



Registration of a Charge

Company name: **AFH INDEPENDENT FINANCIAL SERVICES LIMITED**

Company number: **04049180**



X8l6H26P

Received for Electronic Filing: **13/11/2019**

Details of Charge

Date of creation: **07/11/2019**

Charge code: **0404 9180 0001**

Persons entitled: **HSBC BANK PLC**

Brief description: **PURSUANT TO THE CHARGE THE COMPANY CHARGED BY WAY OF FIRST LEGAL MORTGAGE ALL ITS REAL PROPERTY (ALTHOUGH NO FURTHER DETAILS ARE SPECIFIED IN THE CHARGE FOR REAL PROPERTY OWNED BY THIS COMPANY). SEE FURTHER CLAUSE 3.1.1 OF THE CHARGE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **TRAVERS SMITH LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4049180

Charge code: 0404 9180 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th November 2019 and created by AFH INDEPENDENT FINANCIAL SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th November 2019 .

Given at Companies House, Cardiff on 14th November 2019

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

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EXECUTION VERSION

COMPOSITE DEBENTURE

DATED 7 November **2019**

THE COMPANIES IDENTIFIED IN SCHEDULE 1

AS ORIGINAL CHARGORS

in favour of

HSBC BANK PLC

as Lender

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THIS DEBENTURE is dated 7 November 2019 and made between:

- (1) **THE COMPANIES** whose names, registered numbers and registered offices are set out in Schedule 1 (the "**Original Chargors**") in favour of
- (2) **HSBC BANK PLC** as lender (the "**Lender**").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this Debenture, have the same meaning when used in this Debenture or any Mortgage (as defined below) and in addition:

Account means any credit balance from time to time on any account opened or maintained by any of the Chargors with the Lender or any other financial institution (and any replacement account or subdivision or sub-account of that account).

Additional Chargor means any entity which becomes a Chargor by executing a Deed of Accession.

Charged Property means all the assets and undertakings of any Chargor which from time to time are the subject of the security created or expressed to be created in favour of the Lender by or pursuant to this Debenture and any Mortgage.

Charges means all or any of the Security created or expressed to be created by or pursuant to this Debenture and any Mortgage.

Chargor means an Original Chargor or an Additional Chargor.

Collateral Rights means all rights, powers and remedies of the Lender provided by or pursuant to this Debenture or any Mortgage or by law.

Company means AFH Financial Group Plc a company incorporated under the laws of England and Wales with registered number 07638831.

Deed of Accession means a deed substantially in the form of Schedule 6 (*Form of Deed of Accession*) or in any form agreed between the Company and the Lender.

Derivative Assets means all assets derived from any of the Shares including all allotments, accretions, offers, rights, dividends, interest, income, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Shares and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof.

Enforcement Event means an Event of Default which is continuing.

Event of Default has the meaning given to it in the Facility Agreement.

Facility Agreement means the facility agreement dated on or about the date of this Debenture between, amongst others, HSBC Bank Plc (as the Lender), AFH Financial Group Limited (as the Company) and others as amended, varied, novated or supplemented from time to time.

Group has the meaning given to such term in the Facility Agreement.

LPA means the Law of Property Act 1925.

Mortgage means a mortgage or charge in respect of all the Real Property granted by a Chargor in favour of the Lender in accordance with Clause 6 (*Further assurance*) substantially in the form of Schedule 4 (*Form of Legal Mortgage*).

Permitted Security has the meaning given to it in the Facility Agreement.

Real Property means:

- (a) any freehold, leasehold or immovable property (including the freehold and leasehold property in England and Wales specified in Schedule 2 (*Details of Real Property*)); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights.

Receiver means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment.

Related Rights means, in relation to any asset (including the Shares and the Derivative Assets):

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

Secured Obligations means all obligations covenanted to be discharged by each Chargor in Clause 2.1 (*Covenant to pay*).

Security has the meaning given to it in the Facility Agreement.

Shares means all of the shares listed at Schedule 3 (*Details of Shares*) and all of the shares in the capital of any other limited liability company incorporated in England and Wales which is or becomes a Material Company, in each case held by, to the order or on behalf of any Chargor from time to time.

1.2 Interpretation

In this Debenture or, as applicable, any Mortgage:

- 1.2.1** the rules of interpretation contained in Clause 1.2 (*Construction*) of the Facility Agreement shall apply to the construction of this Debenture or any Mortgage;
- 1.2.2** any reference to the "**Lender**", the "**Chargors**", the "**Agent**" or any other person shall be construed so as to include its or their (and any subsequent) successors and any permitted transferees in accordance with their respective interests; and
- 1.2.3** (unless otherwise stated) references in this Debenture to any Clause or Schedule shall be to a clause or schedule contained in this Debenture.

1.3 Third party rights

- 1.3.1** Unless expressly provided to the contrary in this Debenture a person who is not a party hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Debenture.
- 1.3.2** Notwithstanding any term of this Debenture, the consent of any person who is not a party hereto is not required to rescind or vary this Debenture at any time.

1.4 Inconsistency

- 1.4.1** In the event of any inconsistency arising between any of the provisions of this Debenture or any Mortgage and the Facility Agreement, the provisions of the Facility Agreement shall prevail.
- 1.4.2** To the extent that the provisions of this Debenture are inconsistent with those of any Mortgage, the provisions of that Mortgage shall prevail.

1.5 Disposition of property

The terms of the other Finance Documents and of any side letters between the Parties in relation to the Finance Documents are incorporated into this Debenture and any Mortgage to the extent required for any purported disposition of the Real Property contained in this Debenture or any Mortgage to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.6 Incorporation of provisions into any Mortgage

Clauses 1.2 (*Interpretation*), 6.1 (*Further assurance: general*), 6.4 (*Implied covenants for title*), 10 (*Enforcement of security*), 11 (*Extension and variation of the LPA*), 12 (*Appointment of Receiver or administrator*), 13 (*Powers of Receiver*), 16 (*Power of attorney*), 25 (*Governing law*) and 26 (*Jurisdiction of English courts*) of this Debenture are incorporated into any Mortgage as if expressly incorporated into that Mortgage, as if references in those clauses to this Debenture were references to that Mortgage and as if all references in those clauses to Charged Property were references to the assets of the Chargor from time to time charged in favour of, or assigned (whether at law or in equity) to, the Lender by or pursuant to that Mortgage.

1.7 Mortgage

It is agreed that each Mortgage is supplemental to this Debenture.

1.8 Deed

It is intended that this Debenture takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

2. PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to pay

Each Chargor hereby covenants with the Lender that it shall discharge all obligations, as and when they fall due in accordance with their terms, which the Chargors may at any time have to the Lender under or pursuant to the Finance Documents (including this Debenture and any Mortgage) including any liabilities in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). Each Chargor shall pay to the Lender when due and payable every sum at any time owing, due or incurred by such Chargor to the Lender in respect of any such liabilities, **provided that** neither such covenant nor the security constituted by this Debenture or any Mortgage shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

2.2 Interest on demands

If any Chargor fails to pay any sum on the due date for payment of that sum such Chargor shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the due date for payment until the date of actual payment calculated on a daily basis at the rate determined by and in accordance with the provisions of clause 11.3 (*Default interest*) of the Facility Agreement.

3. FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

3.1 Fixed charges

Each Chargor hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations, by way of first fixed charge (which, so far as it relates to land in England and Wales vested in a Chargor at the date of this Debenture and listed in Schedule 2 (*Details of Real Property*)), shall be a charge by way of legal mortgage) all such Chargor's right, title and interest from time to time in and to each of the following assets (subject in each case to obtaining any necessary consent to such mortgage or fixed charge from any third party) in each case both present and future:

3.1.1 the Real Property; and

3.1.2 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise).

3.2 Floating charge

3.2.1 Each Chargor hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of such Chargor, other than any asset which is situated in England and Wales and which is validly and effectively charged under the laws of England and Wales by way of fixed security created under this Debenture in favour of the Lender as security for the Secured Obligations.

3.2.2 The floating charge created by this Clause 3.2 shall be deferred in point of priority to all fixed security validly and effectively created by a Chargor under the Finance Documents in favour of the Lender as security for the Secured Obligations.

3.2.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 3.2.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation: by notice

The Lender may at any time by notice in writing to a Chargor convert the floating charge created by Clause 3.2 (*Floating charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

4.1.1 an Enforcement Event has occurred; or

4.1.2 the Lender reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or

- 4.1.3** the Lender reasonably considers that it is necessary in order to protect the priority of the security.

4.2 Crystallisation: automatic

Notwithstanding Clause 4.1 (*Crystallisation: by notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically be converted (without notice) with immediate effect into a fixed charge as regards all the assets subject to the floating charge if:

- 4.2.1** any Chargor creates or attempts to create any Security (other than any Permitted Security) over any of the Charged Property; or
- 4.2.2** any Chargor disposes or attempts to dispose of all or any of its assets (other than as expressly permitted under the Facility Agreement); or
- 4.2.3** any person levies or attempts to levy any distress, execution or other process or seizes any goods pursuant to any rent arrears recovery process, against any of the Charged Property which is not discharged within two Business Days; or
- 4.2.4** a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of any Chargor or an administrator is appointed to any Chargor; or
- 4.2.5** any person (who is entitled to do so) gives notice of its intention to appoint an administrator to any Chargor or files such a notice with the court.

5. PERFECTION OF SECURITY

5.1 Real Property: delivery of documents of title

- 5.1.1** Each Chargor shall, as soon as reasonably practicable following the execution of this Debenture in respect of any Real Property specified in Schedule 2 (*Details of Real Property*) deliver to the Lender (or procure delivery of), and the Lender shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to such property.
- 5.1.2** Each Chargor shall upon the execution of this Debenture, and promptly following the acquisition by such Chargor of any interest in any other freehold, leasehold or other immovable property, deliver (or procure delivery) to the Lender of, and the Lender shall be entitled to hold and retain, all deeds, certificates and other documents of title relating to such property.

5.2 Note of Mortgage

In the case of any Real Property, title to which is or will be registered under the Land Registration Act 2002, which is acquired by or on behalf of a Chargor after the execution of this Debenture, such Chargor shall promptly notify the Lender of the title number(s) and, contemporaneously with the making of an application to the Land Registry for the

registration of such Chargor as the Registered Proprietor of such property, apply to the Chief Land Registrar to enter a notice of any Mortgage on the Charges Register of such property.

5.3 Further advances

5.3.1 Subject to the terms of the Facility Agreement, each Lender (as defined in the Facility Agreement) is under an obligation to make further advances to the Borrower(s) and that obligation will be deemed to be incorporated into this Debenture as if set out in this Debenture.

5.3.2 Each Chargor consents to an application being made to the Chief Land Registrar to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Charged Property.

5.4 Application to the Land Registry

Each Chargor consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship Register of any property which is, or is required to be, registered and which forms part of the Real Property:

"No [disposition *or specify type of disposition*] of the registered estate [(other than a charge)] by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [*Lender name*] of [*address*] referred to in the charges register [or [their conveyancer *or specify appropriate details*]]."

5.5 Delivery of share certificates

5.5.1 Each Chargor shall, on the date of this Debenture or on, or promptly after, the date on which any Shares are issued or transferred to it after the date of this Debenture, deposit with the Lender (or procure the deposit of):

- (a) all certificates or other documents of title to such Shares;
- (b) stock transfer forms in such form as the Lender shall require with the name of the transferee, the consideration and the date kept blank but otherwise duly completed and executed by or on behalf of such Chargor in relation to such Shares; and
- (c) to the extent that any of the Shares are held by any nominee of a Chargor, a duly executed nominee undertaking relating to such Shares together with such instruments of transfer (with the name of the transferee, the consideration and the date left blank, but otherwise duly completed and executed) and other documents as the Lender may from time to time require for perfecting its title to such Shares.

5.5.2 Each Chargor shall, promptly upon the accrual, offer or issue of any Derivative Assets, notify the Lender of that occurrence and procure the prompt delivery to the Lender of:

- (a) all certificates or other documents of title representing such Derivative Assets; and
- (b) such stock transfer forms or other instruments of transfer with the name of the transferee, the consideration and the date left blank (but otherwise duly completed and executed by or on behalf of such Chargor) in respect of such Derivative Assets as the Lender may request.

6. FURTHER ASSURANCE

6.1 Further assurance: general

6.1.1 The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-Clause 6.1.2.

6.1.2 Each Chargor shall promptly enter into a Mortgage over any future acquired Real Property.

6.2 Necessary action

Each Chargor shall at its own expense take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection, confirmation or maintenance of any security created or intended to be created in favour of the Lender, any Receiver or administrator by or pursuant to this Debenture and any Mortgage.

6.3 Consent of third parties

Each Chargor shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Lender) as soon as possible any consents necessary, including any consent necessary for any Mortgage, to enable the assets of such Chargor to be the subject of an effective fixed charge or assignment pursuant to Clause 3 (*Fixed charges, assignments and floating charge*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and such Chargor shall promptly deliver a copy of each consent to the Lender.

6.4 Implied covenants for title

The obligations of each Chargor under this Debenture and any Mortgage shall be in addition to the covenants for title deemed to be included in this Debenture and any Mortgage by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

6.5 Value of security

No Chargor shall do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the security created or intended to be created by this Debenture.

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Security

Each Chargor shall not (and shall not agree to) at any time during the subsistence of this Debenture or any Mortgage, create or permit to subsist any Security over all or any part of the Charged Property other than Permitted Security.

7.2 No disposal of interests

Each Chargor shall not (and shall not agree to) at any time during the subsistence of this Debenture or any Mortgage, except as permitted pursuant to the Facility Agreement:

- 7.2.1** execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Charged Property; or
- 7.2.2** create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property; or
- 7.2.3** (a) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of the Charged Property or (b) allow or grant any person any licence or right to use or occupy or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the validity, enforceability or value of any of the Charged Property or the ability of the Lender to exercise any of the Collateral Rights; or
- 7.2.4** lend or otherwise dispose of, or grant any rights (whether of pre-emption or otherwise) over, all or any part of the Shares or any Related Rights.

8. SHARES

8.1 Shares: before an Enforcement Event

Prior to the occurrence of an Enforcement Event, each Chargor shall:

- 8.1.1** pay all dividends, interest and other monies arising from the Shares and/or Related Rights into an Account; and
- 8.1.2** be entitled to exercise all voting rights in relation to the Shares **provided that** such Chargor shall not exercise such voting rights in any manner inconsistent with the security created or intended to be created by this Debenture or which is in breach of any Finance Document, or otherwise permit or agree to any (a) variation of the rights attaching to or conferred by any of the Shares

or (b) increase in the issued share capital of any company whose Shares are charged pursuant to this Debenture, which in the opinion of the Lender would prejudice the value of, or the ability of the Lender to realise the security created by, this Debenture.

8.2 Shares: after an Enforcement Event

Upon the occurrence of an Enforcement Event, the Lender may at its discretion (in the name of any Chargor or otherwise and without any further consent or authority from such Chargor):

- 8.2.1** exercise (or refrain from exercising) any voting rights in respect of the Shares;
- 8.2.2** apply all dividends, interest and other monies arising from the Shares in accordance with Clause 14 (*Application of monies*);
- 8.2.3** transfer the Shares into the name of such nominee(s) of the Lender as it shall require; and
- 8.2.4** exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares, including the right, in relation to any company whose shares or other securities are included in the Charged Property, to concur or participate in:
 - (a) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence of such event);
 - (b) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (c) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in such manner and on such terms as the Lender may think fit, and the proceeds of any such action shall form part of the Charged Property.

8.3 Shares: payment of calls

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares or any Related Rights, and in any case of default by such Chargor in such payment, the Lender may, if it thinks fit, make such payment on behalf of such Chargor in which case any sums paid by the Lender shall be reimbursed by such Chargor to the Lender on demand and shall carry interest from the date of payment by the Lender until reimbursed at the rate and in accordance with Clause 2.2 (*Interest on demands*).

8.4 No restrictions on transfer

Each Chargor shall:

- 8.4.1** ensure that the Shares and Related Rights are at all times free from any restriction on transfer (whether under any relevant constitutional documents or otherwise) by the Lender (or its nominee(s)) to perfect or enforce the security conferred or intended to be conferred by this Debenture; and
- 8.4.2** procure that the board of directors of each Chargor approves any transfer of any of the Shares and Related Rights desired to be made by the Lender in the exercise of the rights, powers and remedies conferred upon it by this Debenture or by law.

8.5 Communications and PSC notices

- 8.5.1** Each Chargor shall notify the Lender of the contents of any communication or document received by it in relation to any of the Shares and Related Rights.
- 8.5.2** Each Chargor shall promptly copy to the Lender and comply with all requests for information which are made under sections 790D or 790E or paragraph 1(2) of Schedule 1B of the Companies Act 2006 relating to the Shares. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the relevant Chargor.

8.6 Variation of rights

No Chargor shall, by the exercise of any voting rights or otherwise, permit or agree to any proposed compromise, arrangement, capital reorganisation, conversion, exchange, repayment or takeover offer affecting or in respect of any of the Shares or Related Rights.

8.7 Obligations generally

Each Chargor shall comply with every covenant (whether restrictive or otherwise), obligation and provision on its part to be complied with (and use its best endeavours to procure compliance by each other party thereto with every covenant, obligation and provision on the part of each such other party to be complied with) contained in any document affecting the Shares and Related Rights or their use and enjoyment.

9. REAL PROPERTY

9.1 Property: notification

Each Chargor shall immediately notify the Lender of any forfeiture notice received or any contract, conveyance, transfer or other disposition or the acquisition by such Chargor (or its nominee(s)) of any Real Property.

9.2 Lease covenants

Each Chargor shall, in relation to any lease, agreement for lease or other right to occupy under which all or any part of the Charged Property is held or to which it is at any time subject:

- 9.2.1** pay the rents (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or, (if the lessee) on the lessee; and
- 9.2.2** not do any act or thing whereby any lease or other document which gives any right to occupy any part of the Charged Property becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term.

9.3 General property undertakings

Each Chargor shall:

- 9.3.1** repair and keep in good and substantial repair and condition all the Real Property at any time forming part of the Charged Property;
- 9.3.2** not at any time without the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed, save where there would be, in the Lender's reasonable opinion, a materially adverse effect on the security created under any Finance Document) sever or remove any of the fixtures forming part of the Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Charged Property (except for the purpose of any necessary repairs or replacement of it); and
- 9.3.3** comply with and observe and perform (a) all applicable requirements of all planning and environmental legislation, regulations and bye-laws relating to the Real Property, (b) any conditions attaching to any planning permissions relating to or affecting the Real Property and (c) any notices or other orders made by any planning, environmental or other public body in respect of all or any part of the Real Property.

9.4 Entitlement to remedy

If any Chargor fails to comply with any of the undertakings contained in this Clause 9, the Lender shall be entitled (with such agents, contractors and others as it sees fit), to do such things as may, in the reasonable opinion of the Lender, be required to remedy such failure and all monies spent by the Lender in doing so shall be reimbursed by such Chargor to the Lender on demand with interest from the date of payment by the Lender until reimbursed in accordance with Clause 2.2 (*Interest on demands*).

10. ENFORCEMENT OF SECURITY

10.1 Enforcement

At any time after the occurrence of an Enforcement Event, or if a Chargor requests the Lender to exercise any of its powers under this Debenture or any Mortgage, or if a petition or application is presented for the making of an administration order in relation to a Chargor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of any Chargor or files such a notice with the court, the security created by or pursuant to this Debenture or any Mortgage is immediately enforceable and the Lender may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion:

- 10.1.1** enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property and the Lender (or its nominee(s)) shall have an immediate and absolute power of sale or other disposition over the Charged Property (including, without limitation, the power to execute, seal, deliver or otherwise complete any transfers or other documents required to vest any of the Shares and/or Related Rights in the Lender, any of its nominees or in any purchaser of any of the Shares and/or Related Rights); and
- 10.1.2** whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by this Debenture and each Mortgage) on mortgagees and by this Debenture and each Mortgage on any Receiver or otherwise conferred by law on mortgagees or Receivers.

10.2 No liability as mortgagee in possession

Neither the Lender nor any of its nominees nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable, and in particular the Lender (or its nominee(s)) or any Receiver shall not be liable for any loss occasioned by any exercise or non-exercise of rights attached to the Shares or the Related Rights or by any failure to report to any Chargor any notice or other communication received in respect of the Shares.

10.3 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Debenture and the obligations of any Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**")) the Lender shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that

the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Shares, the market price of such Shares determined by the Lender by reference to a public index or by such other process as the Lender may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

10.4 Effect of moratorium

The Lender shall not be entitled to exercise its rights under Clause 10.1 (*Enforcement*), Clause 12.1 (*Appointment and removal*) (other than Clause 12.1.5) or Clause 4 (*Crystallisation of floating charge*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.

11. EXTENSION AND VARIATION OF THE LPA

11.1 Extension of powers

The power of sale or other disposal conferred on the Lender, its nominee(s) and any Receiver by this Debenture and each Mortgage shall operate as a variation and extension of the statutory power of sale under Section 101 of the LPA and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture and each Mortgage.

11.2 Restrictions

The restrictions contained in Sections 93 and 103 of the LPA shall not apply to this Debenture and each Mortgage or to the exercise by the Lender of its right to consolidate all or any of the Charges with any other Security in existence at any time or to its power of sale, which powers may be exercised by the Lender without notice to any Chargor on or at any time after the occurrence of an Enforcement Event.

11.3 Power of leasing

The statutory powers of leasing may be exercised by the Lender at any time on or after the occurrence of an Enforcement Event and the Lender and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the LPA.

11.4 Transfer of Security

11.4.1 At any time after the occurrence of an Enforcement Event, the Lender may:

- (a) redeem any prior Security against any Charged Property; and/or

- (b) procure the transfer of any such Security to itself; and/or
- (c) settle and pass the accounts of the prior mortgagee or chargee; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on each Chargor.

11.4.2 Each Chargor shall pay to the Lender immediately on demand the costs and expenses incurred by the Lender in taking any action contemplated by Clause 11.4.1, including the payment of any principal or interest.

11.5 Suspense account

If the Charges are enforced at a time when no amount is due under the Finance Documents but at a time when amounts may or will become due, the Lender (or any Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

12. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

12.1 Appointment and removal

After the occurrence of an Enforcement Event, or if a petition or application is presented for the making of an administration order in relation to any Chargor, or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of any Chargor or files such a notice with the court or if requested to do so by any Chargor, the Lender may by deed or otherwise (acting through an authorised officer of the Lender), without prior notice to any Chargor and in relation to each Chargor:

- 12.1.1** appoint one or more persons to be a Receiver of the whole or any part of the Charged Property;
- 12.1.2** appoint two or more Receivers of separate parts of the Charged Property;
- 12.1.3** remove (so far as it is lawfully able) any Receiver so appointed;
- 12.1.4** appoint another person(s) as an additional or replacement Receiver(s); and
- 12.1.5** appoint one or more persons to be an administrator of such Chargor.

12.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 12.1 (*Appointment and removal*) shall be:

- 12.2.1** entitled to act individually or together with any other person appointed or substituted as Receiver;
- 12.2.2** for all purposes deemed to be the agent of the relevant Chargor which shall be solely responsible for their acts, defaults and liabilities and for the payment of their remuneration and no Receiver shall at any time act as agent for the Lender; and

- 12.2.3** entitled to remuneration for their services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified by the LPA).

12.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Lender under the LPA (as extended by this Debenture and each Mortgage) or otherwise and such powers shall remain exercisable from time to time by the Lender in respect of any part of the Charged Property. Except as provided in Clause 10.4 (*Effect of moratorium*), any restriction imposed by law on the right of a mortgagee to appoint a receiver (including under section 109(1) of the LPA) does not apply to this Debenture.

13. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing them but notwithstanding any winding-up or dissolution of a Chargor) have and be entitled to exercise, in relation to the Charged Property (and any assets of a Chargor which, when got in, would be Charged Property) in respect of which the Receiver was appointed, and as varied and extended by the provisions of this Debenture (in the name of or on behalf of the relevant Chargor or in their own name and, in each case, at the cost of such Chargor):

- 13.1.1** all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA;
- 13.1.2** all the powers of an administrative receiver set out in Schedule 2 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 13.1.3** all the powers and rights of an absolute owner and power to do or omit to do anything which the relevant Chargor itself could do or omit to do; and
- 13.1.4** the power to do all things (including bringing or defending proceedings in the name or on behalf of the relevant Chargor) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in them or (b) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (c) bringing to their hands any assets of the relevant Chargor forming part of, or which when got in would be, Charged Property.

14. APPLICATION OF MONIES

All monies received or recovered by the Lender, its nominee(s) or any Receiver pursuant to this Debenture and each Mortgage or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the LPA) be applied in the following order of priority:

- 14.1** in the payment of the costs, charges and expenses incurred and payments made by the Lender, its nominee(s) or any Receiver, the payment of their remuneration and the discharge of any liabilities incurred by the Lender, its nominee(s) or any Receiver in, or incidental to, the exercise of any of their powers;
- 14.2** in payment or distribution to the Lender for application towards the discharge of the Secured Obligations;
- 14.3** if none of the Chargors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Lender, its nominee(s) or any Receiver is obliged to pay or distribute in priority to any Chargor; and
- 14.4** the balance, if any, in payment or distribution to the relevant Chargor.

15. PROTECTION OF PURCHASERS

15.1 Consideration

The receipt of the Lender, its nominee(s) or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Lender, its nominee(s) or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

15.2 Protection of purchasers

No purchaser or other person dealing with the Lender, its nominee(s) or any Receiver shall be bound to inquire whether the right of the Lender, such nominee(s) or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Lender, such nominee(s) or such Receiver in such dealings.

16. POWER OF ATTORNEY

16.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Lender and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

- 16.1.1** carrying out any obligation imposed on such Chargor by this Debenture (including the completion, execution and delivery of any Mortgages, deeds, charges, assignments or other security and any transfers of the Charged Property); and
- 16.1.2** enabling the Lender and any Receiver to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on them by or pursuant to this Debenture or any Mortgage or by law (including the exercise of any right of a legal or beneficial owner of the Charged Property)

and (without prejudice to the generality of the foregoing) to execute as a deed or under hand and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

16.2 Exercise of power of attorney

The Lender may only exercise the power of attorney granted by a Chargor pursuant to Clause 16.1 (*Appointment and powers*) following:

- 16.2.1** the occurrence of an Event of Default which has occurred and is continuing; or
- 16.2.2** the failure by such Chargor to comply with any further assurance or perfection of security obligations required by the terms of this Debenture or any Mortgage within ten Business Days of such further assurance or perfection of security obligation arising.

16.3 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of their powers.

16.4 Lender's power to remedy breaches

If at any time any Chargor fails to perform any of the covenants contained in this Debenture it shall be lawful for the Lender, but the Lender shall have no obligation, to take such action on behalf of such Chargor (including, without limitation, the payment of money) as may in the Lender's reasonable opinion be required to ensure that such covenants are performed. Any losses, costs, charges and expenses incurred by the Lender in taking such action shall be reimbursed by such Chargor on demand.

17. EFFECTIVENESS OF SECURITY

17.1 Continuing security

- 17.1.1** The Charges shall remain in full force and effect as a continuing security for the Secured Obligations unless and until the Secured Obligations have been irrevocably and unconditionally discharged in full and the Finance Parties have no further obligation to make any advance available to any Obligor pursuant to any Finance Document.
- 17.1.2** No part of the security from time to time intended to be constituted by this Debenture will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

17.2 Cumulative rights

The Charges and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Lender may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Lender over the whole or any part of the Charged Property shall merge into the security constituted by this Debenture and any Mortgage.

17.3 Remedies and waivers

No failure on the part of the Lender to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

17.4 No liability

None of the Lender, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Debenture or any Mortgage or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property.

17.5 Partial invalidity

If, at any time, any provision of this Debenture or any Mortgage is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture or any Mortgage nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture or any Mortgage is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

17.6 Waiver of defences

Neither the obligations of each Chargor under this Debenture and each Mortgage nor the Charges will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any of the Charges (without limitation and whether or not known to it) including:

- 17.6.1** any time, waiver or consent granted to, or composition with, any person; or
- 17.6.2** the release of any person under the terms of any composition or arrangement with any creditor of any member of the Group; or
- 17.6.3** 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 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; or

- 17.6.4** any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person; or
- 17.6.5** any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of a Finance Document or any other document or security or of the Secured Obligations (including, without limitation, any increase to the Secured Obligations as may be agreed from time to time); or
- 17.6.6** any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security or of the Secured Obligations; or
- 17.6.7** any insolvency or similar proceedings.

17.7 Immediate recourse

Each Chargor waives any right it may have of first requiring the Lender to proceed against any other Chargor or Obligor or any other person or enforce any other rights or security or claim payment from any person before claiming from such Chargor under this Debenture or any Mortgage. This waiver applies irrespective of any law or any provision of this Debenture to the contrary or any Mortgage.

17.8 Deferral of rights

Until such time as the Secured Obligations have been discharged in full, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture or any Mortgage:

- 17.8.1** to be indemnified by any Obligor;
- 17.8.2** to claim any contribution from any other Chargor or any guarantor of any Obligor's obligations under this Debenture or under any other Finance Document;
- 17.8.3** to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, this Debenture or any Mortgage by the Lender;
- 17.8.4** to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under this Debenture or any Mortgage;
- 17.8.5** to exercise any right of set-off against any Obligor; and/or
- 17.8.6** to claim or prove as a creditor of any Obligor in competition with the Lender.

17.9 Chargor intent

Without prejudice to the generality of Clause 17.6 (*Waiver of defences*), each Chargor expressly confirms that it intends that this Debenture and any Mortgage shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

18. RELEASE OF SECURITY

18.1 Redemption of security

Upon the Secured Obligations being irrevocably and unconditionally discharged in full and the Lender not being under any further actual or contingent obligation to make advances or provide other financial accommodation to any Chargor, any Obligor or any other person under any of the Finance Documents, the Lender shall, at the request and cost of the Chargors, release and cancel the security constituted by this Debenture and procure the reassignment to the relevant Chargors of the property and assets assigned to the Lender pursuant to this Debenture, in each case subject to Clause 18.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees.

18.2 Avoidance of payments

If the Lender considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of each Chargor under, and the security created by, this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

19. SET-OFF

19.1 Each Chargor authorises the Lender (but the Lender shall not be obliged to exercise such right) to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Lender to such Chargor and apply any credit balance to which such Chargor is entitled on any account with the Lender in accordance with Clause 14 (*Application of monies*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

19.2 Without prejudice to any right of set-off the Lender may have under any other Finance Document or otherwise, if any time deposit matures on any account a Chargor has with

the Lender prior to the release of all of the Charged Property pursuant to Clause 18.1 (*Redemption of security*) when:

19.2.1 an Enforcement Event has occurred; and

19.2.2 no Secured Obligation is due and payable,

that time deposit will automatically be renewed for any further maturity which the Lender considers appropriate.

20. SUBSEQUENT SECURITY INTERESTS

If the Lender at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Debenture or any Mortgage or the Facility Agreement, all payments made thereafter by or on behalf of any Chargor to the Lender shall be treated as having been credited to a new account of such Chargor and not as having been applied in reduction of the Secured Obligations as at the time when the Lender received such notice.

21. ASSIGNMENT

The Lender may assign and transfer all or any of its rights and obligations under this Debenture or any Mortgage. The Lender shall be entitled to disclose such information concerning each Chargor and this Debenture or any Mortgage as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

22. NOTICES

The provisions of clause 33 (*Notices*) of the Facility Agreement shall apply to this Debenture.

23. DISCRETION AND DELEGATION

23.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Debenture or under any Mortgage by the Lender or any Receiver may, subject to the terms and conditions of the Facility Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

23.2 Delegation

Each of the Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) or any Mortgage on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise any subsequent delegation or any revocation of such power, authority or discretion by the Lender or the

Receiver itself. Neither the Lender nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

24. COUNTERPARTS

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

25. GOVERNING LAW

This Debenture and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

26. JURISDICTION OF ENGLISH COURTS

26.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Debenture or any Mortgage (including a dispute regarding the existence, validity or termination of this Debenture or any Mortgage or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Debenture or any Mortgage) (a "**Dispute**").

26.2 The parties to this Debenture agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

26.3 Notwithstanding Clause 26.1 above, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEBENTURE has been signed on behalf of the Lender and executed as a deed by each Original Chargor and is delivered by it on the date specified above.

SCHEDULE 1
ORIGINAL CHARGORS

| Name | Jurisdiction | Registered Number | Registered Office |
|--|---------------------|--------------------------|--|
| AFH Financial Group plc | England and Wales | 07638831 | AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, Worcestershire, B60 4JE |
| AFH Group Limited | England and Wales | 02557859 | AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, Worcestershire, B60 4JE |
| AFH Independent Financial Services Limited | England and Wales | 04049180 | AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, Worcestershire, B60 4JE |
| AFH Protection Group Limited | England and Wales | 07006895 | AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, Worcestershire, B60 4JE |
| Eunisure Limited | England and Wales | 06043401 | AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, Worcestershire, B60 4JE |

SCHEDULE 2
DETAILS OF REAL PROPERTY

Part I - Registered Land

(Freehold or leasehold property (if any) in England and Wales of which the relevant Chargor is registered as the proprietor at the Land Registry)

None as at the date of this Deed.

Part II - Unregistered Land

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at the Land Registry of which the relevant Chargor is the owner)

None as at the date of this Deed.

The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:

| Chargor | Description | Date | Document | Parties |
|---------|-------------|------|----------|---------|
| | | | | |

SCHEDULE 3
DETAILS OF SHARES

| Chargor | Name of Company in which Shares are held | Class of Shares | Number of Shares held |
|------------------------------|---|------------------------|------------------------------|
| AFH Financial Group plc | AFH Group Limited | Ordinary | 438,000 of £0.001 |
| AFH Group Limited | AFH Independent Financial Services Limited | Ordinary | 170,100 of £1.00 |
| AFH Financial Group plc | AFH Protection Group Limited | Ordinary | 100 of £1.00 |
| AFH Protection Group Limited | Eunisure Limited | Ordinary | 100 of £1.00 |

**SCHEDULE 4
FORM OF LEGAL MORTGAGE**

COMPOSITE DEBENTURE

DATED [●] 20[●]

(1) [INSERT NAME OF COMPANY]

and

(2) HSBC BANK PLC

MORTGAGE

THIS DEED is dated [] 20[●] between:

- (1) **[INSERT NAME OF COMPANY]** registered in England and Wales with company number [●] (the "**Chargor**"); and
- (2) **HSBC Bank Plc** of 8 Canada Square, London E14 5HQ as Lender (the "**Lender**").

BACKGROUND:

It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS

Terms defined in the Facility Agreement shall, unless otherwise defined in the Debenture or this Mortgage, have the same meaning in this Mortgage and in addition:

Debenture means the debenture dated [●] 20[●] between, inter alia, the Chargor and HSBC Bank Plc as the Lender.

Facility Agreement means the facility agreement dated [●][●] 20[●] between HSBC Bank Plc (as the Lender), the Company and others as amended, varied, novated or supplemented from time to time].

Mortgaged Property means:

- (a) the property specified in the Schedule (*Details of Mortgaged Property*); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property,

and includes all Related Rights.

Related Rights means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any monies and proceeds paid or payable in respect of that asset.

2. FIXED SECURITY

The Chargor hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations, by way of legal mortgage all the Chargor's right, title and interest from time to time in the Mortgaged Property.

3. IMPLIED COVENANTS FOR TITLE

3.1 The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 2 (*Fixed Security*).

3.2 It shall be implied in respect of Clause 2 (*Fixed Security*) that the Chargor is disposing of the Mortgaged Property free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

4. APPLICATION TO THE CHIEF LAND REGISTRAR

The Chargor hereby consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"No [**disposition or specify type of disposition**] of the registered estate [(other than a charge)] by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [*Lender name*] of [*address*] referred to in the charges register [or [*their conveyancer or specify appropriate details*]]."

5. FURTHER ADVANCES

5.1 Each Lender is under an obligation to make further advances to the Chargor and that obligation will be deemed to be incorporated into this Mortgage as if set out in this Mortgage.

5.2 The Chargor hereby consents to an application being made to the Chief Land Registrar to enter the obligation to make further advances on the Charges register of any registered land forming part of the Mortgaged Property.

6. RELEASE OF SECURITY

6.1 Redemption of security

Upon the Secured Obligations being discharged in full and the Lender not being under any further actual or contingent obligation to make advances or provide other financial accommodation to the Chargor, an Obligor or any other person under any agreement between the Lender and the Chargor, the Lender shall, at the request and cost of the Chargor, release and cancel the security constituted by this Mortgage and procure the reassignment to the Chargor of the property and assets assigned to the Lender pursuant

to this Mortgage, in each case subject to Clause 6.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees.

6.2 Avoidance of payments

If the Lender reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Chargor under, and the security constituted by, this Debenture shall continue and such amount shall not be considered to have been irrevocably paid.

7. THIRD PARTY RIGHTS

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

8. GOVERNING LAW

This Deed and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

9. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which shall be deemed an original and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Any party may enter into this Mortgage by signing any such counterpart.

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE

Details of Mortgaged Property

| Address of Property | Title Number | Freehold / Leasehold | Date / Parties to lease |
|---------------------|--------------|----------------------|-------------------------|
| [•] | [•] | [•] | [•] |

SCHEDULE 5
FORM OF NOTICE OF CHARGE OF LEASE

To: [Landlord]

Date: [●]

PURSUANT TO the lease of which particulars appear in paragraph 1 below, **NOTICE IS HEREBY GIVEN** that the disposition, of which particulars appear in paragraph 2 below, has taken place.

| | | |
|-----|---------------------------------|---|
| 1. | LEASE | |
| 1.1 | Date: | |
| 1.2 | Term: | |
| 1.3 | Parties: (1) (2) | |
| 1.4 | Demised Premises: | |
| 2. | DISPOSITION: | Charge contained in a Debenture |
| 2.1 | Date: | [●] |
| 2.2 | Parties: (1) (2) | [Chargor] as the Chargor [●] as the Lender |
| 2.3 | Name and Address of the Lender: | HSBC Bank Plc 8 Canada Square London E14 5HQ |

NOTES: [1. The registration fee is enclosed.]

It is requested that notice be given to the Lender of any breach of covenant by the tenant under the Lease.

This Notice is sent in duplicate and it is requested that one copy is signed as provided below and returned to the Lender.

Signed

[*Chargor*]

RECEIVED a notice of which this is a duplicate

Signed

[*Landlord*]

Date:

**SCHEDULE 6
FORM OF DEED OF ACCESSION**

COMPOSITE DEBENTURE

DATED [●] 2019

(1) [INSERT NAME OF COMPANY]

AND

(2) HSBC BANK PLC

DEED OF ACCESSION

THIS DEED is dated [] 20[●] between:

PARTIES

- (1) [INSERT NAME OF COMPANY] registered in England and Wales with company number [●] (the "**Additional Chargor**"); and
- (2) **HSBC Bank Plc** of 8 Canada Square, London E14 5HQ as lender (the "**Lender**").

BACKGROUND

- (A) The Additional Chargor is a Subsidiary of the Company.
- (B) The Company and others have entered into a debenture dated [●][●] 20[●] (the "**Debenture**") between the Company, the Chargors under and as defined in the Debenture and the Lender.
- (C) The Additional Chargor has agreed to enter into this Deed and to become an Additional Chargor under the Debenture.
- (D) The Lender and the Additional Chargor intend this document to take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

Terms defined in the Debenture have the same meaning in this Deed unless given a different meaning in this Deed. This Deed is a Finance Document.

2. ACCESSION AND COVENANT TO PAY

2.1 With effect from the date of this Deed the Additional Chargor:

- 2.1.1** will become a party to the Debenture as a Chargor; and
- 2.1.2** will be bound by all the terms of the Debenture which are expressed to be binding on a Chargor.

For the purposes of section 859D(2)(c) of the Companies Act 2006, the parties note that this includes the negative pledge provisions of Clause 7 (*Negative pledge and disposals*) of the Debenture.

2.2 The Additional Chargor hereby covenants with the Lender that it shall discharge all obligations, as and when they fall due in accordance with their terms, which the Chargors may at any time have to the Lender under or pursuant to the Finance Documents (including the Debenture and any Mortgage) including any liabilities in respect of any further advances made under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity). The Additional Chargor shall pay to the Lender when due and

payable every sum at any time owing, due or incurred by the Additional Chargor to the Lender in respect of any such liabilities, **provided that** neither such covenant nor the security constituted by the Debenture or any Mortgage shall extend to or include any liability or sum which would, but for this proviso, cause such covenant or security to be unlawful or prohibited by any applicable law.

- 2.3** Neither the covenant to pay in clause 2.2 above nor the Security constituted by this Deed shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

3. GRANT OF SECURITY

3.1 Fixed Security

The Additional Chargor hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations, by way of first fixed charge (which, so far as it relates to land in England and Wales vested in a Chargor at the date of this Debenture and listed in Schedule 1 (*Details of Real Property*) of this Deed shall be a charge by way of legal mortgage) all the Additional Chargor's right, title and interest from time to time in and to each of the following assets (subject in each case to obtaining any necessary consent to such mortgage or fixed charge from any third party) in each case both present and future:

3.1.1 the Real Property; and

3.1.2 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise).

4. FLOATING CHARGE

4.1.1 The Additional Chargor hereby charges with full title guarantee in favour of the Lender as security for the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of the Additional Chargor, other than any asset which is situated in England and Wales and which is validly and effectively charged under the laws of England and Wales by way of fixed security created under this Deed in favour of the Lender as security for the Secured Obligations.

4.1.2 The floating charge created by this Clause 4 shall be deferred in point of priority to all fixed security validly and effectively created by a Chargor under the Finance Documents in favour of the Lender as security for the Secured Obligations.

4.1.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 4.

5. LAND REGISTRY RESTRICTION

The Additional Chargor consents to an application being made to the Chief Land Registrar to enter the following restriction in the Proprietorship Register of any property which is, or is required to be, registered and which forms part of the Real Property:

"No [**disposition or specify type of disposition**] of the registered estate [(other than a charge)] by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] in favour of [*Lender name*] of [*address*] referred to in the charges register [or [their conveyancer or specify appropriate details]]."

6. MISCELLANEOUS

6.1 Construction of Debenture

With effect from the date of this Deed the Debenture will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this Deed);

6.2 References in Debenture

With effect from the date of this Deed any reference in the Debenture to this Deed and similar phrases will include this deed and:

6.2.1 all references in the Debenture to Schedule 2 (*Details of Real Property*) (or any part of it) will include a reference to Schedule 1 (*Details of Real Property*) to this Deed (or relevant part of it); and

6.2.2 all references in the Debenture to Schedule 3 (*Details of Shares*) (or any part of it) will include a reference to Schedule 2 (*Details of Shares*) to this Deed (or relevant part of it).

7. GOVERNING LAW

This Deed and all matters including non-contractual obligations arising out of or in connection with it are governed by English law.

8. JURISDICTION

8.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of, or connected with this Deed or any Mortgage (including a dispute regarding the existence, validity or termination of this Deed or any Mortgage or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed or any Mortgage) (a "**Dispute**").

- 8.2** The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.
- 8.3** Notwithstanding Clause 8.1 above, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Lender may take concurrent proceedings in any number of jurisdictions.

9. [SERVICE OF PROCESS]

Without prejudice to any other mode of service allowed under any relevant law, the Additional Chargor:

9.1.1 **irrevocably** appoints [●] as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed and any Finance Document; and

9.1.2 agrees that failure by a process agent to notify the Additional Chargor of the process will not **invalidate** the proceedings concerned.]

10. COUNTERPARTS

This Deed may be executed in counterparts, all of which when taken together shall be deemed to constitute one and the same instrument.

IN WITNESS whereof this Deed has been duly executed on the date first above written.

SCHEDULE 1
DETAILS OF REAL PROPERTY

Part I - Registered Land

(Freehold or leasehold property (if any) in England and Wales of which the relevant Chargor is registered as the proprietor at the Land Registry) is registered as the proprietor at the Land Registry)

| Chargor | County and District/ London Borough | Description Property | of | Title Number |
|----------------|--|---------------------------------|-----------|---------------------|
|----------------|--|---------------------------------|-----------|---------------------|

Part II - Unregistered Land

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at the Land Registry of which the relevant Chargor is the owner)

The freehold/leasehold property known as and comprised in the following title deed(s) or other document(s) of title:

| Chargor | County and District/ London Borough | Description Property | of | Title Number |
|----------------|--|---------------------------------|-----------|---------------------|
|----------------|--|---------------------------------|-----------|---------------------|

SCHEDULE 2
DETAILS OF SHARES

| Chargor | Name of Company in which Shares are held | Class of Shares | Number of Shares held | Issued Share Capital |
|----------------|---|------------------------|----------------------------------|---------------------------------|
| [●] | [●] | [●] | [●] | [●] |

SIGNATURES TO DEED OF ACCESSION

The Additional Chargor

EXECUTED as a DEED)

by [●])

.....

Director

.....

Director/Secretary

The Lender

EXECUTED as a DEED)

by **HSBC BANK PLC**)

SIGNATURES

The Original Chargors

EXECUTED as a DEED
by AFH FINANCIAL GROUP PLC acting by:

)
)
.....
Director

in the presence of:

Witness' signature:

Name: SALLY MOLLANO.....

A
.....
.....
.....

Occupation: P.A......

EXECUTED as a DEED
by AFH GROUP LIMITED acting by:

)
)
.....
Director

in the presence of:

Witness' signature

Name: SALLY MOLLANO.....

A
.....
.....
.....

Occupation: P.A......

EXECUTED as a DEED
by AFH INDEPENDENT FINANCIAL SERVICES
LIMITED acting by:

)
)
...
Director

in the presence of:

Witness' signature:

Name: SALLY HOWARD

A
...
...

Occupation: P.A.

EXECUTED as a DEED
by AFH PROTECTION GROUP LIMITED acting by:

)
)
...
Director

in the presence of:

Witness' signature:

Name: SALLY HOWARD

A
...
...

Occupation: P.A.

EXECUTED as a DEED
by EUNISURE LIMITED acting by:

)
)
.....
Director

in the presence of:

Witness' signature:

Name: SALLY MOLLANO.....

A
.....
.....
.....

Occupation: P.A......

The Lender

EXECUTED as a DEED
by HSBC BANK PLC acting by:

)
)



.....
Authorised Signatory

in the presence of:



Witness' signature:

Name: PRANAV BACKLIWAL



Ad

Occupation: BANKING