



## Registration of a Charge

LLP name: **LORD INTERIM MANAGEMENT LLP**

LLP number: **OC356122**



X5ISCR43

Received for Electronic Filing: **31/10/2016**

## Details of Charge

Date of creation: **31/10/2016**

Charge code: **OC35 6122 0003**

Persons entitled: **SONOVATE LIMITED**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

## Authentication of Form

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

## Authentication of Instrument

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

Certified by: **DAMON CHAPPLE**



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

LLP number: OC356122

Charge code: OC35 6122 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st October 2016 and created by LORD INTERIM MANAGEMENT LLP was delivered pursuant to Part 25 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Application of Companies Act 2006) (Amendment) Regulations 2013 on 31st October 2016 .

Given at Companies House, Cardiff on 1st November 2016

The above information was communicated by electronic means and authenticated  
by the Registrar of Companies under the Limited Liability Partnership  
(Application of the Companies Act 2006) Regulations 2009 SI 2009/1804



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED.....31 OCTOBER.....2016

(1) Lord Interim Management LLP

- and -

(2) Sonovate Limited

DEBENTURE

I CERTIFY THAT THIS IS A TRUE COPY OF  
THE ORIGINAL DEBENTURE.

A large black rectangular redaction box covering the signature of David Charles.

DAVID CHARLES

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THIS DEBENTURE is made on.....31 OCTOBER.....2016

**BETWEEN:**

- (1) **Lord Interim Management LLP** a company incorporated and registered under the laws of England and Wales with number **OC356122** with its registered office at **Crown House The Square, Alvechurch, Birmingham, B48 7LA, United Kingdom ("Agency")**; and
- (2) **Sonovate Limited**, a company incorporated and registered under the laws of England and Wales with number 07500445 with its registered office at 4<sup>th</sup> Floor Greyfriars House, Greyfriars Road, Cardiff, Wales, CF10 3AL ("**Sonovate**").

**IT IS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Deed the following terms have the following meanings:

"Act"	the Law of Property Act 1925.
"Authorisation"	an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.
"Business Day"	a day (other than a Saturday or Sunday) on which banks are open for general business in London.
"Debenture Security"	the Security created or evidenced by or pursuant to this Deed or any Accession Deed.
"Debt"	has the meaning given to that expression in any Recruitment Finance Agreement.
"Default Rate"	4% per cent above the published base rate of Barclays Bank plc from time to time.
"Delegate"	any delegate, sub-delegate, agent, attorney or co-trustee appointed by Sonovate or by a Receiver.
"Enforcement Event"	each of the events listed in clause 13 (When security becomes enforceable).
"Insurance Policy"	each policy of insurance which is at any time held by or written in favour of the Agency or in which the Agency from time to time has an interest in respect of its assets or business.

<b>"Intellectual Property"</b>	<p>all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Agency in, or relating to:</p> <ul style="list-style-type: none"> <li>(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and</li> <li>(b) the benefit of all applications and rights to use such assets of the Agency (which may now or in the future subsist).</li> </ul>
<b>"Non-vesting Debts"</b>	all Debts which fail to vest in Sonovate under a Recruitment Finance Agreement.
<b>"Party"</b>	a party to this Deed.
<b>"Permitted Disposal"</b>	<p>any disposal:</p> <ul style="list-style-type: none"> <li>(a) permitted with the prior written consent of Sonovate; or</li> <li>(b) expressly permitted under a finance or credit agreement between the Agency and Sonovate under which Secured Obligations arise.</li> </ul>
<b>"Permitted Security"</b>	<p>any Security or Quasi-Security:</p> <ul style="list-style-type: none"> <li>(a) permitted with the prior written consent of Sonovate; or</li> <li>(b) expressly permitted under a finance or credit agreement between the Agency and Sonovate under which Secured Obligations arise;</li> <li>(c) created by this Deed.</li> </ul>
<b>"Quasi-Security"</b>	<p>an arrangement or transaction to:</p> <ul style="list-style-type: none"> <li>(a) sell, transfer or otherwise dispose of any of its Receivables;</li> <li>(b) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or</li> <li>(c) enter into any other preferential arrangement having a similar effect.</li> </ul>

<b>"Real Property"</b>	<p>all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Agency or in which the Agency has an interest at any time, together with:</p> <ul style="list-style-type: none"> <li>(a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;</li> <li>(b) all easements, rights and agreements in respect thereof; and</li> <li>(c) the benefit of all covenants given in respect thereof.</li> </ul>
<b>"Receivables"</b>	<p>all present and future Debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Agency (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:</p> <ul style="list-style-type: none"> <li>(a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and</li> <li>(b) all proceeds of any of the foregoing.</li> </ul>
<b>"Receiver"</b>	<p>a receiver, or receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by Sonovate under this Deed.</p>
<b>"Recruitment Finance Agreement"</b>	<p>a Recruitment Finance Agreement made between Sonovate and the Agency;</p>
<b>"Related Rights"</b>	<p>has the meaning given to that expression in a Recruitment Finance Agreement.</p>
<b>"Secured Obligations"</b>	<p>all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to Sonovate by the Agency, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor or cautioner), and including interest, purchase fees and other lawful charges or expenses which Sonovate may in the course of its business charge or incur in respect of any of those matters, and so that interest shall be computed and compounded according to the usual rates and practice (or otherwise agreed in writing) after as well as before any demand made or judgment or decree contained under or in relation to this Deed.</p>
<b>"Security"</b>	<p>a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.</p>

<b>"Security Account"</b>	has the meaning given to that term in clause 11.6(a)(iii).
<b>"Security Assets"</b>	all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed.
<b>"Security Period"</b>	the period beginning on the date of this Deed and ending on the date on which: <ul style="list-style-type: none"> <li>(a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and</li> <li>(b) Sonovate has no further commitment, obligation or liability to make any finance credit or other accommodation available to the Agency.</li> </ul>
<b>"Termination Event"</b>	has the meaning given to that expression in any Recruitment Finance Agreement.

## 1.2 Interpretation

- (a) Unless a contrary indication appears, any reference in this Deed to:
  - (i) the **"Agency"**, **"Sonovate"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (ii) **"this Deed"** and a **"Recruitment Finance Agreement"** are references to this Deed and any Recruitment Finance Agreement as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of the Agency or provides for further advances);
  - (iii) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Agency;
  - (iv) **"includes"** or **"including"** means includes or including without limitation;
  - (v) the singular includes the plural and vice versa.
- (b) Each undertaking of the Agency (other than a payment obligation) contained in this Deed:
  - (i) must be complied with at all times during the Security Period; and
  - (ii) is given by the Agency for the benefit of Sonovate.
- (c) If Sonovate reasonably considers that an amount paid by the Agency to it under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the Agency, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.



- (d) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

### **1.3 Third party rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

## **2. COVENANT TO PAY**

### **2.1 Covenant to pay**

The Agency, as principal obligor and not merely as surety, covenants in favour of Sonovate that it will pay and discharge the Secured Obligations on demand.

### **2.2 Default interest**

- (a) Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full, at the Default Rate from time to time.
- (b) Default interest will accrue from day to day on a year of 365 days and will be compounded monthly.

## **3. GRANT OF SECURITY**

### **3.1 Nature of security**

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of Sonovate;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

### **3.2 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

## **4. FIXED CHARGES**

The Agency charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by the Agency, or in which it from time to time has an interest, by way of first fixed charge:

- 4.1 All Non-vesting Debts.
- 4.2 The Related Rights of all Non-vesting Debts.
- 4.3 All Receivables.
- 4.4 All monies from time to time standing to the credit of the Agency's accounts with any bank or financial institution.
- 4.5 All Real Property owned by the Agency now or in the future.
- 4.6 (To the extent not otherwise charged or assigned in this Deed):
- (a) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Agency or the use of any of its assets;
  - (b) any letter of credit issued in favour of the Agency and all bills of exchange and other negotiable instruments held by it;
  - (c) any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by it;
  - (d) all Intellectual Property, claims, Insurance Policies and proceeds of any Insurance Policy; and
  - (e) all stocks, shares and other securities held by the Agency at any time and all income relating to those stocks, shares and securities.
- 4.7 All of the goodwill and uncalled capital of the Agency.

## **5. FLOATING CHARGE**

The Agency charges and agrees to charge by way of first floating charge all of its present and future:

- 5.1 assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge or assigned pursuant to clause 4 (*Fixed charges*) or any other provision of this Deed; and
- 5.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## **6. CONVERSION OF FLOATING CHARGE**

### **6.1 Conversion by notice**

Sonovate may, by written notice to the Agency, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of the Agency specified in the notice if:

- (a) an Enforcement Event has occurred; or

- (b) Sonovate considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

## **6.2 Automatic conversion**

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
  - (i) the Agency creates (or attempts or purports to create) any Security (other than Permitted Security) on or over the relevant Security Asset without the prior written consent of Sonovate; or
  - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of the Agency which are subject to a floating charge if an administrator is appointed in respect of the Agency or Sonovate receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

## **6.3 Scottish property**

Clause 6.2 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

## **6.4 Partial conversion**

The giving of a notice by Sonovate pursuant to clause 6.1 (*Conversion by notice*) in relation to any asset or class of assets of the Agency shall not be construed as a waiver or abandonment of the rights of Sonovate to serve similar notices in respect of any other asset or class of assets or of any other right of Sonovate.

## **7. CONTINUING SECURITY**

### **7.1 Continuing security**

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

### **7.2 Additional and separate security**

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which Sonovate may at any time hold for any Secured Obligation.

### **7.3 Right to enforce**

This Deed may be enforced against the Agency without Sonovate first having recourse to any other right, remedy, guarantee or Security held by or available to it.

## **8. LIABILITY OF THE AGENCY RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in this Deed or implied to the contrary, the Agency remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. Sonovate is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

## **9. ACCOUNTS**

No monies at any time standing to the credit of any account (of any type and however designated) of the Agency with Sonovate or in which the Agency has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person.

## **10. REPRESENTATIONS**

### **10.1 General**

The Agency makes the representations and warranties set out in this clause 10 to Sonovate.

### **10.2 No Security Interests**

No Security or Quasi-Security exists over all or any of the present or future Security Assets of the Agency other than Permitted Security.

### **10.3 Ranking**

The Debenture Security has or will have first ranking priority and is not subject to any prior ranking or *pari passu* ranking Security other than Permitted Security which Sonovate has expressly agreed will have prior or *pari passu* ranking.

### **10.4 Time when representations made**

- (a) All the representations and warranties in this clause 10 are made by the Agency on the date of this Deed and are also deemed to be made by the Agency every three months after the date of this Deed; and
- (b) Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## **11. UNDERTAKINGS BY THE AGENCY**

### **11.1 Negative pledge and disposals**

The Agency shall not do or agree to do any of the following:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset other than Permitted Security; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset other than a Permitted Disposal or, in relation to any Security Asset charged by clause 5, in the ordinary course of the Agency's business as at the date of this Deed.

### **11.2 Access**

if an Enforcement Event is continuing or Sonovate reasonably suspects an Enforcement Event is continuing or may occur, the Agency shall permit Sonovate and/or accountants or other professional advisers and contractors of Sonovate free access at all reasonable times and on reasonable notice at the risk and cost of the Agency to (a) the premises, assets, books, accounts and records of the Agency and (b) meet and discuss matters with those members of the Agency's senior management team as Sonovate may feel appropriate.

### **11.3 Security Assets generally**

The Agency shall:

- (a) notify Sonovate within 14 days of receipt of every notice, order, application, requirement or proposal given or made in relation to, the Security Assets by any competent authority, and (if required by Sonovate):
  - (i) immediately provide it with a copy of the same; and
  - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as Sonovate may require or approve;
- (b) pay all rates, rents, and other outgoings owed by it in respect of the Security Assets;
- (c) keep all Security Assets of an insurable nature comprehensively insured to Sonovate's reasonable satisfaction to its full reinstatement cost;
- (d) comply with:
  - (i) all obligations in relation to the Security Assets under any present or future law, regulation or requirement of any competent authority or any Authorisation; and
  - (ii) all covenants and obligations affecting any Security Asset (or its manner of use);

- (e) not, except with the prior written consent of Sonovate (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any Security Asset;
- (f) provide Sonovate with all information which it may reasonably request in relation to the Security Assets; and
- (g) not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

#### **11.4 Authorisations**

The Agency shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and supply certified copies to Sonovate of any Authorisation required under any law or regulation to enable it to perform its obligations under this Deed.

#### **11.5 Deposit of documents and notices**

The Agency shall:

- (a) unless Sonovate otherwise confirms in writing, deposit with Sonovate all deeds and documents of title relating to the Security Assets which Sonovate may hold throughout the Security Period; and
- (b) immediately on request by Sonovate, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by it (in a prominent position) a durable notice of this Deed (in any form required by Sonovate).

#### **11.6 Dealings with and realisation of Receivables and operation of Security Accounts**

- (a) The Agency shall:
  - (i) without prejudice to clause 11.1 (*Negative pledge and disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of Sonovate, sell, assign, charge, factor or discount or in any other manner deal with any Receivable;
  - (ii) collect all Receivables, other than Debts purchased by Sonovate pursuant to any Recruitment Finance Agreement, promptly in the ordinary course of trading as agent for Sonovate; and
  - (iii) immediately upon receipt pay all monies which it receives in respect of the Receivables into:
    - (A) such specially designated account(s) as Sonovate may from time to time direct; or
    - (B) such other account(s) with a bank as Sonovate may from time to time direct,

(each such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being a "Security Account"); and

- (iv) pending such payment, hold all monies so received upon trust for Sonovate.
- (b) The Agency shall deal with the Receivables (both collected and uncollected) and the Security Accounts in accordance with any directions given in writing from time to time by Sonovate and, in default of and subject to such directions, in accordance with this Deed.
- (c) The Agency shall deliver to Sonovate such information as to the amount and nature of its Receivables as Sonovate may from time to time reasonably require.

#### **11.7 Operation of Security Accounts**

- (a) The Agency shall not at any time after the occurrence of an Enforcement Event, withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Security Account without the prior written consent of Sonovate and Sonovate shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.
- (b) If the right of the Agency to withdraw the proceeds of any Receivables standing to the credit of a Security Account results in the charge over that Security Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by the Agency under this Deed on all its outstanding Receivables.

### **12. POWER TO REMEDY**

#### **12.1 Power to remedy**

If at any time the Agency does not comply with any of its obligations under this Deed, Sonovate (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The Agency irrevocably authorises Sonovate and its employees and agents by way of security to do all such things (including entering the property of the Agency) which are necessary or desirable to rectify that default.

#### **12.2 Mortgagee in possession**

The exercise of the powers of Sonovate under this clause 12 shall not render it liable as a mortgagee in possession.

#### **12.3 Monies expended**

The Agency shall pay to Sonovate on demand any monies which are expended by Sonovate in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by Sonovate (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

### **13. WHEN SECURITY BECOMES ENFORCEABLE**

#### **13.1 When enforceable**

This Debenture Security shall become immediately enforceable upon and at any time following the occurrence of any of the following Enforcement Events:

- (a) The occurrence of a Termination Event in any Recruitment Finance Agreement between Sonovate and the Agency.
- (b) If the Agency has failed immediately to pay all or any of the Secured Obligations following a demand for payment by Sonovate.
- (c) Any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Agency or by any other person to appoint an administrator in respect of the Agency.
- (d) Any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Agency or by any other person to wind up or dissolve the Agency or to appoint a liquidator, trustee, receiver, administrative receiver or similar officer of the Agency or any part of its undertaking or assets.
- (e) The making of a request by the Agency for the appointment of a Receiver or administrator.
- (f) Any other indebtedness of the Agency is:
  - (i) not paid when due nor within any applicable grace period;
  - (ii) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
  - (iii) any commitment for indebtedness is cancelled or suspended as a result of an event of default (however described).
- (g) If the Agency breaches any of the provisions of this Deed.
- (h) The Agency rescinds or purports to rescind or repudiate or evidences an intention to rescind or repudiate this Deed.

#### **13.2 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Enforcement Event.

#### **13.3 Enforcement**

After this Debenture Security has become enforceable, Sonovate may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.



## **14. ENFORCEMENT OF SECURITY**

### **14.1 General**

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

### **14.2 Powers of leasing**

The statutory powers of leasing conferred on Sonovate are extended so as to authorise Sonovate to lease, make agreements for leases, accept surrenders of leases and grant options as Sonovate may think fit and without the need to comply with section 99 or 100 of the Act.

### **14.3 Powers of Sonovate**

At any time after the Debenture Security becomes enforceable (or if so requested by the Agency by written notice at any time), Sonovate may without further notice (unless required by law):

- (a) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
- (b) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Agency; and/or
- (c) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver.

### **14.4 Redemption of prior mortgages**

At any time after the Debenture Security has become enforceable, Sonovate may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on the Agency.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Agency to Sonovate on demand.

### **14.5 Privileges**

Each Receiver and Sonovate is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

#### **14.6 No liability**

- (a) Neither Sonovate nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither Sonovate nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

#### **14.7 Protection of third parties**

No person (including a purchaser) dealing with Sonovate or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which Sonovate or the Receiver is purporting to exercise has become exercisable; or
- (c) how any money paid to Sonovate or to the Receiver is to be applied.

### **15. RECEIVER**

#### **15.1 Removal and replacement**

Sonovate may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

#### **15.2 Multiple Receivers**

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

#### **15.3 Remuneration**

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and Sonovate (or, failing such agreement, to be fixed by Sonovate).

#### **15.4 Payment by Receiver**

Only monies actually paid by a Receiver to Sonovate in relation to the Secured Obligations shall be capable of being applied by Sonovate in discharge of the Secured Obligations.

## **15.5 Agent of the Agency**

Any Receiver shall be the agent of the Agency. The Agency shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. Sonovate shall incur no liability (either to the Agency or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **16. POWERS OF RECEIVER**

### **16.1 General powers**

Any Receiver shall have:

- (a) all the powers which are conferred on Sonovate by clause 14.3 (*Powers of Sonovate*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

### **16.2 Additional powers**

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of the Agency as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act and without limitation:
  - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of the Agency;
  - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
  - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;

- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Agency was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Agency and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Agency;
- (g) to take any such proceedings (in the name of the Agency or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any Insurance Policy in respect of, the Security Assets as he shall think fit (or as Sonovate shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- (l) to:
  - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
  - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
  - (iii) use the name of the Agency for any of the above purposes.

## **17. APPLICATION OF PROCEEDS**

### **17.1 Application**

All monies received by Sonovate or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security) be applied in the following order:

- (a) *first*, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made by Sonovate or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) *secondly*, in or towards satisfaction of the remaining Secured Obligations in accordance with clause 17.3 (*Appropriation and suspense account*); and
- (c) *thirdly*, in payment of any surplus to the Agency or other person entitled to it.

## **17.2 Contingencies**

If the Debenture Security is enforced at a time when no Secured Obligations are due, Sonovate or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as Sonovate may determine).

## **17.3 Appropriation and suspense account**

- (a) Subject to clause 17.1 (*Application*), Sonovate shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by the Agency.
- (c) All monies received, recovered or realised by Sonovate under or in connection with this Deed may at the discretion of Sonovate be credited to a separate interest-bearing suspense account for so long as Sonovate determines (with interest accruing thereon at such rate (if any) as Sonovate may determine without Sonovate having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations unless such monies would clear all Secured Obligations in full.

## **18. SET-OFF RIGHTS**

- 18.1 The Agency agrees that any money from time to time standing to its credit on any account with Sonovate may be retained as cover for and/or applied by Sonovate at any time and without notice to the Agency in or towards payment or discharge of the Secured Obligations or such part of them as Sonovate may select.
- 18.2 If Sonovate exercises any rights in respect of any money as referred to in clause 18.1 (including, without limitation, any rights of set-off, accounting or retention or similar rights) in relation to any liability of the Agency and that liability or any part of it is in a different currency from any credit balance against which Sonovate seeks to exercise its rights, Sonovate may use the currency of the credit balance to purchase an amount in the currency of the liability at the then prevailing spot rate of exchange of Barclays Bank plc and to pay out of the credit balance all costs, charges and expenses incurred by Sonovate in connection with that purchase.

- 18.3 Sonovate shall not be liable for any loss of interest caused by the determination before maturity of any deposits or any loss caused by the fluctuation in any exchange rate at which any currency may be bought or sold by Sonovate.

## **19. DELEGATION**

Each of Sonovate and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither Sonovate nor any Receiver shall be in any way liable or responsible to the Agency for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## **20. FURTHER ASSURANCES**

### **20.1 Further action**

The Agency shall, at its own expense, immediately do all acts and execute all documents as Sonovate or a Receiver may reasonably specify (and in such form as Sonovate or a Receiver may reasonably require) for:

- (a) creating, perfecting, protecting or maintaining the Security intended to be created by this Deed; and
- (b) facilitating the realisation of any Security Asset;
- (c) facilitating the exercise of any rights, powers and remedies exercisable by Sonovate, or any Receiver or any Delegate in respect of any Security Asset; or
- (d) creating and perfecting Security in favour of Sonovate over any property and assets of the Agency located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed.

This includes:

- (i) the re-execution of this Deed;
- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to Sonovate or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, Sonovate may think expedient.

### **20.2 Specific security**

Without prejudice to the generality of clause 20.1 (*Further action*), the Agency will immediately upon request by Sonovate execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 6 (*Conversion of floating charge*)).

## **21. POWER OF ATTORNEY**

The Agency, by way of security, irrevocably and severally appoints Sonovate, each Receiver and any Delegate to be its attorney to take any action which the Agency is obliged to take under this Deed, including under clause 20 (*Further assurances*), which the Agency has failed to take. The Agency ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

## **22. PAYMENTS**

### **22.1 Payments**

Subject to clause 22.2 (*Gross-up*), all payments to be made by the Agency in respect of this Deed shall be made:

- (a) in immediately available funds to the credit of such account as Sonovate may designate; and
- (b) without (and free and clear of, and without any deduction for, or on account of):
  - (i) any set-off or counterclaim; or
  - (ii) except to the extent compelled by law, any deduction or withholding for or on account of tax.

### **22.2 Gross-up**

If the Agency is compelled by law to make any deduction or withholding from any sum payable under this Deed to Sonovate, the sum so payable by the Agency shall be increased so as to result in the receipt by Sonovate of a net amount equal to the full amount expressed to be payable under this Deed

### **22.3 Tacking**

This Deed secures advances already made and further advances to be made by Sonovate to the Agency.

### **22.4 Costs and expenses**

- (a) Amendment expenses

The Agency shall promptly on demand pay to Sonovate the amount of all reasonable costs, charges and expenses incurred by Sonovate in connection with any actual or proposed amendment or extension of any waiver or consent under this Deed.

- (b) Enforcement and preservation costs

The Agency shall promptly on demand pay to Sonovate or any Receiver the amount of all costs, charges and expenses (including legal fees) incurred by any of them in connection with the enforcement, exercise or preservation (or the attempted enforcement, exercise or preservation) of any of their respective rights under this

Deed or any document referred to in this Deed (including the remuneration of the Receiver).

**23. CURRENCY CONVERSION**

All monies received or held by Sonovate or any Receiver under this Deed may be converted from their existing currency into such other currency as Sonovate or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the spot rate of exchange of Barclays Bank plc. The Agency shall indemnify Sonovate against all costs, charges and expenses incurred in relation to such conversion. Neither Sonovate nor any Receiver shall have any liability to the Agency in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

**24. CHANGES TO THE PARTIES**

**24.1 Charging Companies**

The Agency may not assign any of its rights or obligations under this Deed.

**24.2 Sonovate**

Sonovate may assign or transfer all or any part of its rights under this Deed. The Agency shall, immediately upon being requested to do so by Sonovate, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

**25. NEW ACCOUNTS**

25.1 If Sonovate receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee ceases to continue in force and/or the proceeds of sale of any Security Asset, it may open a new account or accounts for the Agency. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.

25.2 As from that time all payments made to Sonovate will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

**26. NOTICES**

**26.1 Communications in writing**

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.



## **26.2 Addresses**

The address to which any communication is to be made or delivered under or in connection with this Deed is:

- (a) in the case of the Agency, its registered office or business address last known to Sonovate; and
- (b) in the case of Sonovate, its registered office or other address notified in writing to the Agency on or after the date of this Deed.

## **26.3 Delivery**

- (a) Subject to clause 26.3(b), any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
  - (i) if by way of fax, when sent; or
  - (ii) if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.
- (b) Any communication or document to be made or delivered to Sonovate will be effective only when actually received by Sonovate.

## **27. CALCULATIONS AND CERTIFICATES**

Any certificate of or determination by Sonovate specifying the amount of any Secured Obligation due by the Agency (including details of any relevant calculation thereof) is in the absence of manifest error, conclusive evidence against the Agency of the cause, existence and amount of the matters to which it relates.

## **28. PARTIAL INVALIDITY**

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **29. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of Sonovate, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

## **30. AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if Sonovate and the Agency so agree in writing and any breach of this Deed may be waived before or after it occurs only if Sonovate

so agrees in writing. A waiver given or consent granted by Sonovate under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

**31. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Deed.

**32. RELEASE**

**32.1 Release**

Upon the expiry of the Security Period (but not otherwise) Sonovate shall, at the request and cost of the Agency, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

**32.2 Reinstatement**

Where any discharge (whether in respect of the obligations of the Agency or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Agency under this Deed shall continue as if the discharge or arrangement had not occurred. Sonovate may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

**33. GOVERNING LAW AND JURISDICTION**

33.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

33.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").

33.3 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

**IN WITNESS** of which this Deed has been duly executed by the Agency as a deed and duly executed by Sonovate and has been delivered on the first date specified on page 1 of this Deed.

Executed as a deed by  
Lord Interim Management LLP  
acting by:

)  
)  
) Signature

\_\_\_\_\_  
a Director and

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
a Director/its Secretary

\_\_\_\_\_  
Signature of Director/Secretary

OR

Executed as a deed by  
Lord Interim Management LLP  
acting by:

)  
)  
) Signature

JONATHAN LORD  
a Director in the presence of:

\_\_\_\_\_  
Signature of Director

Signature of witness:

Name of witness:

Address of witness:

Executed as a deed by  
Sonovate Limited  
acting by:

)  
)  
) Signature

ANDREW CHAPPEL  
a Director in the presence of:

\_\_\_\_\_  
Signature of Director

Signature of witness:

Name of witness:

Address of witness: