



Registration of a Charge

Company name: **BIONICAL SOLUTIONS GROUP LIMITED**

Company number: **11662879**



X7WMG9G9

Received for Electronic Filing: **07/01/2019**

Details of Charge

Date of creation: **01/01/2019**

Charge code: **1166 2879 0001**

Persons entitled: **FULLBROOK THORPE INVESTMENTS LLP**

Brief description: **ALL REGISTERED AND UNREGISTERED FREEHOLD, LEASEHOLD AND COMMONHOLD PROPERTY AND ALL ESTATES OR INTERESTS IN ANY FREEHOLD, LEASEHOLD AND COMMONHOLD PROPERTY HELD NOW OR AT ANY TIME VESTED IN THE FUTURE. ALL INTELLECTUAL PROPERTY/INTELLECTUAL PROPERTY RIGHTS AND INTERESTS WHETHER REGISTERED OR UNREGISTERED, HELD NOW OR AT ANY TIME VESTED IN THE FUTURE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT 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: **HUGH STRICKLAND**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11662879

Charge code: 1166 2879 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st January 2019 and created by BIONICAL SOLUTIONS GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th January 2019 .

Given at Companies House, Cardiff on 9th January 2019

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



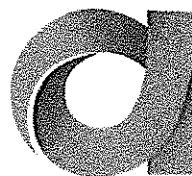
THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 1 January 2018 ~~2018~~ 2019

BIONICAL SOLUTIONS GROUP LIMITED

FULLBROOK THORPE INVESTMENTS LLP

DEBENTURE



Aaron & Partners
Solicitors

Ref: HEDS.FUL009.19

THIS DEBENTURE is made on 1 January 2019 ~~2018~~

BETWEEN

- (1) **BIONICAL GROUP HOLDINGS LIMITED** (to be renamed BIONICAL SOLUTIONS GROUP LIMITED) (incorporated in England and registered under no. 11662879) the registered office of which is at The Piazza Mercia Marina Findern Lane, Willington, Derby, England, DE65 6DW (the "Borrower"); and
- (2) **FULLBROOK THORPE INVESTMENTS LLP** (a limited liability partnership registered in England under no. OC397903) the principal place of business of which is at The Boardwalk, Mercia Marina, Findern Lane, Willington, Derbyshire, DE65 6DW (the "Lender").

WHEREAS

The Lender has agreed to provide the Borrower with loan facilities on a secured basis. Under this debenture, the Borrower provides security to the Lender for all loan facilities made available.

NOW THIS DEBENTURE WITNESSES that:

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this Debenture.

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|------------------|---|
| "Administrator" | an administrator appointed to manage the affairs, business and property of the Borrower pursuant to clause 12.6. |
| "Book Debts" | all present and future book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them. |
| "Borrowed Money" | any indebtedness 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 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 Borrower in the event of non-payment of such receivables or financial assets 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 Leases (whether for land, machinery, equipment or otherwise);
- g) any counter-indemnity obligation in respect of any guarantee, bond, standby letter of credit or other instrument issued by a third party in connection with the Borrower'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 which are not shown as borrowed money on the Borrower'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 that the Borrower has given for any Indebtedness of the type referred to in paragraphs (a) to (i) 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 or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market.
"Delegate"	any person appointed by the Lender or any Receiver pursuant to clause 17 and any person appointed as attorney of the Lender, Receiver or Delegate.
"Disruption Event"	<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 the Finance Documents; 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:</p> <p style="padding-left: 40px;">(i) performing its payment obligations under the Finance Documents; or</p> <p style="padding-left: 40px;">(ii) communicating with the other party as required by the terms of the Finance Documents.</p>
"Environment"	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.
"Environmental Law"	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.

"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 Borrower , including any part of it and all spare parts, replacements, modifications and additions.
"Event of Default"	any of the events specified in clause 13 of this Debenture .
"Finance Document"	this Debenture, the term sheet dated on or about the date of this Debenture between the Lender and the Borrower, and any other document designated as such by the Lender and the Borrower.
"Finance Leases"	any lease, hire agreement, credit-sale agreement, hire-purchase agreement, condition al sale agreement, or instalment sale and purchase agreement relating to land, machinery, equipment or other asset which should be treated as, or in the same way as, a finance or capital lease under GAAP.
"GAAP"	Generally Accepted Accounting Principles in the UK.
"Indebtedness"	any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.
"Insurance Policy"	each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment).
"Intellectual Property"	the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.
"Investments"	all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower, including any:

	(a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
	(b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.
"Loan"	a loan made or to be made by the Lender to the Borrower under this agreement or the principal amount outstanding for the time being of that loan.
"LPA 1925"	Law of Property Act 1925.
"Material Adverse Effect"	any event or circumstance which, in the opinion of the Lender: <ul style="list-style-type: none"> a) is likely to materially and adversely affect the Borrower's ability to perform or otherwise comply with all or any of its obligations under the Finance Documents; b) is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Borrower; or c) is likely to result in any Finance Document not being legal, valid and binding on, and enforceable in accordance with its terms against, the Borrower and, in the case of the Debenture, not providing to the Lender security over the assets expressed to be subject to a security interest under the Debenture.
"Material Contract"	an agreement or arrangement to which the Borrower is a party or is bound by and which is of material importance to the Borrower or its business.
"Permitted Assigns"	banks, financial institutions, and other entities regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets.
"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 Borrower,

	or in which the Borrower holds an interest, and "Property" means any of them.
"Receiver"	a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 15.
"Secured Assets"	all the assets, property and undertaking for the time being subject to the Security Interests created by, or pursuant to, this Debenture (and references to the Secured Assets shall include references to any part of them).
"Secured Liabilities"	all present and future monies, obligations and liabilities owed by the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities.
"Security Interest"	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 Debenture and ending on the date on which the Lender 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.

1.2 Interpretation

In this Debenture:

- (a) reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- (b) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (c) unless the context otherwise requires, 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 of, or Schedule to, this Debenture, unless the context otherwise requires;
- (e) a reference to "continuing" in relation to an Event of Default means an Event of Default which has not been remedied or waived;
- (f) a reference to "this Debenture" (or any provision of it) or any other document shall be construed as a reference to this Debenture, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
- (g) a reference to a "person" shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, or any state or any agency of any person;
- (h) a reference to an "amendment" includes a novation, re-enactment, supplement or variation (and "amended" shall be construed accordingly);
- (i) a reference to "assets" includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (j) a reference to an "authorisation" includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (k) 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;
- (l) a reference to "determines" or "determined" means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- (m) a reference to the "Borrower" or the "Lender" shall include their successors, permitted transferees and permitted assigns and this Debenture shall be binding on, and enure to the benefit of, the parties to this Debenture and their respective personal representatives, successors, permitted assigns and permitted transferees; and
- (n) clause and schedule headings shall not affect the interpretation of this Debenture;

1.3 Clawback

If the Lender consider that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower 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 or over any Property includes:

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

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 Facility Agreement and of any side letters between the parties in relation to the Facility Agreement are incorporated into this Debenture.

1.6 Perpetuity Period

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

2. COVENANT TO PAY

The Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Legal Mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first legal mortgage, each Property owned by the Borrower as at the date of this Debenture.

3.2 Fixed Charges

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

- (a) all Properties acquired by the Borrower in the future;

- (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them;
- (e) all its present and future goodwill;
- (f) all its uncalled capital;
- (g) all the Equipment;
- (h) all the Intellectual Property;
- (i) all the Book Debts;
- (j) all the Investments;
- (k) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- (l) all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
- (m) all its rights in respect of all 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 for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy;
- (b) the benefit of each agreement, instrument and right relating to the Secured Assets; and
- (c) the benefit of each Material Contract and the benefit of any guarantee or security for the performance of a Material Contract.

3.4 Floating Charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to 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.

3.6 Automatic Crystallisation of Floating Charge

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

- (a) the Borrower:
 - (i) creates, or attempts to create, without the prior written consent of the Lender, a Security Interest 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 Debenture or the Facility Agreement); or
 - (ii) 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);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower .

3.7 Crystallisation of Floating Charge By Notice

In the event that an Event of Default is continuing or the Lender, acting reasonably, consider that the assets subject to the floating charge are in danger of being seized or sold the Lender may, by written notice to the Borrower, convert the floating charge created under this Debenture into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice.

3.8 Assets Acquired After Any Floating Charge Has Crystallised

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this Debenture that, but for that crystallisation, would be subject to a

floating charge under this Debenture, shall (unless the Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge.

4. LIABILITY OF THE BORROWER

4.1 Liability Not Discharged

The Borrower's liability 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 Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender 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 that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

4.2 Immediate recourse

The Borrower waives any right it may have to require the Lender 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 Borrower.

5. REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties set out in this clause 5 to the Lender.

5.1 Ownership of Secured Assets

The Borrower is the legal and beneficial owner of the Secured Assets.

5.2 No Security Interests

The Secured Assets are free from any Security Interest other than created by this Debenture.

5.3 No Adverse Claims

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

5.4 No Adverse Covenants

There are, so far as the Borrower is aware, no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.5 No Breach of Laws

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

5.6 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.

5.7 No Overriding Interests

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

5.8 Avoidance of Security

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

5.9 No Prohibitions or Breaches

There is no prohibition on assignment in any Insurance Policy or Material Contract and the entry into this Debenture by the Borrower does not, and will not, constitute a breach of any Insurance Policy, Material Contract or any other agreement or instrument binding on the Borrower or its assets.

5.10 Environmental Compliance

The Borrower has, so far as it is aware, at all times, complied in all material respects with all applicable Environmental Law.

5.11 Enforceable Security

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

5.12 Time for Making Representations

The representations and warranties in this clause 5 shall be deemed repeated on each day on which any liabilities are outstanding from the Borrower to the Lender.

5.13 Enforceable security

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

6. GENERAL COVENANTS

6.1 Negative Pledge and Disposal Restrictions

The Borrower shall not at any time, except with the prior written consent of the Lender:

- (a) create, purport to create or permit to subsist any Security Interest on, or in relation to, any Secured Asset other than any Security Interest created by this Debenture;
- (b) 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
- (c) 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 Borrower 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 Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Debenture.

6.3 Compliance With Laws and Regulations

- (a) The Borrower shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) The Borrower shall:
 - (i) comply with all material requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) 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

- (iii) 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 Borrower shall use its all reasonable endeavours to:

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Borrower's counterparties (including each counterparty in respect of a Material Contract and each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time.

6.5 Notice of Misrepresentation and Breaches

The Borrower shall, promptly on becoming aware of any of the same, give the Lender notice in writing of:

- (a) any representation or warranty set out in this Debenture that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this Debenture.

6.6 Title Documents

The Borrower shall, as so required by the Lender, deposit with the Lender and the Lender shall, for the duration of this Debenture be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Borrower (and if these are not within the possession or control of the Borrower, the Borrower undertakes to obtain possession of all these deeds and documents of title);
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Borrower is entitled to possess;
- (c) all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time; and
- (d) copies of all the Material Contracts, certified to be true copies by either a director of the Borrower or by the Borrower's solicitors.

6.7 Insurance

- (a) The Borrower 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:

- (i) loss or damage by fire or terrorist acts;
- (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- (iii) any other risk, perils and contingencies as the Lender may reasonably require.

Any such insurance must be with an insurance Borrower or underwriters, and on such terms, as are reasonably acceptable to the Lender, and must be for not less than the replacement value of the Secured Assets.

- (b) The Borrower shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to the insurance required by clause 6.7(a) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).
- (c) The Borrower shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 6.7(a) and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

6.8 Insurance Premiums

The Borrower shall:

- (a) promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6.7(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Lender so require) produce to, or deposit with, the Lender the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 6.7(a).

6.9 No Invalidation of Insurance

The Borrower 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 maintained by it in accordance with clause 6.7(a).

6.10 Proceeds of Insurance Policies

All monies received or receivable by the Borrower under any insurance policy maintained by it in accordance with clause 6.7(a) (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this Debenture has become enforceable) shall:

- (a) immediately be paid to the Lender;
- (b) if they are not paid directly to the Lender by the insurers, be held by the Borrower as trustee of the same for the benefit of the Lender (and the Borrower shall account for them to the Lender); and
- (c) at the option of the Lender, 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.

6.11 Notices To Be Given By the Borrower

The Borrower shall immediately on the execution of this Debenture, and if so requested by the Lender, give notice to each insurer that it has assigned its rights and interest in and under each Insurance Policy under clause 3.3(a) and procure that each addressee of any such notice promptly provides to the Lender an acknowledgement of the notice of the Lender's interest. The Borrower shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this clause 6.11.

6.12 Information

The Borrower shall:

- (a) provide unaudited financial statements within 28 days of the end of each financial quarter year;
- (b) provide audited financial statements within 180 days of the end of each financial year;
- (c) provide an annual budget 30 days prior to the commencement of the Borrower's financial year;
- (d) give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;

- (e) permit any persons designated by the Lender 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;
- (f) promptly notify the Lender in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense; and
- (g) provide such other information the Lender shall, acting reasonably, request.

6.13 Payment of Outgoings

The Borrower 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 Lender.

6.14 Borrower's Waiver of Set-Off

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

7. PROPERTY COVENANTS

7.1 Maintenance

The Borrower shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

7.2 Preservation of Property, Fixtures and Equipment

The Borrower shall not, save with the prior written consent of the Lender:

- (a) pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
- (b) make or permit any alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures; or
- (c) remove or make any alterations to any of the Equipment belonging to, or in use by, the Borrower on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

7.3 Conduct of Business on Properties

The Borrower shall carry on its trade and business on those parts (if any) of the 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 Planning Information

The Borrower shall:

- (a) give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority ("Planning Notice") that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and
- (b) (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, any objections or representations in respect of that Planning Notice that the Lender may desire.

7.5 Compliance With Covenants and Payment of Rent

The Borrower shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed;
- (b) diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive release or vary any of the same; and
- (c) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

7.6 Payment of Rent and Outgoings

The Borrower shall:

- (a) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

7.7 Maintenance of Interests In Properties

The Borrower shall not, without the prior written consent of the Lender:

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or
- (b) in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property.

7.8 Registration Restrictions

If the title to any Property is not registered at the Land Registry, the Borrower shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Lender. The Borrower shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

7.9 Development Restrictions

The Borrower shall not, save with the prior written consent of the Lender:

- (a) make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or
- (b) carry out, or permit, or suffer to be carried out on any Property any development as defined in 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 Property.

7.10 Environment

The Borrower shall:

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

7.11 No Restrictive Obligations

The Borrower shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any

Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

7.12 Proprietary Rights

The Borrower 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 Property without the prior written consent of the Lender.

7.13 Inspection

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

7.14 Property Information

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

7.15 Registration At The Land Registry

The Borrower consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"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 [NAME OF PARTY] referred to in the charges register."

8. EQUIPMENT

8.1 Maintenance

The Borrower shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear);
- (b) 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
- (c) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or

- (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

8.2 Payment of Equipment Taxes

The Borrower 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 Lender.

9. BOOK DEBTS

9.1 Realising Book Debts

The Borrower shall if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

9.2 Preservation of Book Debts

The Borrower shall not (except with the prior written consent of the Lender) release, factor, assign, sell, discount, exchange, compound, set-off, grant time or indulgence in respect of all or any of the Book Debts.

10. MATERIAL CONTRACTS

The Borrower shall, unless the Lender agrees otherwise in writing:

- (a) comply with the terms of;
- (b) not amend or vary or agree to any change in, or waive any requirement of;
- (c) not settle, compromise, terminate, rescind or discharge (except by performance); and
- (d) not abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Material Contract or other person in connection with;

any Material Contract and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

11. INTELLECTUAL PROPERTY

11.1 Preservation of Rights

The Borrower 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.

11.2 Registration of Intellectual Property

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

11.3 Maintenance of Intellectual Property

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

12. POWERS OF THE LENDER

12.1 Power To Remedy

- (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this Debenture.
- (b) The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this Debenture shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 19.1.

12.2 Exercise of Rights

The rights of the Lender under clause 12.1 are without prejudice to any other rights of the Lender under this Debenture. The exercise of any rights of the Lender under this Debenture shall not make the Lender liable to account as a mortgagee in possession.

12.3 Power To Dispose of Chattels

- (a) At any time after the security constituted by this Debenture has become enforceable, the Lender or any Receiver may, as agent for the Borrower, dispose of any chattels or produce found on any Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 12.3(a), the Borrower shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 12.3(a).

12.4 Lender has Receiver's Powers

To the extent permitted by law, any right, power or discretion conferred by this Debenture on a Receiver may, after the security constituted by this Debenture has become enforceable, be exercised by the Lender 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.

12.5 Indulgence

The Lender 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 Debenture (whether or not any such person is jointly liable with the Borrower) 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 Borrower for the Secured Liabilities.

12.6 Appointment of An Administrator

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

- (a) Any appointment under this clause 12.6 shall:
 - (i) be in writing signed by a duly authorised signatory of the Lender; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (b) The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 12.6 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

13. WHEN SECURITY BECOMES ENFORCEABLE

13.1 Events of Default

Each of the events or circumstances set out in clauses 13.2 to 13.15 is an Event of Default.

13.2

The Borrower fails to pay any sum payable by it under any Finance Document when due, unless its failure to pay is caused solely by:

- a) an administrative error or technical problem and payment is made within three Business Days of its due date; or
- b) a Disruption Event and payment is made within three Business Days of its due date.

13.3 Non-Compliance

The Borrower fails to comply with any provision of the Finance Documents and (if the Lender considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of:

- (a) the Lender notifying the Borrower of the default and the remedy required; and
- (b) the Borrower becoming aware of the default.

13.4 Misrepresentation

Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, the Finance Documents is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.

13.5 Cessation of Business

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

13.6 Cross-Default

- (i) any Borrowed Money is not paid when due nor within any originally applicable grace period;
- (ii) any Borrowed Money becomes due, or capable of being declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described);
- (iii) any commitment for any Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default (howsoever described); or
- (iv) any creditor of the Borrower becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (howsoever described).

13.7 Insolvency

- (a) The Borrower stops or suspends payment of any of its debts or is unable to, or admits its inability to pay its debts as they fall due.

- (b) The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Lender) with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties). Any action, proceedings, procedure or step is taken in relation to:
 - (i) 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 Borrower; or
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Borrower; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets.
- (d) The value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities).

13.8 Creditors' Process

A distress, attachment, execution, expropriation, sequestration or other analogous legal process is levied, enforced or sued out on, or against, the Borrower's assets and is not discharged or stayed within 21 days.

13.9 Enforcement of Security

Any Security on or over the assets of the Borrower becomes enforceable.

13.10 Illegality

All or any part of any Finance Document becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.

13.11 Repudiation

The Borrower repudiates or evidences an intention to repudiate the Finance Documents or any of them.

13.12 Material Adverse Change

Any event occurs (or circumstances exist) which, in the opinion of the Lender, has or is likely to have a Material Adverse Effect.

13.13 Acceleration

At any time after an Event of Default has occurred, the Lender may, by notice to the Borrower:

- (a) cancel the outstanding Commitment whereupon it shall immediately be cancelled; and/or
- (b) declare that all outstanding Loans, accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) declare that all outstanding Loans be payable on demand, whereupon they shall immediately become payable on demand by the Lender; and/or
- (d) declare the Debenture to be enforceable.

13.14 Security Becomes Enforceable On Event of Default

The security constituted by this Debenture shall be immediately enforceable if an Event of Default occurs.

13.15 Discretion

After the security constituted by this Debenture has become enforceable, the Lender 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.

14. ENFORCEMENT OF SECURITY

14.1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Debenture) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this Debenture, but the Lender shall not exercise such power of sale or other powers until the security constituted by this Debenture has become enforceable under clause 13.
- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this Debenture.

14.2 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 Lender and any Receiver, at any time after the security constituted by this Debenture has become enforceable, whether in its own name or in that of the Borrower, to:

- (a) grant a lease or agreement to lease;
- (b) accept surrenders of leases; or

- (c) grant any option 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 Borrower, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

14.3 Access on enforcement

- (a) At any time after the Lender have demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this Debenture or the Facility Agreement, the Borrower will allow the Lender 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 Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry.
- (b) At all times, the Borrower must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 14.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

14.4 Prior Security Interests

At any time after the security constituted by this Debenture has become enforceable, or after any powers conferred by any Security Interest having priority to this Debenture shall have become exercisable, the Lender may:

- (a) redeem that or any other prior Security Interest;
- (b) procure the transfer of that Security Interest to it; and
- (c) settle and pass any account of the holder of any prior Security Interest.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account and shall bear interest at the default rate of interest specified in the Facility Agreement and be secured as part of the Secured Liabilities.

14.5 Protection of third parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied.

14.6 Privileges

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

14.7 No Liability As Mortgagee In Possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable 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 neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

14.8 Conclusive Discharge To Purchasers

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

15. RECEIVER

15.1 Appointment

At any time after the security constituted by this Debenture has become enforceable, or at the request of the Borrower, the Lender 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.

15.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), 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.

15.3 Remuneration

The Lender 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 Debenture, which shall be due and payable immediately on its being paid by the Lender.

15.4 Power of Appointment Additional To Statutory Powers

The power to appoint a Receiver conferred by this Debenture shall be in addition to all statutory and other powers of the Lender 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.

15.5 Power of Appointment Exercisable Despite Prior Appointments

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

15.6 Agent of The Borrower

Any Receiver appointed by the Lender under this Debenture shall be the agent of the Borrower and the Borrower 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 Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

16. POWERS OF RECEIVER

16.1 General

- (a) Any Receiver appointed by the Lender under this Debenture shall, in addition to the powers conferred on him by statute, have the powers set out in clause 16.2 to clause 16.23.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Debenture individually and to the exclusion of any other Receiver.

- (c) Any exercise by a Receiver of any of the powers given by clause 16 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in clause 16.16) or himself.

16.2 Repair and Develop Properties

A Receiver may undertake or complete any works of repair, building or development on the 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.

16.3 Grant or Accept Surrenders of Leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

16.4 Employ Personnel and Advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower.

16.5 Make and Revoke VAT Options To Tax

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

16.6 Remuneration

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

16.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

16.8 Manage or Reconstruct The Borrower's Business

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

16.9 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 he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a Borrower to purchase the Secured Assets to be sold.

16.10 Sever Fixtures and Fittings

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

16.11 Sell Book Debts

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

16.12 Valid Receipts

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

16.13 Make Settlements

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient.

16.14 Bring Proceedings

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

16.15 Improve the Equipment

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

16.16 Make Calls on Borrower Members

A Receiver may make calls conditionally or unconditionally on the members of the Borrower 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 Borrower on its directors in respect of calls authorised to be made by them.

16.17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 19, 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 Borrower under this Debenture.

16.18 Powers Under The LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

16.19 Borrow

A Receiver may, for any of the purposes authorised by this clause 16, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this Debenture).

16.20 Redeem Prior Security Interests

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

16.21 Delegation

A Receiver may delegate his powers in accordance with this Debenture.

16.22 Absolute Beneficial Owner

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

16.23 Incidental Powers

A Receiver may do any other acts and things:

- (a) that he may consider desirable or necessary for realising any of the Secured Assets;
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Debenture or law; and
- (c) that he lawfully may or can do as agent for the Borrower.

17. DELEGATION

17.1 Delegation

The Lender 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 Debenture (including the power of attorney granted under clause 21.1).

17.2 Terms

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

17.3 Liability

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

18. APPLICATION OF PROCEEDS

18.1 Order of Application of Proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this Debenture, after the security constituted by this Debenture has become enforceable, 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:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Debenture, and of all remuneration due to any Receiver under or in connection with this Debenture;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it.

18.2 Appropriation

Neither the Lender, 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.

19. COSTS AND INDEMNITY

19.1 Costs

The Borrower shall pay to, or reimburse, the Lender and any Receiver on demand, 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 Lender, any Receiver or any Delegate in connection with:

- (a) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this Debenture;
- (b) 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 or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Loan Note Instrument.

19.2 Indemnity

The Borrower shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents, on a full indemnity basis against any cost, charge, expense, tax, loss, liability or damage incurred by any of them as a result of:

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

Any past or present employee or agent may enforce the terms of this clause 19.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

20. FURTHER ASSURANCE

The Borrower shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this Debenture;

- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset, including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets at any time (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

21. POWER OF ATTORNEY

21.1 Appointment of Attorneys

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

- (a) the Borrower is required to execute and do under this Debenture; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Debenture or by law on the Lender, any Receiver or any Delegate.

21.2 Ratification of Acts of Attorneys

The Borrower 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 21.1.

22. RELEASE

Subject to clause 24.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this Debenture; and
- (b) reassign the Secured Assets to the Borrower.

23. ASSIGNMENT AND TRANSFER

23.1 Assignment by Lender

- (a) At any time, without the consent of the Borrower, the Lender may assign or transfer all or any part of its rights and/or obligations under this Debenture to any or all of its Permitted Assigns.
- (b) The Lender may disclose to any actual or proposed assignee or transferee any information about the Borrower, the Secured Assets and this Debenture that the Lender considers appropriate, subject to any such assignee or transferee entering into a confidentiality agreement in a form agreed by the Borrower acting reasonably.

23.2 Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its obligations, under this Debenture, or enter into any transaction that would result in any of those rights or obligations passing to another person.

24. FURTHER PROVISIONS

24.1 Independent Security

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

24.2 Continuing Security

This Debenture 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 Lender discharges this Debenture in writing.

24.3 Discharge Conditional

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

- (a) the Lender or its nominee may retain this Debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems

necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

- (b) the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

24.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this Debenture and/or the Loan Note Instrument shall be, in the absence of any manifest error, conclusive evidence of the amount due.

24.5 Rights Cumulative

The rights and remedies of the Lender conferred by this Debenture are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and remedies under the general law.

24.6 Variations and Waivers

Any waiver or variation of any right or remedy by the Lender (whether arising under this Debenture or under the general law), or any consent given under this Debenture, is only be effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.

24.7 Further Exercise of Rights

No act or course of conduct or negotiation by, or on behalf of, the Lender shall, in any way, preclude the Lender from exercising any right or remedy under this Debenture or constitute a suspension or variation of any such right or remedy.

24.8 Delay

No delay or failure to exercise any right, power or remedy under this Debenture shall operate as a waiver of that right, power or remedy.

24.9 Single or Partial Exercise

No single or partial exercise of any right, power or remedy under this Debenture shall prevent any further or other exercise of that right, power or remedy, or the exercise of any other right, power or remedy under this Debenture.

24.10 Consolidation

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

24.11 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. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

24.12 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.

25. NOTICES

25.1 Service

Each notice or other communication required to be given under, or in connection with, this Debenture shall be:

- (a) in writing, delivered personally or sent by pre-paid first-class letter or fax; and
- (b) sent to the recipient's respective address stated at the beginning of this Debenture or to any other address as is notified in writing by one party to the other from time to time.

25.2 Receipt by Borrower

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

- (a) if sent by fax, when received in legible form;
- (b) if given by hand, at the time of actual delivery; and
- (c) if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 25.2(a) or clause 25.2(b) 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.

25.3 Receipt by Lender

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

26. GOVERNING LAW AND JURISDICTION

26.1 Governing Law

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

26.2 Jurisdiction

The parties to this Debenture irrevocably agree that, subject as provided below, the courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Debenture or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of that other jurisdiction.

26.3 Other Service

The Borrower irrevocably consents to any process in any proceedings under clause 26.2 being served on it in accordance with the provisions of this Debenture relating to service of notices. Nothing contained in this Debenture shall affect the right to serve process in any other manner permitted by law.

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

SIGNED AS A DEED BY

BIONICAL GROUP HOLDINGS LIMITED (to be renamed BIONICAL SOLUTIONS GROUP LIMITED) [REDACTED]

Director

in the presence of:

Witness Signature: [REDACTED]

Name: Matthew Hussey

Address: Eversheds Sutherland (International) LLP, Water Court, 116-118 Canal Street,
Nottingham, NG1 7HF

Occupation: Solicitor

SIGNED AS A DEED BY

Designated Member [REDACTED]

for and on behalf of

**FULLBROOK THORPE
INVESTMENTS LIMITED**

in the presence of:

Witness Signature: [REDACTED]

Name: Matthew Hussey

Address: Eversheds Sutherland (International) LLP, Water Court, 116-118 Canal Street,
Nottingham, NG1 7HF

Occupation: Solicitor