



**Registration of a Charge**

Company name: **ADARE SEC LIMITED**

Company number: **02814431**

Received for Electronic Filing: **12/12/2018**



X7KNNH80

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**Details of Charge**

Date of creation: **30/11/2018**

Charge code: **0281 4431 0019**

Persons entitled: **KEITH GRAVER, NEIL HAINSWORTH AND CAPITAL CRANFIELD PENSION TRUSTEES LIMITED AS TRUSTEES OF THE HALCYON BUSINESS SOLUTIONS PENSION SCHEME**

Brief description: **1) FREEHOLD LAND AND BUILDINGS ON THE SOUTH EAST SIDE OF WAKEFIELD ROAD, HUDDERSFIELD REGISTERED WITH TITLE NUMBER WYK504250 AND ALL RIGHTS RELATING TO THIS PROPERTY 2) FIXED CHARGES OVER ALL LAND AND INTELLECTUAL PROPERTY OWNED BY THE COMPANY AT ANY TIME**

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **DAVID PARRY**



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

Company number: 2814431

Charge code: 0281 4431 0019

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th November 2018 and created by ADARE SEC LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th December 2018 .

Given at Companies House, Cardiff on 13th December 2018

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 30 November 2018

THE COMPANIES LISTED IN SCHEDULE 1 (1)

and

KEITH GRAVER AND OTHERS (2)

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COMPOSITE GUARANTEE AND DEBENTURE

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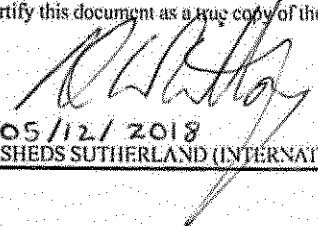
THIS INSTRUMENT IS SUBJECT TO THE TERMS OF (1) AN INTERCREDITOR AGREEMENT DATED ON OR AROUND THE DATE OF THIS DEBENTURE BETWEEN (AMONGST OTHERS) HSBC BANK PLC, HSBC INVOICE FINANCE (UK) LIMITED, THE PENSION TRUSTEE AND THE CHARGORS AND (2) A DEED OF PRIORITY DATED ON OR AROUND THE DATE OF THIS DEBENTURE BETWEEN (AMONGST OTHERS) ADARE SEC HOLDINGS LIMITED, THE DEBTORS (AS DEFINED THEREIN), ENDLESS LLP AND THE PENSION TRUSTEE.

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Reference AU/ADA.134-0003

We certify this document as a true copy of the original



Date: 05/12/2018  
EVERSHEDS SUTHERLAND (INTERNATIONAL) LLP

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DATE OF COMPOSITE GUARANTEE AND DEBENTURE 30 November 2018

**PARTIES**

- (1) **THE COMPANIES** details of which are set out in Schedule 1 to this deed (together the "Chargors" and each a "Chargor")
- (2) **KEITH GRAVER, NEIL HAINSWORTH and CAPITAL CRANFIELD PENSION TRUSTEES LIMITED** as trustees of the Halcyon Business Solutions Pension Scheme (the "Pension Trustee")

**THIS DEED WITNESSES THAT:**

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 In this Debenture, the following terms shall have the following meanings:

**"Administrative Receiver"** means any person appointed or to be appointed by the Pension Trustee as administrative receiver pursuant to the exceptions to section 72A (1) or (2) of the Insolvency Act 1986.

**"Administrator"** means any person appointed or to be appointed by the Pension Trustee as administrator pursuant to Schedule B1 to the Insolvency Act 1986.

**"Business Day"** means a day (excluding Saturday and Sunday and statutory holidays) on which commercial banks are generally open for business in London.

**"Charged Property"** means in relation to a Chargor, the whole or any part of the property, assets, income and undertaking of that Chargor from time to time mortgaged, charged or assigned to the Pension Trustee under this Debenture.

**"Company"** means Adare SEC Holdings Limited (Company Number 10827606).

**"Costs"** means all costs, charges or expenses on a full indemnity basis of any kind including, costs and damages in connection with litigation, professional fees, disbursements and any value added tax to be charged on those costs, charges, expenses and disbursements.

**"Deed of Priority"** means the deed of priority dated on or around the date of this deed and made between (1) the Chargors (2) Endless LLP and (3) the Pension Trustee.

**"Guarantor"** means each Chargor in its capacity as a guarantor of the obligations of each other Obligor to the Pension Trustee pursuant to clause 2.

**"Group"** means each Obligor and each of its Subsidiaries from time to time (if any).

**"Intellectual Property"** means together the property described in clauses 3(d) to 3(k) (inclusive).

**"Obligors"** means the Company, each Chargor and any other member of the Group which incurs any obligation to the Pension Trustee in connection with the Pension Scheme.

**"Pension Debt"** means the obligations of Adare SEC Limited to the Pension Scheme from time to time.

**"Pension Scheme"** means the Halcyon Business Solutions Pension Scheme.

**"Receiver"** means any person appointed or to be appointed by the Pension Trustee as receiver or receiver and manager or (where applicable) an Administrative Receiver pursuant to this Debenture.

**"Rights"** means all a Chargor's rights, title and interest from time to time in any lease, licence or occupational right (or an agreement for any of them) together with all that Chargor's rights, title and interest from time to time in any renewal of, replacement of or variation to any lease, licence or occupational right (or an agreement for any of them).

**"Scheduled Property"** means the property details of which are set out at Schedule 3.

**"Secured Liabilities"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of any Chargor to make payments to the Pension Scheme provided that the maximum amount secured by this Debenture shall not exceed £3,000,000.

**"Security Documents"** means any document entered into by any person from time to time creating any Security Interest, directly or indirectly, for the Secured Liabilities including this Debenture.

**"Senior Intercreditor Agreement"** means an intercreditor agreement dated on or around the date of this Debenture and made between (amongst others) (1) the Chargors (2) HSBC Bank plc (3) HSBC Invoice Finance (UK) Limited and (4) the Pension Trustee.

**"Security Interest"** means any mortgage, charge, assignment, pledge, lien, right of set off, hypothecation, encumbrance, priority or other security interest (whether fixed or floating) including any 'hold-back' or 'flawed asset' arrangement together with any preferential right, retention of title, deferred purchase, leasing, sale or purchase, sale and leaseback, arrangement, trust, agreement, declaration of trust, trust arising by operation of law, any option or agreement for any of the same or any arrangement which has substantially the same commercial or substantive effect as the creation of security.

**"Subsidiary"** means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

1.2 In this Debenture:

- (a) clause and schedule headings are included for ease of reference only;
- (b) words denoting the singular include the plural and vice versa;
- (c) words denoting one gender include each gender and all genders;

- (d) the word including shall be construed to mean including without limitation;
- (e) each of the provisions is distinct and severable from the others and if at any time one or more of such provisions is or becomes illegal, invalid or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

1.3 In this Debenture, unless the context otherwise requires, references to:

- (a) persons include references to natural persons, firms, partnerships, companies, corporations, associations, organisations and trusts (in each case whether or not having a separate legal personality) and shall include each of their respective successors, transferees and assigns;
- (b) documents, instruments and agreements (including this Debenture and any document referred to in this Debenture) are references to such documents, instruments and agreements as modified, amended, varied, supplemented or novated from time to time;
- (c) receivers are references to receivers of whatsoever nature including receivers and managers and administrative receivers;
- (d) the terms the Pension Trustee, the Administrator and the Receiver include, where the context so permits, references to any delegate of any such person;
- (e) clauses are references to clauses in this Debenture;
- (f) if only one Chargor is listed in Schedule 1, more than one Chargor shall be construed as references to that one Chargor, *mutatis mutandis*;
- (g) statutory provisions (where the context so admits and unless otherwise expressly provided) are construed as references to those provisions as respectively amended, consolidated, extended or re-enacted from time to time, and to any orders, regulations, instruments or other subordinate legislation made under the relevant statute; and
- (h) a time of day is a reference to London time.

1.4 This Debenture is subject to the terms of the Senior Intercreditor Agreement and the Deed of Priority. In the event of any conflict between the terms of this Debenture and the terms of the Senior Intercreditor Agreement, or the Deed of Priority, the terms of the Senior Intercreditor Agreement and/or the Deed of Priority shall prevail.

## **2 COVENANT TO PAY, GUARANTEE AND INDEMNITY**

- 2.1 Each Chargor hereby covenants with the Pension Trustee that it will on demand in writing made to it by the Pension Trustee for itself (provided such sums, obligations or liabilities are due and payable) pay the Secured Liabilities.
- 2.2 Each Chargor irrevocably and unconditionally jointly and severally:

- (a) guarantees to the Pension Trustee punctual performance by each other Obligor of all that Obligor's obligations to the Pension Trustee in connection with the Pension Scheme;
- (b) undertakes with the Pension Trustee that whenever any other Obligor does not pay any amount when due to the Pension Trustee in connection with the Pension Scheme, that Chargor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies the Pension Trustee immediately on demand against any cost, loss or liability suffered by the Pension Trustee if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Pension Trustee would otherwise have been entitled to recover.

2.3 This guarantee is given subject to, and with the benefit of, the provisions set out in Schedule 2.

### 3 CHARGE

Each Chargor covenants to discharge on demand when due the Secured Liabilities and as a continuing security for such discharge and with full title guarantee charges to the Pension Trustee the property set out below in the manner set out below:

- (a) by way of fixed charge by way of legal mortgage, the Scheduled Property and all Rights relating to the Scheduled Property;
- (b) by way of fixed charge, all the freehold and leasehold property now vested in or charged to that Chargor (not otherwise effectively mortgaged in the Pension Trustee' favour by clauses 3(a)) and all Rights relating to it;
- (c) by way of fixed charge all estates or interests in any freehold or leasehold property in the future vested in or charged to that Chargor (not otherwise effectively mortgaged in the Pension Trustee' favour by clauses 3(a) and 3(b)) and all Rights relating to it;
- (d) by way of fixed charge, all subsisting patents and subsisting rights of a similar nature of that Chargor present and future held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents and the right to apply for any applications in any part of the world (in each case for their full period and all extensions and renewals of them);
- (e) by way of fixed charge, all domain name registrations of that Chargor present and future and all applications for them and the right to apply for any of them in any part of the world;
- (f) by way of fixed charge, all registered trademarks of that Chargor present and future and all applications for them and the right to apply for any of them in any part of the world and all unregistered trademarks of that Chargor present and future;
- (g) by way of fixed charge, all service marks of that Chargor present and future;

- (h) by way of fixed charge all registered designs of that Chargor present and future and all applications for them and the right to apply for any of them in any part of the world;
- (i) by way of fixed charge, all inventions, utility models, confidential information, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country (including rights in computer software) of that Chargor present and future;
- (j) by way of fixed charge all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by that Chargor from time to time and relating to its business, which is not in the public domain;
- (k) by way of fixed charge, the benefit (subject to the burden) of any and all present and future agreements, arrangement and licences in connection with the Intellectual Property;
- (l) by way of fixed charge, all the plant and machinery, equipment, fittings, installations and apparatus, furniture, furnishings, tools, motor vehicles and all other chattels and moveable assets (other than fixtures) of that Chargor present and future and not regularly disposed of in the ordinary course of business and all associated warranties and maintenance contracts;
- (m) by way of fixed charge, all the goodwill and uncalled capital for the time being of that Chargor;
- (n) by way of fixed charge, all stocks, shares and other securities held by that Chargor from time to time in any Subsidiary and all income and rights derived from or attaching to them;
- (o) by way of fixed charge all stocks shares interests in limited liability partnerships and other securities of that Chargor present and future and all income and rights derived from or attaching to them;
- (p) by way of fixed charge the benefit of any currency or interest rate swap cap or collar or other hedging agreement or any futures transaction or treasury instrument made with the Chargors or any third party from time to time;
- (q) by way of floating charge all the undertaking and all property assets and rights of the Chargor present and future not subject to a fixed charge under this Debenture.

#### 4 NEGATIVE PLEDGE

No Chargor shall:

- (a) create, purport to create or allow to subsist, any Security Interest over the whole or any part of the Charged Property other than in favour of the Pension Trustee or with the prior written consent of the Pension Trustee (which it may exercise in its sole discretion); or

- (b) without prejudice to clauses 4(c) and 4(d) below, sell, lease or otherwise dispose of the whole or any part of the Charged Property except in the ordinary course of its trade in respect of that part of the Charged Property which is subject only to an uncrystallised floating charge in favour of the Pension Trustee; or
- (c) sell, assign, factor or discount any of its book debts or any future revenues or income; or
- (d) sell, lease or otherwise dispose of any interest in freehold or leasehold property without the prior written consent of the Pension Trustee (which it may exercise at its sole discretion).

## **5 CONVERSION OF FLOATING CHARGE**

- 5.1 The Pension Trustee may by written notice to the relevant Chargor convert the floating charge into a fixed charge as regards such Charged Property as the Pension Trustee may specify (whether generally or specifically) in that notice.
- 5.2 If, without the prior written consent of the Pension Trustee, any Chargor breaches or takes any step with a view to breaching any provision of clause 4 (Negative Pledge) in respect of any of the Charged Property which is subject to an uncrystallised floating charge under this Debenture, or if any person levies or attempts to levy any distress, attachment, execution or other legal process against any of that Charged Property to which the breach or step relates, such floating charge will automatically, without notice, be converted into a fixed charge as soon as that breach occurs or that step is taken.

## **6 FURTHER ASSURANCE**

Each Chargor will at its own cost at the Pension Trustee's request execute any deed or document and take any action required by the Pension Trustee to perfect this security or further secure the payment or discharge of the Secured Liabilities.

## **7 DEPOSIT OF DOCUMENTS AND TITLE DEEDS**

(Subject to the rights of any prior chargee) each Chargor shall deposit with the Pension Trustee (and the Pension Trustee during the continuance of this Debenture may hold and retain):

- (a) all deeds and documents of title relating to the Charged Property and all insurance policies (or where the Pension Trustee agrees in writing, copies of them);
- (b) all stock or share certificates or other documents of title to or representing the stocks, shares and securities charged by this Debenture together with duly executed transfers or assignments with the name of the transferees, date and consideration left blank (as the Pension Trustee requires from time to time).

## **8 INSURANCE**

Each Chargor shall apply all monies received by virtue of any insurance of the whole or any part of the Charged Property in making good, or in recouping expenditure

incurred in making good, any loss or damage or, if the Pension Trustee so requires in its sole discretion, towards discharge of the Secured Liabilities. The relevant Chargor shall ensure that all such monies which are not paid directly by the insurers to the Pension Trustee shall be held by the recipient upon trust for the Pension Trustee and be applied by the relevant Chargor in accordance with this clause.

## **9 REPAIR AND IDENTIFICATION**

Each Chargor shall:

- (a) at all times keep in as good and substantial a state of repair and condition as at the date hereof all the Charged Property including all buildings, erections and structures on and in the Property;
- (b) keep all plant and machinery in as good a state of repair, working order and condition as at the date hereof and fit for its purpose;
- (c) where it is uneconomic to repair any material part of the Charged Property, replace such part by another similar asset of equal or greater quality and value; and
- (d) if so required by the Pension Trustee affix to such of the Charged Property as the Pension Trustee shall specify such plaques, name plates, notices, boiler plates, notices or other forms of wording of reasonable size and type in a readily visible position as the Pension Trustee may require to the effect that the Pension Trustee has an interest in the same as mortgagee.

## **10 ENFORCEMENT**

This Debenture will become enforceable when:

- (a) any of the Secured Liabilities is not paid and/or discharged in accordance with the terms of this Debenture; or
- (b) a Chargor breaches any term of this Debenture; or
- (c) the floating charge has crystallised pursuant to the provisions of this Debenture or otherwise; or
- (d) a Chargor so requests the Pension Trustee in writing (whether or not the Pension Trustee has entered into or taken possession of the Charged Property) to appoint any person or persons (including a manager or official of the Pension Trustee) to be an Administrator and/or a Receiver over the whole or any part of its assets;
- (e) a petition is presented to place a Chargor under the protection of the court, or to have an examiner, or interim examiner, appointed to a Chargor;
- (f) an 'insolvency event' as defined in Section 121 of the Pensions Act 2004 or regulations made from time to time thereunder occurs; or
- (g) the Pension Protection Fund receives an application or notification from the Pension Trustees or the Pensions Regulator that a Chargor is unlikely to

continue as a going concern, which is made in accordance with Section 129 of the Pensions Act 2004 or regulations made from time to time thereunder.

## **11 STATUTORY POWER OF SALE**

- 11.1 For the purposes of all powers implied by statute, and in particular the power of sale under section 101 of the Law of Property Act 1925 (Powers incident to estate or interest of mortgagee), the Secured Liabilities will be deemed to have become due when the security created by this Debenture becomes enforceable and section 103 of the Law of Property Act 1925 (Regulation of exercise of power of sale) and section 93 of the Law of Property Act 1925 (Restriction on consolidation of mortgages) will not apply.
- 11.2 The statutory powers of leasing conferred on the Pension Trustee are extended so as to authorise the Pension Trustee to lease, make arrangements for leases, accept surrender of leases and grant options on such terms and conditions as the Pension Trustee may in its absolute discretion think fit. The Pension Trustee is not obliged to comply with any of the provisions of section 99 (Leasing powers of mortgagor and mortgagee in possession) and section 100 (Powers of mortgagor and mortgagee in possession to accept surrenders of leases) of the Law of Property Act 1925.
- 11.3 Each of the Pension Trustee, the Administrators and the Receiver, as the case may be, may exercise their respective statutory powers of sale in respect of the whole or any part of the property described in clauses 3(a) to 3(b) (inclusive).
- 11.4 Section 109 of the Law of Property Act 1925 (Appointment, powers, remuneration and duties of receiver) shall not apply to this Debenture.

## **12 ADMINISTRATORS AND RECEIVERS**

- 12.1 The Pension Trustee may at any time after the security created by this Debenture becomes enforceable (whether or not the Pension Trustee has entered into or taken possession of the Charged Property) by writing appoint any person or persons (including a manager or official of the Pension Trustee) to be:
  - (a) an Administrator; and/or
  - (b) a Receiver,

all upon such terms as to remuneration and otherwise as the Pension Trustee may from time to time think fit and may similarly remove any of the above office holders and appoint another office holder in his stead and any Administrator or Receiver so appointed shall be the agent of the relevant Chargor for all purposes.
- 12.2 A Receiver has all the powers to do or abstain from doing anything which a Chargor could do or abstain from doing in relation to the Charged Property and shall have all the powers set out in Schedule 1 to the Insolvency Act 1986 as if he was an Administrative Receiver and all other powers from time to time conferred on Receivers by statute and shall be able to do all such other acts and things as the Receiver may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Debenture or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property.

- 12.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to this Debenture and to the floating charges contained within it.
- 12.4 An Administrator has all the powers to do or abstain from doing anything which the relevant Chargor could do or abstain from doing in relation to the Charged Property and shall have all the powers of a Receiver and shall have all the powers conferred by paragraph 59 of Schedule B1 and Schedule 1 to the Insolvency Act 1986 and shall be able to do all such other acts and things as the Administrator may in his discretion consider to be incidental or conducive to:
- (a) any of the matters or powers set out in this Debenture; and/ or
  - (b) the preservation, improvement or realisation of the Charged Property; and/or
  - (c) furthering the objectives described in paragraph 3 of Schedule B1 to the Insolvency Act 1986.
- 12.5 Where more than one Administrator or Receiver, as the case may be, is appointed, each Administrator or Receiver, as the case may be, has the power to act jointly and severally unless the Pension Trustee specifies otherwise in the appointment of such Administrator or Receiver.
- 12.6 The Pension Trustee may exercise all powers granted to Administrators and Receivers by this Debenture, whether as attorney for the relevant Chargor or otherwise.
- 12.7 The powers of the Administrator and Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Pension Trustee as provided in clause 11 (Statutory power of sale) or otherwise and so that, inter alia, such powers are and remain exercisable by the Pension Trustee in respect of that part of the Charged Property in respect of which no appointment is made of an Administrator or Receiver.
- 12.8 The Administrator or Receiver, as the case may be, shall apply all money he receives first in repayment of all money borrowed by him and his expenses and liabilities and in payment of his fees and secondly towards the remaining matters specified in section 109(8) of the Law of Property Act 1925 (Appointment, powers, remuneration and duties of receiver).

### **13 PROTECTION OF THIRD PARTIES**

No person (including any purchaser, mortgagor or mortgagee) dealing with the Pension Trustee shall be concerned to enquire:

- (a) whether all or some part of the Secured Liabilities has become due; or
- (b) whether a demand for such Secured Liabilities has been duly made; or
- (c) whether any power which the Pension Trustee, Administrator or Receiver is purporting to exercise has become exercisable; or
- (d) whether any money remains due to the Pension Trustee; or

- (e) how any money paid to the Pension Trustee, Administrator or Receiver is to be applied.

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

The Pension Trustee, the Administrator or Receiver will not by virtue of entering into possession of any of the Charged Property be liable to account as mortgagee in possession in respect of the Charged Property or for any loss upon realisation or exercise of any power, authority or right of the Pension Trustee, Administrator or Receiver arising under this Debenture, nor for any act, default, neglect, or misconduct of any nature whatsoever.

#### **15 POWER OF ATTORNEY**

Each Chargor irrevocably appoints, by way of security the Pension Trustee, each person deriving title from the Pension Trustee, Administrator or Receiver, as the case may be, jointly and severally to be its attorney (with full power to appoint substitutes and to sub-delegate) to do any act or thing which that Chargor is, or may become, obliged to do pursuant to this Debenture. Each Chargor ratifies and confirm anything done or purported to be done by any attorney appointed pursuant to this clause.

#### **16 APPLICATION AND PROCEEDS**

All monies received by the Pension Trustee or any Receiver or Administrator appointed pursuant to this Debenture shall be applied in accordance with the terms of the Senior Intercreditor Agreement and/or the Deed of Priority.

#### **17 CUMULATIVE AND CONTINUING SECURITY**

- 17.1 This Debenture is a continuing security to the Pension Trustee regardless of any intermediate payment or discharge of the whole or any part of the Secured Liabilities and will not be prejudiced or affected by any act, omission or circumstances which, but for this clause, might affect or diminish its effectiveness.
- 17.2 The security constituted by this Debenture is in addition to and is not in any way prejudiced by any rights whatsoever which the Pension Trustee may have in respect of the Secured Liabilities or any other obligations whatsoever including any rights arising under any other Security Interest and shall not be affected by any release, reassignment or discharge of such other security.
- 17.3 Any release or discharge of the security created by or pursuant to this Debenture or any of the Secured Liabilities shall not release or discharge any Chargor from any liability to the Pension Trustee or any of the beneficiaries for the same or any other moneys which may exist independently of this Debenture.

#### **18 AVOIDANCE OF PAYMENTS**

- 18.1 No assurance, security or payment which may be avoided under the law or subject to an order of the court made under any law relating to bankruptcy, insolvency, administration or winding-up, including the Insolvency Act 1986, and no release, settlement or discharge given or made by the Pension Trustee Party on the faith of any such assurance, security or payment, prejudices or affected the rights of the Pension Trustee:

- (a) to recover any monies from the Chargors (including any monies which it is compelled to refund under Chapter X (Malpractice before and during liquidation; penalisation of companies and company officers; investigations and prosecutions) of the Insolvency Act 1986 and any Costs payable by it incurred in connection with such process); or
- (b) to enforce the security constituted by this Debenture to the full extent of the Secured Liabilities;

18.2 The Pension Trustee may at its discretion retain the security so created as security for the Secured Liabilities for a period of one month plus any statutory period within which any such assurance, security or payment can be avoided or invalidated notwithstanding any release, settlement, discharge or arrangement given or made by the Pension Trustee.

18.3 If at any time within the period referred to in clause 18.2 any person takes any step whatsoever relating to (i) the winding-up or administration of a Chargor; or (ii) any arrangement with the creditors of a Chargor, the Pension Trustee may retain the whole or any part of the security constituted by this Debenture for such further period as the Pension Trustee may in its discretion think fit. Such security will be deemed to have been held and remained held by the Pension Trustee as security for the payment to the Pension Trustee of the Secured Liabilities.

## **19 PRIOR CHARGES**

At any time after this Debenture has become enforceable the Pension Trustee may redeem any prior Security Interest or procure the transfer of that Security Interest to itself and may settle and pass the accounts of the person entitled to that Security Interest. Any accounts which are settled and passed by the Pension Trustee are conclusive and binding on the Chargors. Each Chargor shall reimburse the Pension Trustee for any monies paid out and Costs incurred by the Pension Trustee in exercise of its rights under this clause.

## **20 OPENING A NEW ACCOUNT**

If the Pension Trustee receives notice of any subsequent Security Interest affecting the Charged Property the Pension Trustee may open a new account for the relevant Chargor in its books. If the Pension Trustee does not open a new account, then unless the Pension Trustee gives express written notice to the contrary to the relevant Chargor, all payments by or on behalf of the relevant Chargor to the Pension Trustee will be treated from time of receipt of notice of the subsequent Security Interest by the Pension Trustee as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the amount of the Secured Liabilities as at the time when the notice was received.

## **21 SUSPENSE ACCOUNT**

The Pension Trustee may hold in a suspense or impersonal account on whatever terms the Pension Trustee may think fit all monies received, recovered or realised by the Pension Trustee pursuant to this Debenture until the Secured Liabilities have been irrevocably paid in full.

## **22 PAYMENTS AND WITHHOLDING TAXES**

Each Chargor shall pay and discharge the Secured Liabilities without any deduction, withholding, set-off, counterclaim, restriction or condition and without regard to any equities between the Chargors and the Pension Trustee, except to the extent that the relevant Chargor is required by law to deduct or withhold any amounts payable under this Debenture, in which case it shall pay to the Pension Trustee an additional amount sufficient to ensure that the net amount received by the Pension Trustee after the required deduction or withholding (including any required deduction or withholding on the additional amount) be equal to the amount that the Pension Trustee would have received had no deduction or withholding being made. Any additional amount paid under this clause shall be treated as agreed compensation and not as interest.

## **23 SET-OFF**

Each Chargor agrees that the Pension Trustee may at any time after this Debenture has become enforceable without notice or further demand combine or consolidate all or any of its then existing accounts including any accounts in the name of the Pension Trustee or of that Chargor (whether current, deposit, loan or any other nature whatsoever whether subject to notice or not and whether in sterling or in any other currency) and set-off or transfer any sum standing to the credit of any one or more of those accounts in or towards satisfaction of the Secured Liabilities.

## **24 ASSIGNMENT**

- 24.1 The Chargors may not assign, transfer, novate or dispose of any of their rights and obligations under this Debenture.
- 24.2 Each Chargor acknowledges that:
  - (a) the rights and obligations of the Pension Trustees under this Deed may be transferred in whole or in part to the Pension Protection Fund as a result of the operation of Section 161 of and Schedule 6 to the Pensions Act 2004; and
  - (b) the rights and obligations under this Deed shall be binding upon and enure for the benefit of any person who is for the time being a trustee of the Scheme including any person who succeeds or replaces a trustee of the Scheme.

## **25 WAIVERS**

No failure or delay or other relaxation or indulgence on the part of the Pension Trustee to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

## **26 HM LAND REGISTRY**

- 26.1 The relevant Chargors hereby apply to the Chief Land Registrar to enter a restriction in the Proprietorship Registers of the registered titles (if any) of the Scheduled Property or, in the case of the first registration of the whole or any part of the Scheduled Property, against the Scheduled Property, or both, of a restriction in the following form:

"No disposition or dealing of the registered estate by the proprietor of the registered estate is to be registered without a written consent by the proprietor for the time being of the charge dated [date] in favour of [chargee] referred to in the charges register."

- 26.2 Each Chargor will on request by the Pension Trustee apply to the Chief Land Registrar to enter a restriction in the Proprietorship Registers of the registered titles of any real property which it owns in the following form:

"No disposition or dealing of the registered estate by the proprietor of the registered estate is to be registered without a written consent by the proprietor for the time being of the charge dated [date] in favour of [chargee] referred to in the charges register."

## **27 NOTICES**

- 27.1 Each party may give any notice, demand or other communication under or in connection with this Debenture by letter, facsimile or comparable means of communication addressed to the other party at the address identified with its name below. Any such communication will be deemed to be given as follows:
- (a) if personally delivered, at the time of delivery;
  - (b) if by letter, two clear business days following the day of posting (or in the case of airmail, seven clear days after the day of posting); and
  - (c) if by email, facsimile transmission or comparable means of communication during the business hours of the Pension Trustee then on the day of transmission, otherwise on the next following Business Day.
- 27.2 In providing such service it shall be sufficient to prove that personal delivery was made or that such letter was properly stamped first class, addressed and delivered to the postal authorities or in the case of facsimile transmission or other comparable means of communication, that a confirming hard copy was provided promptly after transmission.

## **28 WAIVER OF CONFIDENTIALITY**

Each Chargor hereby agrees that the Pension Trustee may disclose to each party to the Senior Intercreditor Agreement and/or the Deed of Priority, and each party to the Senior Intercreditor Agreement and/or the Deed of Priority may disclose to each other party to the Senior Intercreditor Agreement and/or the Deed of Priority and/or Pension Trustee and/or to their respective professional advisers any information which any of them may have in connection with the affairs of each Chargor and/or the assets, liabilities, projections, forecasts and prospects of each Chargor and/or the state of each Chargor's accounts with each party to the Senior Intercreditor Agreement and/or the Deed of Priority and/or the Pension Trustee.

## **29 COUNTERPARTS**

This Debenture may be executed in any number of counterparts and by the separate parties hereto in separate counterparts so that when executed and delivered all the counterparts shall together constitute one and the same document.

**30 GOVERNING LAW**

This Debenture shall be governed by and construed in accordance with English law.

**31 THIRD PARTY RIGHTS**

A person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Debenture but this does not affect any right or remedy of a third party which exists or is available apart from that Act (including any right or remedy arising by virtue of an assignment of the benefit of this Debenture or any part of this Debenture which is permitted in accordance with its terms).

**IN WITNESS** of which this document has been executed and, on the date set out above, delivered as a deed and the parties to this document intend that it takes effect as a deed notwithstanding the fact that the Pension Trustee may only execute this Debenture under hand, or not at all

**SCHEDULE 1****The Chargors**

<b>Name</b>	<b>Address</b>	<b>Company Number and jurisdiction of incorporation (if applicable)</b>
Adare SEC Holdings Limited	Park Mill Wakefield Road Clayton West Huddersfield United Kingdom HD8 9QQ	10827606, England and Wales
Adare SEC LNC Limited	Park Mill Wakefield Road Clayton West Huddersfield United Kingdom HD8 9QQ	10827616, England and Wales
ACICS Limited	Park Mill Wakefield Road Clayton West Huddersfield United Kingdom HD8 9QQ	05709792, England and Wales
Adare Lexicon Limited	1 Meridian South Meridian Business Park Leicester Leicestershire LE19 1WY	03014889, England and Wales
Adare SEC Ltd	1 Meridian South Meridian Business Park Leicester Leicestershire LE19 1WY	02814431, England and Wales
Adare SEC (Nottingham) Limited	1 Meridian South Meridian Business Park Leicester Leicestershire LE19 1WY	10062452, England and Wales

## SCHEDULE 2

### Guarantee Provisions

- 1 The guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor to the Pension Trustee in connection with the Pension Scheme, regardless of any intermediate payment or discharge in whole or in part.
- 2 If any payment by an Obligor or any discharge given by the Pension Trustee (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:
  - 2.1 the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
  - 2.2 the Pension Trustee shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.
- 3 The obligations of each Guarantor under clause 2 will not be affected by an act, omission, matter or thing which, but for clause 2, would reduce, release or prejudice any of its obligations under clause 2 (without limitation and whether or not known to it or the Pension Trustee) including:
  - (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
  - (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
  - (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
  - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
  - (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility or other document or security;
  - (f) any unenforceability, illegality or invalidity of any obligation of any person under any document or security; or
  - (g) any insolvency or similar proceedings.
- 4 Each Guarantor waives any right it may have of first requiring the Pension Trustee (or any trustee or agent on their behalf) to proceed against or enforce any other


rights or security or claim payment from any person before claiming from that Guarantor under clause 2. This waiver applies irrespective of any law to the contrary.


- 5 Until all amounts which may be or become payable by the Obligors to the Pension Trustee in connection with the Pension Scheme have been irrevocably paid in full, the Pension Trustee (or any trustee or agent on its behalf) may:
  - (a) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
  - (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under clause 2.
- 6 Until all amounts which may be or become payable by the Obligors to the Pension Trustee in connection with the Pension Scheme have been irrevocably paid in full and unless the Pension Trustee otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations to the Pension Trustee in connection with the Pension Scheme:
  - (a) to be indemnified by an Obligor;
  - (b) to claim any contribution from any other guarantor of any Obligor's obligations to the Pension Trustee in connection with the Pension Scheme; or
  - (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Pension Trustee under this Debenture or of any other guarantee or security taken pursuant to, or in connection with, the obligations owed to the Pension Trustee by the Chargors.
- 7 The guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any of the Pension Trustee.
- 8 The total amount recoverable under this guarantee shall not exceed £3,000,000.

**SCHEDULE 3****Scheduled Property**


<b>Registered Proprietor</b>	<b>Description</b>	<b>Title Number and District Registry or London Borough</b>
Adare SEC Limited (Company Number 02814431)	Freehold land and buildings on the south east side of Wakefield Road, Huddersfield	Title Number WYK504250

**Chargors**

SIGNED and delivered when dated as a )  
deed by **ADARE SEC HOLDINGS LIMITED** )  
in the presence of: 


Signature of Witness: 


Name: *Amelia Sharkey*  
Occupation:  
Address:

  
Squire Patton Boggs (UK) LLP  
6 Wellington Place  
Leeds  
LS1 4AP


**Notices**

Address: Park Mill, Clayton West, Huddersfield, West Yorkshire HD8 9QQ  
Fax: N/A  
Attention: Nigel Berry

SIGNED and delivered when dated as a )  
deed by **ADARE SEC LNC LIMITED** in the )  
presence of: 

Signature of Witness: 


Name: *Amelia Sharkey*  
Occupation:  
Address:

  
Squire Patton Boggs (UK) LLP  
6 Wellington Place  
Leeds  
LS1 4AP

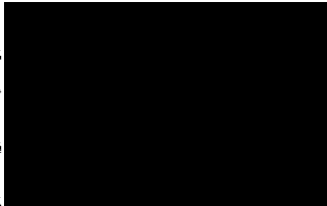
**Notices**

Address: Park Mill, Clayton West, Huddersfield, West Yorkshire HD8 9QQ  
Fax: N/A  
Attention: Nigel Berry

SIGNED and delivered when dated as a )  
deed by **ACICS LIMITED** in the presence of: )  


Signature of Witness: 

Name: *Amelia Sharkey*  
Occupation:  
Address:

  
Squire Patton Boggs (UK) LLP  
6 Wellington Place  
Leeds  
LS1 4AP

**Notices**

Address: Park Mill, Clayton West, Huddersfield, West Yorkshire HD8 9QQ  
Fax: N/A  
Attention: Nigel Berry

SIGNED and delivered when dated as a deed by **ADARE LEXICON LIMITED** in the presence of:

Signature of Witness:

Name:

Occupation:

Address:

Squire Patton Boggs (UK) LLP  
6 Wellington Place  
Leeds  
LS1 4AP

**Notices**

Address: Park Mill, Clayton West, Huddersfield, West Yorkshire HD8 9QQ

Fax: N/A

Attention: Nigel Berry

SIGNED and delivered when dated as a deed by **ADARE SEC LIMITED** in the presence of:

Signature of Witness:

Name:

Occupation:

Address:

Squire Patton Boggs (UK) LLP  
6 Wellington Place  
Leeds  
LS1 4AP

**Notices**

Address: Park Mill, Clayton West, Huddersfield, West Yorkshire HD8 9QQ

Fax: N/A

Attention: Nigel Berry

SIGNED and delivered when dated as a deed by **ADARE SEC (NOTTINGHAM) LIMITED** in the presence of:

Signature of Witness:

Name:

Occupation:

Address:

Squire Patton Boggs (UK) LLP  
6 Wellington Place  
Leeds  
LS1 4AP

**Notices**

Address: Park Mill, Clayton West, Huddersfield, West Yorkshire HD8 9QQ

Fax: N/A

Attention: Nigel Berry

**Pension Trustees**

**SIGNED by NEIL HAINSWORTH**

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**Notices**

Address: 123 Healdfield Road, Castleford WF10 4SF  
Fax No: N/A

**SIGNED by KEITH GRAVER**

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**Notices**

Address: 14 Hillthorpe Road, Pudsey LS28 8ND  
Fax No: N/A

**SIGNED for and on behalf of CAPITAL  
CRANFIELD PENSION TRUSTEES  
LIMITED**

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**Notices**

Address: 42 New Broad Street, London, EC2M 1 JD  
Fax No: 020 7012 8701  
Attention: Alison Creasy