favour of the Financier including pursuant to the IFA and this Deed.

**"Permitted Security"**

the permitted security set out in Schedule 3 (if any).

**"Prevailing Rate"**

means the rate of interest payable in respect of the relevant unpaid amount in accordance with the terms of any agreement or letter setting out terms of the relevant Secured Liabilities, or if there is no such rate 4 % per annum above the base rate from time to time of Lloyds Bank PLC or any other

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Receivables"</b>                               | bank nominated by the Financier.<br><br>all present and future indebtedness and monetary claims (including any tax on duty payable) due or owing to the Chargor on any account whatsoever whether or not originally due, owing or incurred by the Chargor and including all Debts and those charged pursuant to clauses 3.2 and 3.4 together with all Associated Rights pertaining to such indebtedness, 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. |
| <b>"Remittance"</b>                                | means any form of payment tendered in discharge of a Debt including monies recovered under a policy of insurance, a refund or VAT and any dividend payable in respect of a Debt.                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Remittance Account"</b>                        | a designated bank account set up pursuant to any factoring or invoice discounting agreement made between the Financier and the Chargor (including under the IFA) into which all Remittances must be paid.                                                                                                                                                                                                                                                                                                                                      |
| <b>"Receiver"</b>                                  | a receiver, receiver and manager or administrative receiver appointed by the Financier under clause 17.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Relevant Agreement"</b>                        | each agreement specified in Schedule 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Secured Assets"</b>                            | 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).                                                                                                                                                                                                                                                                                                  |
| <b>"Secured Liabilities"</b>                       | all present and future obligations and liabilities of the Chargor to the Financier, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, and whether or not the Financier was an original party to the relevant transaction and in whatever name or style (including, but not limited to, under the IFA), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.                                |
| <b>"Security Financial Collateral Arrangement"</b> | has the meaning given to that expression in the Financial Collateral Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"Security"</b>                                  | any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar                                                                                                                                                                                                                                                                                                     |

effect.

**"Security Period"**

the period starting on the date of this Deed and ending on the date on which the Financier is 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.

**"Supply Contract"**

a contract for the supply of Goods by the Chargon to a Customer.

**"VAT"**

value added tax or any equivalent tax chargeable in the UK or elsewhere.

**1.2 INTERPRETATION**

In this Deed:

1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;

1.2.2 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);

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

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

1.2.5 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;

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

1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;

1.2.8 a reference to **writing** or **written** includes fax but not email;

1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;

1.2.10a 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;

1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;

1.2.12 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;

1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);

1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;

1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;

1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;

1.2.17 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

1.2.18 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.

### 1.3 CLAWBACK

If the Financier 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.

### 1.4 NATURE OF SECURITY OVER REAL PROPERTY

A reference in this Deed to a charge or mortgage of or over any Charged Property includes:

1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;

1.4.2 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;

1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and

1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

## 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 IEA and of any side letters between any parties in relation to the IEA and any other security granted by the Chargor in respect of the Secured Liabilities 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).

## 1.8 SCHEDULES

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

## 2. COVENANT TO PAY

2.1 The Chargor shall, on demand, pay to the Financier and discharge the Secured Liabilities when they become due and shall duly perform all its Other Obligations.

2.2 The Chargor covenants with the Financier to pay interest on any amounts due under clause 2.1 from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Chargor) at the Prevailing Rate provided that, in the case of any cost or expense, such interest shall

accrue and be payable as from the date on which the relevant cost or expense arose without the necessity for any demand being made for payment.

### **3. GRANT OF SECURITY**

#### **3.1 LEGAL MORTGAGE**

As a continuing security to secure the payment and performance as provided for in clause 2.1, the Chargor with full title guarantee charges to the Financier, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it, including the real property (if any) specified in **Error! Reference source not found.**

#### **3.2 FIXED CHARGES**

As a continuing security to secure the payment and performance as provided in clause 2.1, the Chargor with full title guarantee charges to the Financier by way of a first fixed charge:

3.2.1 all present and future estates or interests of the Chargor in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);

3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);

3.2.3 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;

3.2.4 all its present and future goodwill;

3.2.5 all its uncalled capital;

3.2.6 all the Equipment;

3.2.7 all the Intellectual Property;

3.2.8 all the Debts which were in existence at the date of this Deed, other than those which are intended to and which do vest absolutely and effectively in the Financier from time to time;

3.2.9 all Debts both present and future which come into existence on or after the date of this Deed, other than those which are intended to and which do vest absolutely and effectively in the Financier, from time to time;

3.2.10 all Associated Rights relating to the Debts referred to clauses 3.2.8 and 3.2.9 above;

3.2.11 all other Debts;

3.2.12 all present and future amounts paid or payable to the Chargor in respect of, or entitlements to claim payment or repayment of, any taxes, insurance premiums or other overpayments paid by or on behalf of the Chargor;

3.2.13 all other Receivables;

3.2.14 all Remittances;

3.2.15 all other Associated Rights;

3.2.16 all the Investments;

3.2.17 all right, title and interest in any interest rate, currency or other hedging arrangement;

3.2.18 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Remittance Account and/or Blocked Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);

3.2.19 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 3.3; and

3.2.20 all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

### 3.3 ASSIGNMENT

As a continuing security to secure the payment and performance of its obligations in clause 2.1, the Chargor with full title guarantee assigns to the Financier absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and

3.3.2 the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.

### 3.4 FLOATING CHARGE

As a continuing security to secure the payment and performance of its obligations in clause 2.1 the Chargor with full title guarantee charges to the Financier, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

### 3.5 QUALIFYING FLOATING CHARGE

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4. Any mortgage, fixed charge or other fixed security created by the Chargor in favour of the Financier shall have priority over the floating charge created by clause 3.4 except insofar as the Financier shall declare otherwise whether at or after the time of creation of such fixed security.

### 3.6 LEASEHOLD SECURITY RESTRICTIONS

3.6.1 Subject to clause 3.6.2 to clause 3.6.4, the security created by clause 3.1 to clause 3.2 shall not apply to an Excluded Property until the Chargor obtains any relevant consent, or waiver of any prohibition, to the creation of security over that Excluded Property.

3.6.2 In relation to each Excluded Property, the Chargor undertakes to:

- (a) apply for the relevant consent or waiver of prohibition within five Business Days of the date of this Deed, and to use its best endeavours to obtain that consent or waiver as soon as possible;
- (b) keep the Financier informed of its progress in obtaining that consent or waiver; and
- (c) immediately on receipt of the consent or waiver, provide the Financier with a copy of that consent or waiver.

3.6.3 Immediately on receipt by the Chargor of the relevant consent or waiver, that Excluded Property shall become the subject of a mortgage or charge (as appropriate) pursuant to clause 3.1 to clause 3.2.

3.6.4 If required by the Financier at any time following receipt of that consent or waiver, the Chargor shall, at its own cost, prepare and execute any further documents and take any further action the Financier may require, in its absolute discretion, for perfecting its security over that Excluded Property.

### 3.7 AUTOMATIC CRYSTALLISATION OF FLOATING CHARGE

The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

3.7.1 the Chargor:

- (a) creates, or attempts to create, without the prior written consent of the Financier, 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, the IFA or any other document entered into in respect of the same); or

- (b) 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);

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

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

### **3.8 CRYSTALLISATION OF FLOATING CHARGE BY NOTICE**

The Financier may, in its 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 Financier in that notice.

- 3.9 **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 Financier confirms otherwise to the Chargor in writing) be charged to the Financier by way of first fixed charge.

## **4. LIABILITY OF THE CHARGOR**

### **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 Financier that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;

4.1.2 the Financier 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 Financier 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 Financier on the date of this Deed.

**5.2 DUE INCORPORATION**

The Chargor:

5.2.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and

5.2.2 has the power to own its assets and carry on its business as it is being conducted.

**5.3 POWERS**

5.3.1 The Chargor has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this Deed and the transactions contemplated by it.

5.3.2 No limit on its powers will be exceeded as a result of the grant of Security contemplated by this Deed.

**5.4 NON-CONTRAVENTION**

The entry into and performance by the Chargor of, and the transactions contemplated by, this Deed do not and will not contravene or conflict with:

5.4.1 its constitutional documents;

5.4.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or

5.4.3 any law or regulation or judicial or official order applicable to it.

**5.5 AUTHORISATIONS**

The Chargor has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this Deed and to make it admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

**5.6 BINDING OBLIGATIONS**

5.6.1 The Chargor's obligations under this Deed are legal, valid, binding and enforceable.

5.6.2 This Deed creates (or, once entered into, will create):

- (a) valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
- (b) subject to registration in accordance with the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets expressed to be subject to Security in it.

in favour of the Financier, having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties except those preferred by law.

**5.7**

**NO FILING OR STAMP TAXES**

It is not necessary to file, record or enrol this Deed (other than as provided in clause 5.6) with any court or other authority in that jurisdiction or pay any stamp, registration or similar taxes in relation to this Deed or any transaction contemplated by it (other than in connection with registrations at Companies House and the Land Registry).

**5.8**

**NO DEFAULT**

5.8.1 No Event of Default or, on the date of this Deed, event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this Deed or any document under which the Chargor owes obligations to the Financier, satisfaction of any other condition (or any combination thereof) become an Event of Default is continuing.

5.8.2 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, making of any determination or satisfaction of any other condition (or any combination thereof), would become) a default or termination event (however described) under any other agreement or instrument that is binding on it or to which any of its assets is subject which has or is reasonably likely to have a Material Adverse Effect.

**5.9**

**LITIGATION**

No litigation, arbitration or administrative proceedings or investigations are taking place, pending or, to the Chargor's knowledge, threatened against it, any of its directors or any of its assets, which, if adversely determined, will have or might be expected to have a Material Adverse Effect.

**5.10**

**INFORMATION**

The information, in written or electronic format, supplied by, or on behalf of, the Chargor to the Financier in connection with this Deed was, at the time it was supplied or at the date it was stated to be given (as the case may be), to the best of the Chargor's knowledge and belief:

5.10.1 if it was factual information, complete, true and accurate in all material respects;

5.10.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;

5.10.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and

5.10.4not misleading in any material respect nor rendered misleading by a failure to disclose other information,

**5.11 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.

**5.12 NO SECURITY**

The Secured Assets are free from any Security other than Permitted Security and the Security created by this Deed.

**5.13 NO ADVERSE CLAIMS**

The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

**5.14 NO ADVERSE COVENANTS**

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

**5.15 NO BREACH OF LAWS**

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

**5.16 NO INTERFERENCE IN ENJOYMENT**

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

**5.17 NO OVERRIDING INTERESTS**

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Charged Property.

**5.18 AVOIDANCE OF SECURITY**

No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.

**5.19 NO PROHIBITIONS OR BREACHES**

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this Deed by the Chargor does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other policy, agreement, document, instrument or obligation binding on the Chargor or its assets.

**5.20 ENVIRONMENTAL COMPLIANCE**

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

**5.21 INVESTMENTS**

5.21.1The Investments are fully paid and are not subject to any option to purchase or similar rights.  
5.21.2No constitutional document of an issuer of an Investment, nor any other agreement.

- (a) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or
- (b) contains any rights of pre-emption in relation to the Investments.

5.21.3 The Chargor has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.21.4 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

## 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 Financier:

- 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 any Permitted Security;
- 6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 6.1.3 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 or might depreciate, jeopardise or otherwise prejudice the security held by the Financier, 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 Financier's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- 6.3.2 The Chargor shall:
  - (a) comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
  - (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and

- (c) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

#### **6.4 ENFORCEMENT OF RIGHTS**

The Chargor shall use its best endeavours to:

- 6.4.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Chargor and forming part of the Secured Assets of the covenants and other obligations imposed on such counterparty (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- 6.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Financier may require from time to time.

#### **6.5 NOTIFICATIONS OF DEFAULT**

- 6.5.1 The Chargor shall notify the Financier of any Event of Default, or any event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this Deed or any document under which the Chargor owes obligation to the Financier (including but not limited to the IFA), or satisfaction of any other condition (or any combination thereof) become an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;

- 6.5.2 The Chargor shall, promptly on request by the Financier, supply a certificate signed by two of its directors or senior officers on its behalf certifying that no Event of Default is continuing (or, if an Event of Default is continuing, specifying the Event of Default and the steps, if any, being taken to remedy it).

#### **6.6 TITLE DOCUMENTS**

The Chargor shall as so required by the Financier, deposit with the Financier and the Financier shall, for the duration of this Deed be entitled to hold:

- 6.6.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these deeds and documents of title);

- 6.6.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargor is entitled to possess;

6.6.3 all deeds and documents of title (if any) relating to the Receivables as the Financier may specify from time to time; and

6.6.4 a copy of each Relevant Agreement, certified to be a true copy by either a director of the Chargor or by the Chargor's solicitors.

#### 6.7 AUTHORISATIONS

The Chargor shall promptly obtain all consents and authorisations necessary under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence of this Deed in its jurisdiction of incorporation.

#### 6.8 COMPLIANCE WITH LAW

The Chargor shall comply in all respects with all laws to which it may be subject, if failure to do so would materially impair its ability to perform its obligations under this Deed.

#### 6.9 CHANGE OF BUSINESS

The Chargor shall not make any substantial change to the general nature or scope of its business as carried on at the date of this Deed.

#### 6.10 INFORMATION

The Chargor shall supply to the Financier:

6.10.1 all documents dispatched by the Chargor to its shareholders (or any class of them), or its creditors generally, at the same time as they are dispatched;

6.10.2 details of any litigation, arbitration or administrative proceedings that are current, threatened or pending against the Chargor as soon as it becomes aware of them and which might, if adversely determined, have a Material Adverse Effect; and

6.10.3 promptly, any further information about the financial condition, assets, business and operations of the Chargor as the Financier may reasonably request.

#### 6.11 INSURANCE

6.11.1 The Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- (a) loss or damage by fire or terrorist acts, including any third party liability arising from such acts;

- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Chargor; and
- (c) any other risk, perils and contingencies as the Financier may reasonably require.

6.11.2 Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Financier, and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Secured Assets (meaning, in the case of any premises on any Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, in the case of any Charged Property, loss of rents payable by the tenants or other occupiers of any Charged Property for a period of at least three years, including provision for increases in rent during the period of insurance.

6.11.3 The Chargor shall, if requested by the Financier, produce to the Financier each policy, certificate or cover note relating to any insurance as is required by clause 6.11.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

6.11.4 The Chargor shall, if requested by the Financier, procure that either a note of the Financier's interest is endorsed on or that the Financier is named as composite insured in respect of its own separate insurable interest under each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 6.11.1 but without the Financier having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

6.11.5 The Chargor shall ensure that each insurance policy effected or maintained by it or any person on its behalf in accordance with clause 6.11.1 contains:

- (a) a loss payee clause under which the Financier is named as first loss payee (other than in respect of any claim under any public liability and third party liability insurances);

- (b) terms ensuring that it cannot be avoided or vitiated as against the Financier by reason of the act or default of any other insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any other insured party;
- (c) a waiver of each insurer's rights of subrogation against the Chargor, the Financier and the tenants of any Charged Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any Charged Property or any insurance policy; and
- (d) terms ensuring that no insurer can repudiate, rescind or cancel it, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Financier.

**6.12 INSURANCE PREMIUMS**

The Chargor shall:

- 6.12.1 promptly pay all premiums in respect of each insurance policy as is required by clause 6.11.1 and do all other things necessary to keep that policy in full force and effect; and
- 6.12.2 (if the Financier so requires) give to the Financier copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 6.11.1 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

**6.13 NO INVALIDATION OF INSURANCE**

The Chargor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.11.1.

**6.14 PROCEEDS FROM INSURANCE POLICIES**

All monies payable under any insurance policy maintained by the Chargor in accordance with clause 6.11.1 at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- 6.14.1 if they are not paid directly to the Financier by the insurers, be held, pending such payment, by the Chargor as trustee of the same for the benefit of the Financier; and
- 6.14.2 at the option of the Financier, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

**6.15 NOTICES TO BE GIVEN BY THE CHARGOR**

The Chargor shall on the execution of this Deed and as so requested by the Financier from time to time, give notice to each:

6.15.1 counterparty to a Relevant Agreement in the form and procure that each counterparty provides to the Financier promptly an acknowledgement of the notice in each case in such form as is required by the Financier;

6.15.2 insurer under an Insurance Policy and procure that each insurer provides to the Financier promptly an acknowledgement of the notice in each case in such form as required by the Financier; and

6.15.3 bank, financial institution or other person (other than the Financier) with whom the Chargor holds an account (including each Blocked Account or Remittance Account) and procure that each such bank, financial institution or other person provides to the Financier promptly an acknowledgement of the notice in each case in such form as is required by the Financier.

**6.16 INFORMATION**

The Chargor shall:

6.16.1 give the Financier such information concerning the location, condition, use and operation of the Secured Assets as the Financier may require;

6.16.2 permit any persons designated by the Financier and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and

6.16.3 promptly notify the Financier in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Chargor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Financier's prior approval, implement those proposals at its own expense.

**6.17 PAYMENT OF OUTGOINGS**

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

**6.18 APPOINTMENT OF ACCOUNTANTS**

6.18.1 The Chargor shall:

- (a) at its own cost, if at any time so required by the Financier, appoint an accountant or firm of accountants nominated by the Financier to investigate the financial affairs of the Chargor and those of its subsidiaries (if any) and report to the Financier; and
- (b) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.

6.18.2 The Chargor authorises the Financier to make an appointment as it shall think fit at any time, without further authority from the Chargor. In every case, the Chargor shall pay, or reimburse the Financier for, the fees and expenses of those accountants.

## **7. PROPERTY COVENANTS**

### **7.1 REPAIR AND MAINTENANCE**

The Chargor shall keep all premises and fixtures and fittings on each Charged Property in:

7.1.1 good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and

7.1.2 such repair and condition as to enable each Charged Property to be let in accordance with all applicable laws and regulations.

### **7.2 NO ALTERATIONS**

The Chargor shall not, without the prior written consent of the Financier:

7.2.1 pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;

7.2.2 make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 7.1); or

7.2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Chargor on any Charged Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

### **7.3 CONDUCT OF BUSINESS ON CHARGED PROPERTIES**

The Chargor shall carry on its trade and business on those parts (if any) of the Charged Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

**7.4 NOTICES OR CLAIMS RELATING TO THE PROPERTY**

**7.4.1 The Chargor shall:**

- (a) give full particulars to the Financier of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to any Charged Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- (b) (if the Financier so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Financier in making, any objections or representations in respect of that Notice that the Financier thinks fit.

7.4.2 The Chargor shall give full particulars to the Financier of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Charged Property.

**7.5 COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS**

The Chargor shall:

7.5.1 observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject; and (if the Financier so requires) produce to the Financier evidence sufficient to satisfy the Financier that those covenants, stipulations and conditions have been observed and performed; and

7.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

**7.6 PAYMENT OF RENT AND OUTGOINGS**

The Chargor shall:

7.6.1 where a Charged Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and

7.6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Charged Property or on its occupier.

**7.7 LEASES AND LICENCES AFFECTING THE CHARGED PROPERTIES**

The Chargor shall not, without the prior written consent of the Financier (which consent, in the case of clause 7.7.4, is not to be unreasonably withheld or delayed in circumstances in which the Chargor may not unreasonably withhold or delay its consent):

7.7.1 grant any licence or tenancy affecting the whole or any part of any Charged Property, or exercise the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);

7.7.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Charged Property;

7.7.3 let any person into occupation of or share occupation of the whole or any part of any Charged Property; or

7.7.4 grant any consent or licence under any lease or licence affecting any Charged Property.

## **7.8 REGISTRATION RESTRICTIONS AND CAUTIONS AGAINST FIRST REGISTRATION AND NOTICES**

7.8.1 If the title to any Charged Property is not registered at the Land Registry, the Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Charged Property, without the prior written consent of the Financier.

7.8.2 Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to any Charged Property, the Chargor shall immediately provide the Financier with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Chargor shall immediately, and at its own expense, take such steps as the Financier may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

7.8.3 The Chargor shall be liable for the costs and expenses of the Financier in lodging cautions against the registration of the title to the whole or any part of any Charged Property from time to time.

## **7.9 DEVELOPMENT RESTRICTIONS**

The Chargor shall not, without the prior written consent of the Financier:

7.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of any Charged Property; or

7.9.2 carry out or permit or suffer to be carried out on any Charged Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of any Charged Property.

#### **7.10 ENVIRONMENT**

The Chargor shall in respect of each Charged Property:

7.10.1 comply with all the requirements of Environmental Law; and

7.10.2 obtain and comply with all Environmental Licences.

#### **7.11 NO RESTRICTIVE OBLIGATIONS**

The Chargor shall not, without the prior written consent of the Financier, enter into any onerous or restrictive obligations affecting the whole or any part of any Charged Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Charged Property.

#### **7.12 PROPRIETARY RIGHTS**

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Charged Property without the prior written consent of the Financier.

#### **7.13 INSPECTION**

The Chargor shall permit the Financier, any Receiver and any person appointed by either of them to enter on and inspect any Charged Property on reasonable prior notice.

#### **7.14 PROPERTY INFORMATION**

The Chargor shall inform the Financier promptly of any acquisition by the Chargor of, or contract made by the Chargor to acquire, any freehold, leasehold or other interest in any property.

#### **7.15 VAT OPTION TO TAX**

The Chargor shall not, without the prior written consent of the Financier:

7.15.1 exercise any VAT option to tax in relation to any Charged Property; or

7.15.2 revoke any VAT option to tax exercised, and disclosed to the Financier, before the date of this Deed.

#### **7.16 REGISTRATION OF LEGAL MORTGAGE AT THE LAND REGISTRY**

The Chargor consents to an application being made by the Financier to the Land Registrar for the following restriction in Form P to be registered against its title to each Charged Property over which the Financier has a legal mortgage:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [FINANCIER] referred to in the charges register or their conveyancer."

7.17

**FURTHER ADVANCES**

The obligation on the part of the Financier to make further advances to the Chargor is deemed to be incorporated in this Deed and the Chargor by executing this Deed applies to the Chief Land Registrar for a note of such obligation to be entered on the register of title of all present and future registered freehold and leasehold property of the Chargor.

8. **INVESTMENTS COVENANTS**

8.1 **DEPOSIT OF TITLE DOCUMENTS**

8.1.1 The Chargor shall:

- (a) on the execution of this Deed, deposit with the Financier, or as the Financier may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time; and
- (b) on the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Financier, or as the Financier may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

8.1.2 At the same time as depositing documents with the Financier, or as the Financier may direct, in accordance with clause 8.1.1, the Chargor shall also deposit with the Financier, or as the Financier may direct

- (a) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank; and
  - (b) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Financier may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,
- so that the Financier may, at any time and without notice to the Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

8.2

**NOMINATIONS**

8.2.1 The Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:

- (a) does not exercise any rights in respect of any Investments without the prior written approval of the Financier; and
- (b) immediately on receipt by it, forward to the Financier all communications or other information received by it in respect of any Investments for which it has been so nominated.

8.2.2 The Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

### 8.3 PRE-EMPTION RIGHTS AND RESTRICTIONS ON TRANSFER

The Chargor shall:

8.3.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Financier or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and

8.3.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Financier may require in order to permit the transfer of the Investments to the Financier or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.

### 8.4 DIVIDENDS AND VOTING RIGHTS BEFORE ENFORCEMENT

8.4.1 Before the security constituted by this Deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Financier or any of its nominees, the financier will hold all those dividends, interest and other monies received by it for the Chargor and will pay them to the Chargor promptly on request.

8.4.2 Before the security constituted by this Deed becomes enforceable, the Chargor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Financier or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that

- (a) it shall not do so in any way that would breach any provision of this Deed or for any purpose inconsistent with this Deed; and
- (b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Financier's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Financier's security under this Deed.

8.4.3 The Chargor shall indemnify the Financier against any loss or liability incurred by the Financier (or its nominee) as a consequence of the Financier (or its nominee) acting in respect of the Investments at the direction of the Chargor.

8.4.4 The Financier shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting, or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Financier considers prejudicial to, or impairing the value of, the security created by this Deed.

#### **8.5 DIVIDENDS AND VOTING RIGHTS AFTER ENFORCEMENT**

After the security constituted by this Deed has become enforceable:

8.5.1 all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Financier and immediately paid into a Remittance Account or Blocked Account as nominated by the Financier or, if received by the Financier, may be applied by the Financier in accordance with clause 20.1; and

8.5.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Financier and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Financier may give, in its absolute discretion, concerning the exercise of those rights and powers.

#### **8.6 CALLS ON INVESTMENTS**

Notwithstanding the security created by this Deed, the Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Chargor acknowledges that the Financier shall not be under any liability in respect of any such calls, instalments or other payments.

#### **8.7 NO ALTERATION OF CONSTITUTIONAL DOCUMENTS OR RIGHTS ATTACHING TO INVESTMENTS**

The Chargor shall not, without the prior written consent of the Financier, amend, or agree to the amendment of:

8.7.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or

8.7.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

#### **8.8 PRESERVATION OF INVESTMENTS**

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

8.8.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;

8.8.2 issue any new shares or stock; or

8.8.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Financier or the Chargor in accordance with this Deed.

## **8.9 INVESTMENTS INFORMATION**

The Chargor shall, promptly following receipt, send to the Financier copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

## **8.10 COMPLIANCE WITH REQUESTS FOR INFORMATION**

The Chargor shall promptly send a copy to the Financier of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Financier may elect to provide such information as it may have on behalf of the Chargor.

## **9. EQUIPMENT COVENANTS**

### **9.1 MAINTENANCE OF EQUIPMENT**

The Chargor shall:

9.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

9.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

9.1.3 not permit any Equipment to be:

- (a) used or handled other than by properly qualified and trained persons; or
- (b) overloaded or used for any purpose for which it is not designed or reasonably suitable.

### **9.2 PAYMENT OF EQUIPMENT TAXES**

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Financier.

## **10. RECEIVABLES COVENANTS**

10.1 The Chargor shall:

10.1.1 as an agent for the Financier, collect in and realise all Debts and other Receivables in the ordinary course of trading (such expression shall not including factoring or

discounting or selling the Debts or other Receivables in any other way);

10.1.2 procure that the proceeds of all Debts and other Receivables are paid by the relevant Customer directly into a Blocked Account or Blocked Accounts;

10.1.3 promptly pay any monies which the Chargor may receive in respect of the Debts and Receivables into a Blocked Account or Blocked Accounts and pending such payment hold such monies on trust for the Financier;

10.1.4 not pay or otherwise deal with any monies standing to the credit of any Blocked Account other than in accordance with any written directions which the Financier may give to the Chargor at any time (and any direction or permission to deal with any monies in a Blocked Account at any time shall not constitute or imply a right for the Chargor to deal with any monies in such way in the future even if similar circumstances arise);

10.2 The Chargor shall if called on to do by the Financier at the Chargor's expense (including the payment of any stamp duty) and in such form as the Financier may prescribe:

10.2.1 complete and execute a formal written assignment of any or all of the Debts and other Receivables and given written notice of such assignment to every person by whom such Debts or other Receivables shall be owing;

10.2.2 (whether or not such written assignment shall have been executed) give irrevocable instructions to any or all of the persons by whom any Debts and other Receivables may be owing to make payment of all such Debts or other Receivables (then owing or to become owing by such person thereafter) direct to the Financier; and

10.2.3 sign all such deeds and documents and do all such things as the Financier may require to perfect the Financier's security over all or such part of the Secured Assets as the Financier may specify.

10.3 The Chargor shall keep proper books of account and other records relating to its business and ensure (including by providing all necessary passwords and codes) that the Financier, any person authorised by the Financier and any Receiver or Administrator appointed by the Financier or pursuant to its application and any person authorised by such Receiver or Administrator:

10.3.1 may at any time inspect and take copies of (and at any time after this Deed has become enforceable in accordance with its terms, take possession of) the Chargor's Accounting Records and any other documents on or by which any Debts, Receivables, Remittances, Associated Rights or any of the Secured Assets is recorded or evidenced; and

10.3.2 shall have the right (in addition to and without prejudice to all its other powers and rights) on reasonable notice (or at any time after this Deed has become enforceable in accordance with its terms) at any time to enter upon any premises at which the Chargor carries on business and upon any other premises in which any part of all or such Accounting Records, computer equipment and other records and documents are from time to time being kept or stored, for the purpose of such inspection, copying or taking possession.

10.4 The Chargor shall not (except as provided for by clause 10.1 or with the prior written consent of the Financier) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts or other Receivables.

## **11. RELEVANT AGREEMENTS COVENANTS**

### **11.1 RELEVANT AGREEMENTS**

11.1.1 The Chargor shall, unless the Financier agrees otherwise in writing, comply with the terms of each Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets.

11.1.2 The Chargor shall not, unless the Financier agrees otherwise in writing:

- (a) amend or vary or agree to any change in, or waive any requirement of or its rights under;
- (b) settle, compromise, terminate, rescind or discharge (except by performance); or
- (c) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement or any other document, agreement or arrangement comprising the Secured Assets.

## **12. INTELLECTUAL PROPERTY COVENANTS**

### **12.1 PRESERVATION OF RIGHTS**

The Chargor shall take all 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.

### **12.2 REGISTRATION OF INTELLECTUAL PROPERTY**

The Chargor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Financier informed of all matters relating to each such registration.

**12.3 MAINTENANCE OF INTELLECTUAL PROPERTY**

The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

**13. CENTRE OF MAIN INTEREST**

The Chargor shall maintain its centre of main interests ("COMI") for the purposes of the EU Regulations on Insolvency Proceedings 2000 (No.1346/2000) in the United Kingdom.

**14. POWERS OF THE FINANCIER**

**14.1 POWER TO REMEDY**

14.1.1 The Financier 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.

14.1.2 The Chargor irrevocably authorises the Financier and its agents to do all things that are necessary or desirable for that purpose.

14.1.3 Any monies expended by the Financier in remedying a breach by the Chargor of its obligations contained in this Deed shall be reimbursed by the Chargor to the Financier on a full indemnity basis and shall carry interest in accordance with clause 21.1.

**14.2 EXERCISE OF RIGHTS**

14.2.1 The rights of the Financier under clause 14.1 are without prejudice to any other rights of the Financier under this Deed.

14.2.2 The exercise of any rights of the Financier under this Deed shall not make the Financier liable to account as a mortgagee in possession.

**14.3 POWER TO DISPOSE OF CHATTELS**

14.3.1 At any time after the security constituted by this Deed has become enforceable, the Financier or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Charged Property.

14.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 14.3.1, the Chargor shall indemnify the Financier and any Receiver against any liability arising from any disposal made under clause 14.3.1.

**14.4 FINANCIER 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 Financier 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.

**14.5 CONVERSION OF CURRENCY**

14.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Financier may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 14.5) from their existing currencies of denomination into any other currencies of denomination that the Financier may think fit.

14.5.2 Any such conversion shall be effected at the Bank of England's then prevailing spot selling rate of exchange for such other currency against the existing currency.

14.5.3 Each reference in this clause 14.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

**14.6 NEW ACCOUNTS**

14.6.1 If the Financier receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Financier may open a new account for the Chargor in the Financier's books. Without prejudice to the Financier's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

14.6.2 If the Financier does not open a new account immediately on receipt of the notice, or deemed notice, under clause 14.6.1, then, unless the Financier gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Financier shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Financier.

**14.7 INDULGENCE**

The Financier may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Chargor for the Secured Liabilities.

**14.8 APPOINTMENT OF AN ADMINISTRATOR**

14.8.1 The Financier 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.

14.8.2 Any appointment under this clause 14.8 shall:

- (a) be in writing signed by a duly authorised signatory of the Financier; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

14.8.3 The Financier may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 14.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

#### **14.9 FURTHER ADVANCES**

The Financier covenants with the Chargor that it shall perform its obligations to make advances under any document to which the Financier and the Chargor are party (including any obligation to make available further advances).

#### **15. WHEN SECURITY BECOMES ENFORCEABLE**

##### **15.1 SECURITY BECOMES ENFORCEABLE ON EVENT OF DEFAULT**

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs.

##### **15.2 DISCRETION**

After the security constituted by this Deed has become enforceable, the Financier may, in its 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.

#### **16. ENFORCEMENT OF SECURITY**

##### **16.1 ENFORCEMENT POWERS**

16.1.1 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.

16.1.2 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 15.1.

16.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

##### **16.2 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 Financier 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:

16.2.1 grant a lease or agreement for lease;

16.2.2 accept surrenders of leases; or

16.2.3 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 Financier or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

#### 16.3

##### ACCESS ON ENFORCEMENT

16.3.1 At any time after the Financier has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this Deed or an Event of Default is continuing, the Chargor will allow the Financier or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Financier 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.

16.3.2 At all times, the Chargor must use its best endeavours to allow the Financier or its Receiver access to any premises for the purpose of clause 16.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

#### 16.4

##### REDEMPTION OF PRIOR SECURITY

16.4.1 At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed (if any) shall have become exercisable, the Financier may:

- (a) redeem any prior Security over any Secured Asset;
- (b) procure the transfer of that Security to itself; and
- (c) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor).

16.4.2 The Chargor shall pay to the Financier immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as part of the Secured Liabilities.

#### 16.5

##### PROTECTION OF THIRD PARTIES

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

16.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

16.5.2 whether any power the Financier, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or

16.5.3 how any money paid to the Financier, any Receiver or any Delegate is to be applied.

#### **16.6 PRIVILEGES**

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

#### **16.7 NO LIABILITY AS MORTGAGEE IN POSSESSION**

Neither the Financier 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.

#### **16.8 CONCLUSIVE DISCHARGE TO PURCHASERS**

The receipt of the Financier, 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 Financier, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

#### **16.9 RIGHT OF APPROPRIATION**

16.9.1 To the extent that:

- (a) the Secured Assets constitute Financial Collateral; and
- (b) this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Financier shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Financier may, in its absolute discretion, determine.

16.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

- (a) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (b) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Financier by reference to a recognised market index or by any other method that the Financier may select (including independent valuation).

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

**17. RECEIVER**

**17.1 APPOINTMENT**

At any time after the security constituted by this Deed has become enforceable, or at the request of the Chargor, the Financier 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.

**17.2 REMOVAL**

The Financier 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.

**17.3 REMUNERATION**

The Financier 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.

**17.4 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 Financier 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.

**17.5 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 Financier despite any prior appointment in respect of all or any part of the Secured Assets.

**17.6 AGENT OF THE CHARGOR**

Any Receiver appointed by the Financier 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 Financier.

**18. POWERS OF RECEIVER**

**18.1 GENERAL**

18.1.1 Any Receiver appointed by the Financier under this Deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 18.2 to clause 18.23.

18.1.2A 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.

18.1.3 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.

18.1.4 Any exercise by a Receiver of any of the powers given by clause 18 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in clause 18.1.6) or itself.

## **18.2 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.

## **18.3 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.

## **18.4 EMPLOY PERSONNEL AND ADVISERS**

18.4.1A 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.

18.4.2A Receiver may discharge any such person or any such person appointed by the Chargor.

## **18.5 MAKE AND REVOKE VAT OPTIONS TO TAX**

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

## **18.6 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 Financier may prescribe or agree with it.

## **18.7 POSSESSION**

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

## **18.8 MANAGE OR RECONSTRUCT THE CHARGOR'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.

**18.9 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.

**18.10 SEVER FIXTURES AND FITTINGS**

A Receiver may sever and sell separately any fixtures or fittings from any Charged Property without the consent of the Chargor.

**18.11 SELL DEBTS**

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

**18.12 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.

**18.13 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.

**18.14 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.

**18.15 IMPROVE THE EQUIPMENT**

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

**18.16 MAKE CALLS ON CHARGOR 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.

**18.17 INSURE**

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 21, 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.

**18.18 SUBSIDIARIES**

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

**18.19 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 Financier consents, terms under which that security ranks in priority to this Deed).

**18.20 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.

**18.21 DELEGATION**

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

**18.22 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.

**18.23 INCIDENTAL POWERS**

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

18.23.1 may consider desirable or necessary for realising any of the Secured Assets;

18.23.2 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

18.23.3 lawfully may or can do as agent for the Chargor.

**19. DELEGATION**

**19.1 DELEGATION**

The Financier 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 23.1).

**19.2 TERMS**

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

**19.3 LIABILITY**

Neither the Financier 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.

**20. APPLICATION OF PROCEEDS**

**20.1 ORDER OF APPLICATION OF PROCEEDS**

All monies received or recovered by the Financier, 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 Financier's right to recover any shortfall from the Chargor):

20.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Financier (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;

20.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Financier determines; and

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

## **20.2**

### **APPROPRIATION**

Neither the Financier, 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.

## **20.3**

### **SUSPENSE ACCOUNT**

All monies received by the Financier, 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):

20.3.1 may, at the discretion of the Financier, Receiver or Delegate, be credited to a suspense account;

20.3.2 shall bear interest, if any, at the rate agreed in writing between the Financier and the Chargor; and

20.3.3 may be held in that account for so long as the Financier, Receiver or Delegate thinks fit.

## **21.**

### **COSTS AND INDEMNITY**

## **21.1**

### **COSTS**

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

21.1.1 this Deed or the Secured Assets;

21.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Financier's, a Receiver's or a Delegate's rights under this Deed; or

21.1.3 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 arose 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 Prevailing Rate.

## 21.2

### INDEMNITY

21.2.1 The Chargor shall indemnify the Financier, 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:

- (a) 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;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- (c) any default or delay by the Chargor in performing any of its obligations under this Deed.

21.2.2 Any past or present employee or agent may enforce the terms of this clause 21.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## 22. FURTHER ASSURANCE

### 22.1 FURTHER ASSURANCE

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

22.1.1 creating, perfecting or protecting the security created or intended to be created by this Deed;

22.1.2 facilitating the realisation of any Secured Asset; or

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

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 Financier or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Financier may consider necessary or desirable.

**23. POWER OF ATTORNEY**

**23.1 APPOINTMENT OF ATTORNEYS**

By way of security, the Chargor irrevocably appoints the Financier, 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:

23.1.1 the Chargor is required to execute and do under this Deed, or

23.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Financier, any Receiver or any Delegate.

**23.2 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 23.1.

**24. RELEASE**

24.1 Subject to clause 31.3, at the end of the Security Period, the Financier shall, at the request and cost of the Chargor, take whatever action is necessary to:

24.1.1 release the Secured Assets from the security constituted by this Deed; and

24.1.2 reassign the Secured Assets to the Chargor.

**25. ASSIGNMENT AND TRANSFER**

**25.1 ASSIGNMENT BY FINANCIER**

25.1.1 At any time, without the consent of the Chargor, the Financier may assign or transfer any or all of its rights and obligations under this Deed.

25.1.2 The Financier 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 Financier considers appropriate.

**25.2 ASSIGNMENT BY CHARGOR**

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

**26. SET-OFF**

**26.1 FINANCIER'S RIGHT OF SET-OFF**

The Financier may at any time set off any liability of the Chargor to the Financier against any liability of the Financier 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 Financier may convert either liability at a market rate of exchange

for the purpose of set-off. Any exercise by the Financier of its rights under this clause 26 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

**26.2 NO OBLIGATION TO SET OFF**

The Financier is not obliged to exercise its rights under clause 26.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

**26.3 EXCLUSION OF CHARGOR'S RIGHT OF SET-OFF**

All payments made by the Chargor to the Financier 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).

**27. AMENDMENTS, WAIVERS AND CONSENTS**

**27.1 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).

**27.2 WAIVERS AND CONSENTS**

27.2.1A 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.

27.2.2A 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 Financier shall be effective unless it is in writing.

**27.3 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.

**28. SEVERANCE**

**28.1 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.

**29. COUNTERPARTS**

**29.1 COUNTERPARTS**

29.1.1 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.

29.1.2 Transmission of an executed counterpart of this Deed (but for the avoidance of doubt not just a signature page) by fax or 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.

**30. THIRD PARTY RIGHTS**

**30.1 THIRD PARTY RIGHTS**

30.1.1 Except as expressly provided in clause 21.2 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.

30.1.2 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.

**31. FURTHER PROVISIONS**

**31.1 INDEPENDENT SECURITY**

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

**31.2 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 Financier discharges this Deed in writing.

**31.3 DISCHARGE CONDITIONAL**

Any release, discharge or settlement between the Chargor and the Financier shall be deemed conditional on no payment or security received by the Financier 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:

31.3.1 the Financier or its 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 Financier deems necessary to provide the Financier with security against any such avoidance, reduction or order for refund; and

31.3.2 the Financier 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.

#### **31.4 CERTIFICATES**

A certificate or determination by the Financier as to any amount for the time being due to it from the Chargor under this Deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

#### **31.5 CONSOLIDATION**

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

#### **31.6 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:

31.6.1 an event under this Deed which causes any floating charge created by this Deed to crystallise;

31.6.2 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

31.6.3 a ground under this Deed for the appointment of a Receiver.

#### **32. NOTICES**

##### **32.1 DELIVERY**

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

32.1.1 in writing;

32.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

32.1.3 sent to:

(a) the Chargor at:

Suite 22 30-38 Dock Street, Leeds, West Yorkshire, England, LS10 1JF

Attention: Richard Clements

(b) the Financier at:

Unit 6, Hollinwood Business Centre, Albert Street, Oldham, OL8 3QL

Fax: [NUMBER]

Attention: Mr M Lindsay  
or to any other address or fax number as is notified in writing by one party to  
the other from time to time.

**32.2 RECEIPT BY CHARGOR**

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

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

32.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

32.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 32.2.1 or clause 32.2.3 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.

**32.3 RECEIPT BY FINANCIER**

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

**32.4 SERVICE OF PROCEEDINGS**

This clause 32 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.

**32.5 NO NOTICE BY EMAIL**

Except for a consent to be given by the Financier in accordance with clause 10.1, which may be given by email, any notice or other communication given under or in connection with this Deed is not valid if sent by email.

**33. GOVERNING LAW AND JURISDICTION**

**33.1 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.

**33.2 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 Financier 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.

**33.3 OTHER SERVICE**

The Chargor irrevocably consents to any process in any legal action or proceedings under clause 33.2 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.

IN WITNESS WHEREOF this document has been executed and delivered on the date first stated above.

**SCHEDULE 1**

... 1990 ...

SCHEDULE 2  
PERMITTED SECURITY

[REDACTED]

EXECUTED AS A DEED by )  
FALCON ACCOUNTANCY SERVICES )  
LIMITED )

*Simon Ruston*

acting by Simon Ruston, a director )  
in the presence of: )

*[Signature]*

Independent Signature  
Witness Name

Alison Jolly

Address

*[Redacted Address]*

Occupation

Operations Director

EXECUTED AS A DEED by )  
WEDO PAYROLL FINANCE LTD )

acting by Mark Lindsay, a director )  
in the presence of: )

*[Signature]*

Independent Signature  
Witness Name

*[Signature]*

Address

*WED FINANCE LTD*  
Wedo Finance Limited  
Hollinwood Business Centre  
Albert Street  
Oldham  
OL8 3QL

Occupation

*Take On Manager*