



Registration of a Charge

Company name: **DYNAMIC SUPPLEMENTS LIMITED**

Company number: **09775343**



X6HAXXD5

Received for Electronic Filing: **18/10/2017**

Details of Charge

Date of creation: **11/10/2017**

Charge code: **0977 5343 0001**

Persons entitled: **ENERGIZE CAPITAL LIMITED**

Brief description:

Contains fixed charge(s).

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

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ANDREW PAGE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9775343

Charge code: 0977 5343 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th October 2017 and created by DYNAMIC SUPPLEMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th October 2017 .

Given at Companies House, Cardiff on 20th October 2017

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

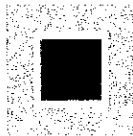
DATED 11th October **2017**

**ENERGIZE CAPITAL LIMITED
as Security Trustee**

AND

DYNAMIC SUPPLEMENTS LIMITED

DEBENTURE



**McHALE & CO
SOLICITORS**

**19-21 High Street
Altrincham**

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THIS DEBENTURE is dated

11th October

2017

PARTIES

- (1) **ENERGIZE CAPITAL LIMITED** (Company No. 7037035) whose registered office is at Exec Suite 5, St James Court, Wilderspool Causeway, Warrington, WA4 6PS as security trustee for the Beneficiaries on the terms set out in the Security Trust Deed (the "**Security Trustee**"); and.
- (2) **DYNAMIC SUPPLEMENTS LIMITED** incorporated and registered in England and Wales with company number 09775343 whose registered office is at Unit 7 Reads Road, Fenton Industrial Estate, Stoke-On-Trent, England, ST4 2RL (the "**Company**").

BACKGROUND

- (A) The Beneficiaries have subscribed for Loan Stock on a secured basis.
- (B) This debenture provides the security which the Company has agreed to give to such Beneficiaries for, inter alia, its liabilities to the Beneficiaries pursuant to the terms of the Cross Guarantee and the Loan Stock.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this debenture the definitions and rules of interpretation in this clause apply.

Administrator: an administrator appointed to manage the affairs, business and property of the Company pursuant to paragraph 15 of Schedule 5.

Beneficiaries: shall bear the meaning ascribed thereto in the Security Trust Deed.

Business Day: a day (other than a Saturday or Sunday) on which banks are open for general business in London.

Charged Property: all the assets, property and undertaking detailed in clauses 3.1(a) – (c) including but not limited to the IPR, for the time being subject to the security interests created by this debenture (and references to the Charged Property include references to any part of it).

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

Cross Guarantee: the cross guarantee entered into by (1) the Company (2) Brand Cloud (Holdings) Limited (3) Nature's Dream Limited (4) Naturally Good Food Limited (5) Nature's Supplements Limited and (6) the Security Trustee.

Debts: book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances and any other rights relating thereto (whether as creditor or beneficiary) including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights.

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

Environment: all of the air, water and land including the air within buildings and the air within other natural or man-made structures above or below ground, ground and surface water and surface and sub-surface soil.

Environmental Law: all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affects the Charged Property.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Company, including any part of it and all spare parts, replacements, modifications and additions.

IPR: all and any intellectual property rights of the Company subsisting at any time in any part of the world including (without limitation) the patents, trade marks, marks, trade names, design rights and copyrights (whether any such rights are registered or unregistered), applications for any of the foregoing, all rights in to or in connection with confidential information and all property rights similar to those specified above including those subsisting in to or in connection with the style of presentation of goods or services, inventions, discoveries, concepts, drawings, computer programs, databases, improvements, process techniques, trade secrets and know how.

Loan Stock: the Series B Secured Loan Stock 2017 issued by The Brand Cloud (Holdings) Limited on 10th July 2014 to the Beneficiaries.

Properties: all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Company or in which the Company holds an interest (including (but not limited to) the properties which are briefly described in Schedule 1) and **Property** means any of them.

Receiver: a receiver and/or manager of any or all of the Charged Property appointed pursuant to paragraph 6 of Schedule 5.

Secured Liabilities: all monies due from the Company to the Security Trustee (as trustee for the Beneficiaries) (whether actual, contingent, present or future and on any account whatsoever) including but not limited to the Cross Guarantee (as security for the Loan Stock) and any interest thereon under or in connection with the Loan Stock together with all costs and expenses of enforcement.

Securities: all stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe any of the same) whether marketable or otherwise and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof.

Security Period: the period starting on the date of this debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

Security Trust Deed means the security trust deed dated on or around the date of this debenture between the Company, Energize Capital Limited and inter alia Carol Holden, David Figg, Jane Gerard-Pearse and Alan Hurndall.

1.2 Interpretation

In this debenture:

- (a) any reference to any statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture;
- (b) a reference to one gender includes a reference to the other gender;
- (c) words in the singular include the plural and in the plural include the singular;
- (d) a reference to a clause or schedule is to a clause or schedule of or to this debenture unless the context requires otherwise;
- (e) a reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended, varied or supplemented from time to time in accordance

with its terms, or, as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of this debenture or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Lender;

- (f) a reference to a **person** shall be construed as including a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person;
- (g) a reference to an **amendment** includes a supplement, variation, novation or re-enactment (and **amended** shall be construed accordingly);
- (h) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (i) a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
- (j) 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; and
- (k) the headings do not form part of this debenture or any part of it and do not affect its interpretation.

1.3 **Clawback**

If the Security Trustee considers that an amount is capable of being avoided or otherwise set aside on liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture.

1.4 **Nature of security over real property**

A reference in this debenture to a charge or mortgage of any freehold, leasehold or commonhold property includes:

- (a) all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- (b) the proceeds of sale of any part of that property; and

- (c) the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any monies paid or payable in respect of those covenants.

1.5 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 Loan Stock and of any side letters between any parties in relation to the Loan Stock are incorporated in this debenture.

1.6 Land Registration Rules 1925

For the purposes only of Rule 139 of the Land Registration Rules 1925 (as amended) the Loan Stock does not form part of the terms and conditions of this debenture.

1.7 Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture.

1.8 Security Trustee

The Security Trustee holds the security created by this debenture and the covenants and obligations in this debenture on trust on behalf of the Beneficiaries on the terms of the Security Trust Deed.

2. COVENANT TO PAY

The Company shall on demand pay to the Security Trustee on behalf of the Beneficiaries and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Charging clause

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee:

- (a) charges to the Security Trustee on behalf of the Beneficiaries, by way of first legal mortgage, all the Properties listed in Schedule 1;

- (b) charges to the Security Trustee on behalf of the Beneficiaries, by way of first fixed charge:
 - (i) all Properties acquired by the Company in the future;
 - (ii) all present and future interests of the Company not effectively mortgaged or charged under the preceding provisions of this clause 3 in or over freehold or leasehold property;
 - (iii) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties;
 - (iv) all licences, consents and authorisations, statutory or otherwise held or required in connection with the Company's business or the use of any Charged Property and all rights in connection with them;
 - (v) all present and future goodwill and uncalled capital for the time being of the Company; and
 - (vi) all Equipment; and
 - (vii) all Securities now or from time to time hereafter owned by such Company or in which such Company has an interest; and
 - (viii) all Debts now or from time to time hereafter owned by such Company or in which such Company has an interest (whether originally owing to such Company or purchased or otherwise acquired by it);
 - (ix) the IPR;
 - (x) by way of first fixed charge, the proceeds of collection of all Debts
- (c) charges to the Security Trustee on behalf of the Beneficiaries, by way of first floating charge, all the undertaking, property, assets and rights of the Company at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1(a) and clause 3.1(b).

3.2 Automatic conversion of floating charge

The floating charge created by clause 3.1(c) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

- (a) the Company:
 - (i) creates or attempts to create an Encumbrance without the prior written consent of the Security Trustee on behalf of the

Beneficiaries or any trust in favour of another person over all or any part of the Charged Property; or

- (ii) disposes or attempts to dispose of all or any part of the Charged Property other than property subject only to the floating charge while it remains uncrystallised in the ordinary course of business; or
- (b) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
- (c) any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property; or
- (d) the Security Trustee on behalf of the Beneficiaries receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Company.

3.3 Conversion of floating charge by notice

The Security Trustee on behalf of the Beneficiaries may in its sole discretion at any time by written notice to the Company convert the floating charge created under this debenture into a fixed charge as regards any part of the Charged Property specified by the Security Trustee in that notice.

3.4 Assets acquired after any floating charge crystallisation

Any asset acquired by the Company after any crystallisation of the floating charge created under this debenture which but for such crystallisation would be subject to a floating charge shall (unless the Security Trustee confirms in writing to the contrary) be charged to the Security Trustee on behalf of the Beneficiaries by way of first fixed charge.

4. LIABILITY OF COMPANY

4.1 Liability not discharged

The liability of the Company under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by or available to the Security Trustee or any Beneficiary being or becoming wholly or partially illegal, void or unenforceable on any ground; or

- (b) the Security Trustee or any Beneficiary 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
- (c) any other act or omission which but for this provision might have discharged or otherwise prejudiced or affected the liability of the Company.

4.2 Immediate recourse

The Company waives any right it may have of requiring the Security Trustee on behalf of the Beneficiaries to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this debenture against the Company.

5. REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Security Trustee on behalf of the Beneficiaries in the terms set out in Schedule 2.

6. COVENANTS

The Company covenants with the Security Trustee on behalf of the Beneficiaries during the continuance of the security constituted by this debenture in the terms set out in Schedule 3.

7. POWERS OF THE SECURITY TRUSTEE

The Security Trustee shall have, on behalf of the Beneficiaries, the powers set out in Schedule 4.

8. ENFORCEMENT

The security constituted by this debenture shall be immediately enforceable in any of the circumstances set out in Schedule 5.

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 6.

9. COSTS AND INDEMNITY

The Company shall pay to or reimburse the Security Trustee, the Beneficiaries and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Security Trustee, the Beneficiaries and any Receiver in relation to:

- (a) this debenture or the Charged Property; or
- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Security Trustee's rights under this debenture; or
- (c) suing for or recovering any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this debenture or the Secured Liabilities).

The Security Trustee, the Beneficiaries and any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

- (d) the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this debenture; and
- (e) any matter or thing done or omitted to be done in relation to the Charged Property under those powers.

10. RELEASE

Subject to clause 12.3, upon the expiry of the Security Period (but not otherwise) the Security Trustee shall, at the request and cost of the Company, take whatever action is necessary to release the Charged Property from the security constituted by this debenture.

11. ASSIGNMENT AND TRANSFER

11.1 Assignment by Security Trustee

The Security Trustee may at any time, without the consent of the Company, assign or transfer the whole or any part of its rights under this debenture to any person.

11.2 Assignment by Company

The Company may not assign any of its rights or transfer any of its obligations under this debenture or enter into any transaction, which would result in any of these rights or obligations passing to another person.

12. FURTHER PROVISIONS

12.1 Independent security

This debenture shall be in addition to and independent of every other security or guarantee which any Beneficiary may at any time hold for any of the Secured Liabilities and no prior security held by any Beneficiary over the whole or any part of the Charged Property shall merge in the security created by this debenture.

12.2 Continuing security

This debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or other matter or thing whatsoever, unless and until the Secured Liabilities are paid in full.

12.3 Discharge conditional

Any release, discharge or settlement between the Company and the Security Trustee on behalf of the Beneficiaries shall be deemed conditional upon no payment or security received by the Security Trustee or any Beneficiary in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement:

- (a) the Security Trustee or its nominee shall be at liberty to retain this debenture and the security created by or pursuant to this debenture, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Security Trustee shall deem necessary to provide the Lenders with security against any such avoidance or reduction or order for refund; and
- (b) the Security Trustee or Beneficiaries shall be entitled to recover the value or amount of such security or payment from the Company subsequently as if such settlement, discharge or release had not occurred and the Company agrees with the Security Trustee on behalf of the Beneficiaries accordingly and charges the Charged

Property and the proceeds of any sale of it with any liability under this paragraph.

12.4 Certificates

A certificate or determination by the Security Trustee as to any amount for the time being due to it from the Company shall (in the absence of any manifest error) be conclusive evidence of the amount due.

12.5 Rights cumulative

The rights and powers of the Security Trustee conferred by this debenture are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and powers under the general law.

12.6 Waivers

Any waiver or variation of any right by the Security Trustee (whether arising under this debenture or under the general law) is only effective if it is in writing and signed by the Security Trustee and applies only in the circumstances for which it was given and shall not prevent the Security Trustee on behalf of the Beneficiaries from subsequently relying on the relevant provision.

12.7 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of the Security Trustee on behalf of the Beneficiaries shall in any way preclude the Security Trustee from exercising any right or power under this debenture or constitute a suspension or variation of any such right or power.

12.8 Delay

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

12.9 Single or partial exercise

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

12.10 Consolidation

The restriction on the right of consolidating mortgages contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture.

12.11 Partial Invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.

12.12 Counterparts

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

12.13 Third party rights

A third party (being any person other than the Company, the Security Trustee and the Beneficiaries and their permitted successors and assigns) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this debenture.

12.14 Perpetuity period

The perpetuity period applicable to all trusts declared by this debenture shall be 125 years.

13. NOTICES

Any notice or other communication given under this debenture shall be in writing and shall be served by delivering it personally or by sending it by pre-paid first-class post or by fax to the address and for the attention of the relevant party as set out in Schedule 7 or such other address or fax number as may be notified in writing from time to time by the relevant party to the other party.

Receipt of any notice, given under clause 13 above, shall be deemed to be:

- (a) if delivered personally, at the time of delivery; or

- (b) in the case of pre-paid first-class letter, 48 hours from the date of posting; or

but if deemed receipt occurs:

- (i) before 9:00 am on a Business Day, the notice shall be deemed to have been received at 9:00 am on that day; or
- (ii) after 5:00 pm on a Business Day or on a day that is not a Business Day, the notice shall be deemed to have been received at 9:00 am on the next Business Day.

In proving service of a notice, it shall be sufficient to prove that either:

- (c) the envelope containing such notice was addressed to the address of the relevant party as set out in Schedule 7 (or as otherwise notified by that party under clause 13 above) and delivered either:
 - (i) to that address, or
 - (ii) into the custody of the postal authorities as a pre-paid recorded delivery; or

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

14. GOVERNING LAW

This debenture shall be governed by and construed according to the law of England and Wales.

15. JURISDICTION

Each party irrevocably agrees to submit to the non-exclusive jurisdiction of the courts of England and Wales over any claim or matter arising out of or in connection with this debenture.

Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law.

This agreement has been entered into on the date stated at the beginning of it.

Schedule 1 Property

Part 1. Registered property

Part 2. Unregistered property

Schedule 2 Representations and Warranties

1. OWNERSHIP OF CHARGED PROPERTY

The Company is the legal and beneficial owner of the Charged Property free from any Encumbrance other than the Encumbrances created by this debenture.

2. ADVERSE CLAIMS

The Company has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

3. ADVERSE COVENANTS

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property.

4. NO BREACH OF LAWS

There is no breach of any law or regulation, which materially adversely affects the Charged Property.

5. NO INTERFERENCE IN ENJOYMENT

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

6. NO OVERRIDING INTERESTS

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

7. AVOIDANCE OF SECURITY

No Encumbrance expressed to be created pursuant to this debenture is liable to be avoided or otherwise set aside on the liquidation or administration of the Company or otherwise.

Schedule 3 Covenants

1. TRADING AND PRESERVATION OF CHARGED PROPERTY

The Company shall:

- (a) carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are, or may be, used for the purposes of trade or business; and
- (b) not do, or permit to be done, any act or thing, which will or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee on behalf of the Beneficiaries or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

2. STATUTORY COMPLIANCE

The Company shall comply with any statute and all byelaws and regulations relating to its trade or business or the whole or any part of the Charged Property.

3. PROVISION OF INFORMATION

The Company shall:

- (a) promptly provide to the Lenders whatever information, documents or papers relating to the Charged Property as the Security Trustee may reasonably from time to time request; and
- (b) inform the Security Trustee promptly of any acquisition by the Company of, or contract made by the Company to acquire, any freehold, leasehold or other interest in Property.

4. INSURANCE

4.1 The Company shall:

- (a) insure and keep insured all of its undertaking and assets with reputable and responsible insurers previously approved by the Security Trustee in such manner and to such extent as is reasonable and customary for an enterprise engaged in the same or similar business and in the same or similar localities against such risks and contingencies as the Security Trustee shall from time to time request;

- (b) procure that the interest of the Security Trustee on behalf of the Beneficiaries is noted on all its policies of insurance in such manner as the Security Trustee may in its absolute discretion require; and
- (c) duly and punctually pay all premiums and any other monies necessary for maintaining its insurance in full force and effect.

4.2 The Company shall apply all monies received by virtue of any insurance of the whole or any part of the Charged Property:

- (a) in making good or in recouping expenditure incurred in making good any loss or damage; or
- (b) if the Security Trustee in its discretion so requires after an Event of Default or an enforcement event has occurred which has not been waived towards the discharge of the Secured Liabilities.

5. REPAIR

The Company shall:

- (a) at all times keep in good and substantial repair and condition all the Charged Property including, without limitation, all buildings, erections, structures and fixtures and fittings on and in the Property;
- (b) keep all Equipment in good repair, working order and condition and fit for its purpose; and
- (c) where it is uneconomic to repair any part of the Charged Property, replace such part by another similar asset of equal or greater quality and value.

6. NOTICE OF BREACH

The Company shall promptly upon becoming aware of all the same give the Security Trustee notice in writing of any breach of:

- (a) any representation or warranty set out in Schedule 2, and
- (b) any covenant set out in this Schedule 3.

7. TITLE DOCUMENTS

The Company shall on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property) deposit with the Security Trustee and the Security Trustee shall during the continuance of this security be entitled to hold all deeds and documents of title relating to the Charged Property which are in the possession or control of the Company (and, if not

within the possession and/or control of the Company, the Company undertakes to obtain possession of all such deeds and documents of title).

8. FURTHER ASSURANCE

The Company, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Security Trustee may reasonably require) in favour of the Security Trustee as the Security Trustee shall in its absolute discretion from time to time require over all or any part of the Charged Property.

9. INSPECTION

The Company shall permit the Security Trustee and any Receiver and any person appointed by either of them to enter upon and inspect any Property during normal business hours upon reasonable prior notice.

10. COMPANY'S WAIVER OF SET-OFF

The Company waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Company under this debenture).

11. IPR

11.1 Without prejudice to the generality of paragraph 1 of this Schedule 3:

- (a) take all necessary and commercially reasonable action to safeguard, prosecute and maintain its rights, present and future, in or relating to all its IPR including, without limitation, observing all covenants and stipulations relating thereto and paying all applicable application and renewal fees, licence fees and other outgoings;
- (b) use all reasonable efforts to effect registration of applications for registration of any registrable IPR and keep the Security Trustee informed of events relevant to any such application and use all reasonable efforts not to allow any of its IPR to be abandoned or cancelled, to lapse or to be liable to any claim of abandonment for non-use or otherwise;
- (c) notify the Security Trustee forthwith of any infringement or suspected infringement or any challenge to the validity of any of its IPR which may come to its notice, on request supply the Security Trustee with all relevant information in its possession relating thereto and take all steps necessary and commercially reasonable to prevent or bring to

an end any such infringement and to defend any challenge to the validity of any such rights;

- (d) unless otherwise agreed by the Security Trustee at its own cost in respect of its IPR, if requested by the Security Trustee, register and/or assist the Security Trustee in registering (at the cost of such Company) in such register or registers in the United Kingdom and elsewhere in the world and with such authorities as may be available for the purpose (and in such name or names as may be required by the law and practice of the place of registration) all charges made hereunder as are capable of registration.

Schedule 4 Powers of Security Trustee

1. POWER TO REMEDY

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

2. EXERCISE OF RIGHTS

The rights of the Security Trustee under paragraph 1 of this Schedule 4 are without prejudice to any other rights of the Security Trustee under this debenture and the exercise of those rights shall not make the Security Trustee or any Beneficiary liable to account as a mortgagee in possession.

3. POWER TO DISPOSE OF CHATTELS

At any time after the security constituted by this debenture shall have become enforceable, the Security Trustee or any Receiver:

- (a) may dispose of any chattels or produce found on any Property as agent for the Company; and
- (b) without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Company against any liability arising from such disposal.

4. PRIOR ENCUMBRANCES

At any time after the security constituted by this debenture shall have become enforceable or after any powers conferred by any Encumbrance having priority to this debenture shall have become exercisable, the Security Trustee may:

- (a) redeem such or any other prior Encumbrance or procure its transfer to itself; and
- (b) settle any account of that encumbrancer.

The settlement of any such account shall be conclusive and binding on the Company and all monies paid by the Beneficiaries to an encumbrancer in settlement of such an account shall, as from its payment by the Beneficiaries,

be due from the Company to the Beneficiaries on current account and shall bear interest and be secured as part of the Secured Liabilities.

5. CURRENCIES OF DENOMINATION

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Trustee may convert any monies received, recovered or realised by the Security Trustee under this debenture (including the proceeds of any previous conversion under this paragraph 5) from their existing currencies of denomination into such other currencies of denomination as the Security Trustee may think fit and any such conversion shall be effected at the Royal Bank of Scotland's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each previous reference in this paragraph 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.

6. INDULGENCE

The Security Trustee may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons are jointly liable with the Company) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this debenture or to the liability of the Company for the Secured Liabilities.

Schedule 5 Enforcement

1. ENFORCEMENT EVENTS

This debenture shall be enforceable if:

- (a) any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Company (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be); or
- (b) the Company shall be in breach of any of its obligations under this debenture or under any other agreement between the Company and the Beneficiaries and that breach (if capable of remedy) has not been remedied to the satisfaction of the Security Trustee within 14 days of notice by the Security Trustee to the Company to remedy the breach; or
- (c) an Event of Default (as defined in the Loan Stock) occurs,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Security Trustee or the Beneficiaries, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Security Trustee on behalf of the Beneficiaries may in its absolute discretion enforce all or any part of the security created by this debenture as it sees fit.

2. STATUTORY POWER OF SALE

The statutory power of sale shall, as between the Security Trustee on behalf of the Beneficiaries and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this debenture, but the Security Trustee shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 5.

3. EXTENSION OF STATUTORY POWERS

The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Trustee under this debenture are extended so as to authorise the Security Trustee whether in their own name or in that of the Company to grant a lease or leases of the whole or any part or parts of the freehold and leasehold property of the Company with whatever rights relating to other parts of it and containing whatever covenants on the part of the Company and

generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Security Trustee thinks fit.

4. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with the Security Trustee or any Receiver shall be concerned:

- (a) to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged, or whether the power the Security Trustee or a Receiver is purporting to exercise has become exercisable; or
- (b) to see to the application of any money paid to the Beneficiaries or any Receiver.

5. NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither the Security Trustee, the Beneficiaries, any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

6. APPOINTMENT OF RECEIVER

At any time after the security constituted by this debenture becomes enforceable, or at the request of the Company, the Security Trustee on behalf of the Beneficiaries may without further notice:

- (a) appoint under seal or in writing by a duly authorised officer of the Security Trustee any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Property; and
- (b) (subject to Section 45 of the Insolvency Act 1986) from time to time under seal or in writing by a duly authorised officer of the Security Trustee remove any person appointed to be Receiver and may in like manner appoint another in his place.

Where more than one person is appointed Receiver, they will have power to act separately (unless the appointment by the Security Trustee specifies to the contrary).

7. POWERS ADDITIONAL

- 7.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986 and the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise.
- 7.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be and remain exercisable by the Security Trustee notwithstanding any prior appointment in respect of all or any part of the Charged Property.

8. AGENT OF THE COMPANY

Any Receiver appointed by the Security Trustee under this debenture shall be the agent of the Company and the Company shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

9. POWERS OF RECEIVER

Any Receiver appointed by the Security Trustee under this debenture shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and in particular the powers set out in Schedule 6.

10. ORDER OF APPLICATION OF PROCEEDS

All monies received by the Security Trustee, the Beneficiaries or a Receiver (other than insurance monies) shall be applied:

- (a) first in paying all rents, taxes, rates and outgoings whatever affecting any Charged Property;
- (b) second in paying all costs, charges and expenses of and incidental to the appointment of any Receiver and the exercise of his powers and all outgoings paid by him;
- (c) third in paying the remuneration of any Receiver (as agreed between him and the Security Trustee);
- (d) fourth in or towards discharge of the Secured Liabilities in such order and manner as the Security Trustee shall determine; and
- (e) finally in paying any surplus to the Company.

11. SECTION 109(8) LAW OF PROPERTY ACT 1925

Neither the Security Trustee nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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 as between any of the Secured Liabilities.

12. SUSPENSE ACCOUNT

All monies received by the Security Trustee or a Receiver under this debenture may, at the discretion of the Security Trustee or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Security Trustee and the Company and may be held in such account for so long as the Security Trustee or Receiver thinks fit.

13. POWER OF ATTORNEY

After an Event of Default or an enforcement event has occurred which has not been waived in writing by the Security Trustee the Company irrevocably appoints the Security Trustee and every Receiver separately to be the attorney of the Company and in its name and on its behalf and as its act and deed to execute any documents, and do any acts and things which:

- (a) the Company is required to execute and do under this debenture; and
- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Security Trustee or any Receiver.

14. RATIFICATION OF ACTS OF ATTORNEY

By this debenture the Company ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13.

15. APPOINTMENT OF AN ADMINISTRATOR

- 15.1 The Security Trustee may without notice to the Company appoint any one or more persons to be an administrator of the Company pursuant to paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable.

- 15.2 Any appointment under this paragraph 15 shall:
- (a) be in writing signed by a duly authorised signatory of the Security Trustee, and
 - (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.
- 15.3 The Security Trustee may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 and appoint under that paragraph a replacement for any Administrator whose appointment ends for any reason.

Schedule 6 Further powers of receiver

1. TO REPAIR AND DEVELOP PROPERTIES

To undertake or complete any works of repair, building or development on the Properties.

2. TO SURRENDER LEASES

To grant or to accept surrenders of any leases or tenancies affecting the Properties upon such terms and subject to such conditions as he thinks fit.

3. TO EMPLOY PERSONNEL AND ADVISORS

To provide services and employ, or engage, such managers contractors and other personnel and professional advisors on such terms as he deems expedient.

4. TO MAKE VAT ELECTIONS

To make such elections for value added tax purposes as he thinks fit.

5. TO CHARGE REMUNERATION

To charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Security Trustee may prescribe or agree with him.

6. TO REALISE CHARGED PROPERTY

To collect and get in the Charged Property in respect of which he is appointed or any part thereof and for that purpose to make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights.

7. TO MANAGE OR RECONSTRUCT THE COMPANY'S BUSINESS

To carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

8. TO DISPOSE OF CHARGED PROPERTY

To grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the Company in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Company) and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a Company to purchase the property to be sold.

9. TO MAKE SETTLEMENTS

To make any arrangement, settlement or compromise between the Company and any other person which he may think expedient.

10. TO IMPROVE EQUIPMENT

To make substitutions of, or improvements to, the Equipment as he may think expedient.

11. TO MAKE CALLS ON COMPANY MEMBERS

To make calls conditionally or unconditionally on the members of the Company in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the Articles of Association of the Company on its directors in respect of calls authorised to be made by them.

12. TO APPOINT STAFF AND AGENTS

To appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine.

13. TO INSURE

If he thinks fit, but without prejudice to the indemnity contained in clause 9, to effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance.

14. LAW OF PROPERTY ACT 1925

To exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act and to exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

15. TO BORROW

For any of the purposes authorised by this Schedule 6 to raise money by borrowing from the Beneficiaries or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including if the Beneficiaries shall consent to terms under which such security ranks in priority to this debenture) as he shall think fit.

16. TO REDEEM PRIOR ENCUMBRANCES

To redeem any prior Encumbrance and to settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed will be conclusive and binding on the Company and the monies so paid will be deemed to be an expense properly incurred by him.

17. INCIDENTAL POWERS

To do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 6 or which he lawfully may or can do as agent for the Company.

18. SCOPE OF POWERS

Any exercise of any of these powers may be on behalf of the Company, the directors of the Company (in the case of the power contained in paragraph 11) or himself.

Schedule 7 Notice details

The Company: **DYNAMIC SUPPLEMENTS LIMITED** of Unit 7 Reads Road, Fenton Industrial Estate, Stoke-On-Trent, England, ST4 2RL

For the attention of: Colin Wright

The Security Trustee: **ENERGIZE CAPITAL LIMITED** of Exec Suite 5, St James Court, Wilderspool Causeway, Warrington, WA4 6PS

For the attention of: Jeremy Carr

Executed as a deed by **ENERGIZE
CAPITAL LIMITED** acting by a Director in
the presence of:



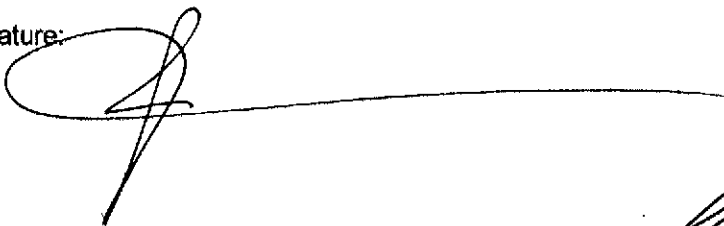
Director

Witness name: *Joanne Coleman* .

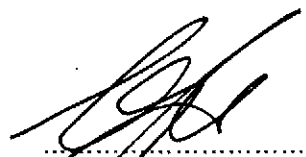
Address: *GREENGATE COTTAGE, WINDMILL LANE, ASHBURNE, DE6 1TN.*

Occupation: *CONSULTANT* .

Signature:



Executed as a deed by **DYNAMIC
SUPPLEMENTS LIMITED** acting by a
Director in the presence of:



Director

Witness name: *Joanne Coleman* .

Address: *GREENGATE COTTAGE, WINDMILL LANE, ASHBURNE, DE6 1TN.*

Occupation: *CONSULTANT* .

Signature:

