



Registration of a Charge

Company name: **THE MIRACLE CHAIR COMPANY LTD**

Company number: **08086051**



X3CR9E82

Received for Electronic Filing: **23/07/2014**

Details of Charge

Date of creation: **04/07/2014**

Charge code: **0808 6051 0001**

Persons entitled: **MR HUGH ALEXANDER BRIGGS**

Brief description: **IRREVOCABLE LICENSE DULY EXECUTED BETWEEN FREEDMAN SEATS LIMITED AND THE CHARGOR.**

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:

IAN BORMAN



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8086051

Charge code: 0808 6051 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th July 2014 and created by THE MIRACLE CHAIR COMPANY LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd July 2014 .

Given at Companies House, Cardiff on 24th July 2014

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**

Debenture

Dated

4th July 2014

The Miracle Chair Company Limited (1)
Mr Hugh Alexander Briggs (2)

Certified as a true copy of the original
save for material redacted pursuant to
s.859G of the Companies Act 2006

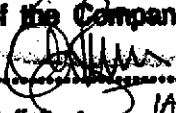
Signed: 
Name of Solicitor: IAN BORMAN
Dated: 23/7/2014
King & Wood Mallesons LLP
10 Queen Street Place
London EC4R 1BE

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THIS DEED is dated 4th July 2014 and made between:

- (1) **THE MIRACLE CHAIR COMPANY LIMITED** (company number 08086051) whose registered office is at Unit 3 Cedar Court, Royal Oak Yard, London SE1 36A (the "**Chargor**"); and
- (2) **MR HUGH ALEXANDER BRIGGS** of Brick Kiln Cottage, Berkhamsted Common, Berkhamsted, Herts, HP4 1PU (the "**Lender**").

IT IS AGREED as follows:

1 Definitions

In this deed:

"Account Bank" means each Lender, financial institution or other person with whom an Account is maintained.

"Accounts" means the account details of which are specified in Schedule 1 (Account Details) and all other accounts with any Account Bank at any time owned or operated by the Chargor as renumbered or redesignated from time to time, each replacement account or sub-account relating to any of them, all money from time to time standing to the credit of those accounts and all interest accruing in relation to them.

"Administrator" means any administrator appointed in respect of the Chargor whether by the Lender, a court or otherwise.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Chattels" means all plant, machinery, vehicles, tools, computers, equipment, furniture and other chattels and any renewals or replacements of them together with the benefit of all warranties, guarantees, maintenance contracts, consents and licences relating to them.

"Contracts" means each of the contracts described in Schedule 3 (Contracts), all guarantees, warranties and indemnities issued in relation to any Contract and any other agreement designated in writing as a Contract by the Lender and the Chargor.

"Discharge Date" means the date on which all the Liabilities have been irrevocably discharged in full and no further Liabilities are capable of arising.

"Dividends" means all dividends and distributions of any kind, interest and any other income received or receivable in relation to any of the Shares.

"Event of Default" has the meaning given to that term in the Facility Agreement.

"Facility Agreement" means the £220,000 Facility Agreement between the Lender and the Chargor dated on or about the date of this Agreement.

"Finance Documents" has the meaning given to that term in the Facility Agreement.

"Initial Shares" means those shares, stocks, debentures, bonds, warrants or other securities or investments described in Schedule 7 (Initial Shares).

"Intellectual Property" means:

- (a) all patents, trademarks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests whether registered or unregistered; and
- (b) the benefit of all applications, licences and rights to use such assets.

"Investments" means the Shares and Dividends.

"Liabilities" means all the Chargor's obligations and liabilities to the Lender of any kind and in any currency whether present or future, actual or contingent and whether owed by [the Chargor] as principal or surety or incurred solely or jointly or in any other capacity and whether owed to the Lender as original obligee or as transferee or as a result of any amalgamation or acquisition by the Lender including (without limitation) interest, fees, banking charges, commission and sums due in relation to costs and expenses including, without limitation, pursuant to the Facility Agreement.

"LPA" means the Law of Property Act 1925.

"Monetary Claims" means all book and other debts and monetary claims of any nature and however arising at any time owing to the Chargor or in which it has an interest together with the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to the same.

"Policies" means each of the insurance policies described in Schedule 5 (Insurance Policies) and each other insurance policy taken out at any time by or on behalf of the Chargor or in respect of which it has an interest or a right to claim.

"Real Property" means:

- (a) any freehold, leasehold or immovable property owned by the Chargor or in which it has an interest;
- (b) any buildings, fixtures, fittings and fixed plant and machinery from time to time situated on or forming part of that property; and
- (c) the benefit of any covenants for title given to any predecessor in title of the Chargor in respect of that property and any money paid in relation to those covenants.

"Receiver" means an administrative receiver, receiver and manager or a receiver, in each case appointed under this deed.

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226).

"Related Rights" means, as regards any Secured Asset, all present and future:

- (a) money and proceeds of any nature paid or payable in relation to the Secured Asset, including sale proceeds and money paid by way of damages, award or judgment made in connection with that Secured Asset; and
- (b) all rights and assets of any nature attaching to, deriving from or exercisable as a result of the Chargor's interest in or ownership or operation of the Secured Asset.

"Secured Assets" means the rights, interests and assets from time to time subject, or expressed to be subject, to the Security created or expressed to be created by this deed or any document entered into pursuant or supplemental to this deed.

"Security" has the meaning given to that term in the Facility Agreement.

"Shares" means:

- (a) the Initial Shares and all shares, stocks, debentures, bonds, warrants, interests in collective investment schemes and all other securities and investments of any kind whatsoever (whether in certificated or uncertificated form) at any time owned by the Chargor or in which it has an interest;

- (b) shares, stocks, debentures, bonds, warrants, securities, investments, money or other assets arising by way of conversion, exchange, substitution, rights issue, redemption, bonus, preference, option or otherwise in relation to any of the assets referred to in (a);
- (c) rights to subscribe for, purchase or otherwise acquire any of the assets referred to in (a) through options, warrants or otherwise; and
- (d) rights relating to any of the assets referred to in (a) which are deposited with or registered in the name of any depository, custodian, nominee, clearing house or investment manager or similar person whether on a fungible basis or otherwise, including all rights against that person, and where any of the assets referred to in (a) are held in any electronic settlement system, rights of any kind against that settlement system and against any custodian in respect of those assets.

2 Interpretation

- (a) Capitalised terms defined in the Facility Agreement have, unless otherwise defined in this deed, the same meaning in this deed.
- (b) Unless a contrary indication appears, a reference in this deed to:
 - (i) **"Secured Assets"** or **"Liabilities"** is deemed to include a reference to any part of them;
 - (ii) **"Chargor"** or **"Lender"** or any other person is deemed to include a reference to that person's or party's successors in title, permitted assigns and transferees;
 - (iii) any document or agreement (including a reference to the Facility Agreement, any of the Finance Documents or this deed) is deemed to include a reference to that document or agreement as amended, novated, supplemented, extended or restated from time to time;
 - (iv) a provision of a statute, rule or regulation is deemed to include a reference to that provision as amended or re-enacted from time to time;
 - (v) the singular is deemed to include the plural and vice versa; and
 - (vi) a **"person"** is deemed to include a reference to any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).
- (c) The title of any provision of this deed will not affect the meaning of that or any other provision.
- (d) Any undertaking given by the Chargor under this deed remains in force until the Discharge Date.
- (e) The terms of the other Finance Documents and of any side letters between any parties in relation to any Finance Document (as the case may be) are incorporated in this deed to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1994.
- (f) If the Lender considers that an amount paid to it under the Facility Agreement [or any other Finance Document] or in relation to any Liability is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this deed.

- (g) Unless the context otherwise requires, a reference to a Secured Asset includes:
- (i) any part of that Secured Asset;
 - (ii) any present and future assets of that type; and
 - (iii) all Related Rights relating to that Secured Asset.

3 Undertaking to Pay

The Chargor undertakes to pay all the Liabilities when due in accordance with the terms applicable to those Liabilities.

4 Security

4.1 General

- (a) All the security created under this deed:
- (i) is created in favour of the Lender;
 - (ii) is security for the payment of all the Liabilities except for any Liabilities which, if secured by this deed, would cause such security to be unlawful or prohibited by any applicable law; and
 - (iii) is granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) If the rights of the Chargor under a document cannot be charged or assigned without the consent of a party to that document:
- (i) the Chargor shall notify the Lender promptly;
 - (ii) until the consent is obtained, this deed will secure all amounts of any nature which the Chargor may now or in future receive under or in connection with that document but exclude rights under the document itself;
 - (iii) the Chargor shall use reasonable endeavours to obtain the consent of the relevant party to rights under that document being secured in accordance with this deed; and
 - (iv) the Chargor shall promptly supply the Lender with a copy of any consent obtained by it.

4.2 Real Property

The Chargor charges:

- (a) by way of a first legal mortgage, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Real Property; and
- (b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) by way of first fixed charge, all the Real Property and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use Real Property.

4.3 Investments

The Chargor charges by way of a first fixed charge all the Shares and Dividends.

4.4 Chattels

The Chargor charges by way of a first fixed charge all the Chattels owned by it and its interest in any Chattels in its possession.

4.5 Accounts

The Chargor charges by way of a first fixed charge all its rights and interest in and to the Accounts.

4.6 Monetary Claims

The Chargor charges by way of a first fixed charge all the Monetary Claims.

4.7 Contracts

The Chargor assigns absolutely, by way of security, subject to reassignment by the Lender in accordance with Clause 20 (Discharge of Security), all its rights in respect of:

- (a) the Contracts;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it,

provided that if any of those rights are not effectively assigned by this sub clause, the assignment shall instead operate as an assignment of all sums, of any nature, which the Chargor may derive from those rights.

4.8 Insurances

- (a) The Chargor assigns absolutely, by way of security, all amounts payable to it under or in connection with the Policies and all of its rights in connection with those amounts, subject to reassignment by the Lender in accordance with Clause 20 (Discharge of Security).
- (b) If any amount or right is not effectively assigned under paragraph (a) above, the Chargor charges by way of a first fixed charge the relevant amounts and rights described in paragraph (a) above.

4.9 Intellectual Property

The Chargor charges by way of first fixed charge all its rights in its Intellectual Property.

4.10 Miscellaneous

The Chargor charges by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) all rights to recover any value added tax on any supplies made to it relating to any Secured Asset and any sums so recovered;
- (c) its goodwill and uncalled capital; and
- (d) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Secured Asset and the right to recover and receive compensation payable in relation to any authorisation.

4.11 Floating charge

- (a) The Chargor charges by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this Clause.
- (b) The floating charge created by this sub clause will automatically and immediately (without notice) convert into a fixed charge over all the Chargor's assets if:

- (i) an Event of Default has occurred;
 - (ii) the Chargor creates, or attempts to create, any Security over any of its assets or disposes or attempts to dispose of any of its assets other than as permitted by the [Facility Agreement];
 - (iii) the Lender considers any Secured Asset to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy;
 - (iv) an Administrator is appointed in relation to the Chargor or the Lender receives notice of any person's intention to appoint an Administrator;
 - (v) the members of the Chargor convene to consider a resolution regarding the winding up, dissolution or reorganisation of the Chargor; or
 - (vi) the Chargor is presented with a petition for its compulsory winding up.
- (c) The floating charge created by this sub clause may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,
- under the Insolvency Act 2000.
- (d) The floating charge created by this sub clause is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

5 General Representations and Warranties

The Chargor represents and warrants to the Lender that:

5.1 Binding obligations

- (a) The obligations expressed to be assumed by it in this deed are legal, valid, binding and enforceable obligations.
- (b) Without limiting the generality of Clause 5.1(a) above, this deed creates the Security which it purports to create and that Security is valid, effective and not liable to be avoided or set aside on the Chargor's liquidation or administration or otherwise.

5.2 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this deed and the transactions contemplated by this deed.
- (b) No limit on its powers will be exceeded as a result of creating any Security or giving any indemnity contemplated by this deed.

5.3 Beneficial ownership etc.

The Chargor is the sole legal and/or beneficial owner of the Secured Assets free from any claims, third party rights or competing interests.

5.4 Repetition

Each of the representations and warranties made by the Chargor in this Clause 5 and elsewhere in this deed are made on the date of this Agreement and are deemed to be repeated by the Chargor by reference to the facts and circumstances then existing on the date of each Utilisation.

6 General Undertakings

6.1 Security

The Chargor shall not create or permit to subsist any Security over the Secured Assets other than pursuant to this deed [or as permitted by the Facility Agreement].

6.2 Disposal

The Chargor shall not (nor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer, assign or otherwise dispose of any of the Secured Assets, [save as permitted by the Facility Agreement].

6.3 Other obligations

The Chargor shall comply with all laws and regulations relating to the Secured Assets and with all conditions and obligations assumed by it in any agreement relating to any of the Secured Assets.

6.4 Authorisations

The Chargor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply a copy (certified as being a true and correct copy) to the Lender of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this deed and to ensure the legality, validity, enforceability or admissibility in evidence of this deed in its jurisdiction of incorporation.

6.5 Security not to be prejudiced

The Chargor shall not do, or permit to be done, anything which could prejudice the Security constituted or expressed to be constituted by this deed [in any material respect].

7 Further Assurance

The Chargor shall promptly do whatever the Lender requires:

- (a) to create, perfect or protect the Security constituted or expressed to be constituted by this deed or the priority of that Security;
- (b) to facilitate the exercise of any rights vested in the Lender or any Receiver or their respective delegates; or
- (c) to facilitate the realisation of the Secured Assets,

including executing any transfer, conveyance, charge, assignment or assurance in relation to the Secured Assets (whether in favour of the Lender or its nominee or otherwise), making any registration and giving any notice, order or direction.

8 Real Property

8.1 Acquisitions

- (a) If the Chargor acquires any freehold, leasehold or commonhold property after the date of this deed it shall:
 - (i) notify the Lender immediately;
 - (ii) immediately on request by the Lender and at the cost of the Chargor, execute and deliver to the Lender a legal mortgage in favour of the Lender in any form which the Lender may require;

- (iii) if the title to that freehold, leasehold or commonhold property is registered at the Land Registry or required to be so registered, give the Land Registry written notice of this deed; and
 - (iv) if applicable, ensure that details of this deed are correctly noted in the Register of Title against that title at the Land Registry.
- (b) If the consent of the landlord in whom the reversion of a lease is vested is required for the Chargor to execute a legal mortgage over it, the Chargor will not be required to perform that obligation unless and until it has obtained the landlord's consent. The Chargor shall immediately request the relevant landlord's consent and shall use its reasonable endeavours to obtain that consent within [14] days of making the request.

8.2 Leases

- (a) The Chargor may not grant or agree to grant (whether in exercise, or independently, of any statutory power) or amend, release or waive any term of any lease or tenancy of the Real Property other than as permitted by the terms of the Facility Agreement.
- (b) The Chargor shall perform all its obligations contained in any lease or agreement for lease under which it holds an interest in any Real Property and use all reasonable efforts to procure the performance by any counterparty to such a lease or agreement for lease of that counterparty's obligations.

8.3 The Land Registry

- (a) The Chargor consents to a restriction in the following terms being entered on the Register of Title relating to any Real Property registered at the Land Registry:

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of [insert name of Lender here] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by an authorised signatory of [insert name of Lender here]."
- (b) The Chargor shall not, without the Lender's prior written consent, allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of the Real Property and will not, as regards any Real Property, create or permit to arise any overriding interest within the meaning of the Land Registration Act 2002 or the Land Registration Rules 2003.
- (c) The Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Security created by or pursuant to this deed.
- (d) The Chargor authorises the Lender and/or any solicitors or other agent acting on behalf of the Lender to complete, execute and deliver on the Chargor's behalf (but at the cost of the Chargor) to the Land Registry any form, document or other information requested by the Land Registry with regard to the applications referred to in this Clause.

8.4 Deposit of title deeds

The Chargor shall immediately deposit with the Lender all deeds and documents of title relating to its Real Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

8.5 Maintenance

The Chargor shall keep the Real Property in good repair and condition and decorative order and shall promptly repair any defect or damage affecting any Real Property.

8.6 Development

The Chargor shall not, without the prior written consent of the Lender, carry out or permit to be carried out any development (as defined in the Town and Country Planning Act 1990) or change, or permit any change in, the user of any Real Property.

8.7 Access

The Chargor shall permit the Lender and any person nominated by the Lender to enter any part of the Real Property during normal business hours in order to view the state of the Real Property.

9 Investments

9.1 Representations and Warranties

The Chargor represents and warrants to the Lender that the Shares are fully paid, validly issued, freely transferable and not subject to any option to purchase or any similar right.

9.2 Deposit of Title Documents

The Chargor undertakes to deposit with the Lender or the Lender's nominee:

- (a) on or before execution of this deed, all share certificates or other documents of title relating to the Initial Shares; and
- (b) immediately upon its acquisition of any Investment or upon the withdrawal of any Investment from any electronic settlement system, all share certificates and other documents of title relating to that Investment,

together with pre-stamped stock transfer forms (or other appropriate transfer instruments) signed by the Chargor (or its nominee, where appropriate) as transferor but with details of the transferee, date and consideration left blank, on the basis that the Lender may hold all those certificates, forms and documents until the Discharge Date. The Lender is entitled at any time [after the occurrence of an Event of Default] OR [while an Event of Default is continuing] to complete the stock transfer forms (or other transfer instruments) on behalf of the Chargor in favour of the Lender or its nominee, using the power of attorney contained in Clause 21.2 (Power of attorney).

9.3 Voting and Dividends

- (a) Voting and other rights prior to an Event of Default

Subject to Clause 9.3(b) (Voting and other rights following an Event of Default), the Chargor is entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit provided that:

- (i) it does so for a purpose not inconsistent with its obligations under [this deed]/[any Finance Document]; and
- (ii) the exercise or failure to exercise those rights does not have an adverse effect on the value of the Investments and does not otherwise prejudice the Lender's interests under this deed.

- (b) Voting and other rights following an Event of Default

After an Event of Default has occurred:

- (i) the Lender will be entitled to exercise or direct the exercise of the voting and other rights attached to any Investment as it sees fit; and
- (ii) the Chargor shall comply, or procure compliance with, any directions of the Lender in relation to the exercise of those rights and shall promptly execute and deliver to the Lender all forms of proxy as the Lender may require in connection with the exercise of those rights.

(iii) **Dividends**

While an Event of Default is continuing, all Dividends shall be paid or transferred to the Lender (or to its order) and any Dividends received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid by it to the Lender or to any nominee designated by the Lender. The Lender will be entitled to apply those Dividends in such manner as it sees fit.

9.4 Nominee shareholders

If any Investment is not held in the Chargor's name (other than as a result of the operation of this deed) the Chargor shall procure the prompt delivery to the Lender of an irrevocable power of attorney, expressed to be given by way of security and executed as a deed, by the person in whose name that Investment is held. That power of attorney shall appoint the Lender and every Receiver as the attorney of the holder in relation to that Investment and shall be in a form approved by the Lender.

9.5 Acquisition of Shares

The Chargor shall promptly notify the Lender of:

- (a) its acquisition of, or agreement to acquire, any Shares; and
- (b) the declaration or payment of any Dividend.

9.6 Circulars

The Chargor shall promptly deliver to the Lender a copy of every circular, notice, report, set of accounts or other documents received by it or its nominee in connection with the Investments.

9.7 Calls

The Chargor shall pay all calls and other payments due in relation to the Investments. If the Chargor fails to do so, the Lender may pay those calls or other payments on the Chargor's behalf and the Chargor shall immediately on demand reimburse the Lender for any such payment.

9.8 Restrictions

The Chargor shall not vary or agree to any variation in voting rights attaching to the Shares and shall not cause or permit any of the Shares to be consolidated, sub-divided or converted without the Lender's prior written consent.

10 Chattels

The Chargor shall keep all its Chattels in good repair and condition.

11 Accounts

11.1 Notification

Except as regards any Account maintained with the Lender or any Account specified in Schedule 1 (Account Details), the Chargor undertakes to promptly deliver to the Lender details of each

Account maintained by the Chargor promptly upon creating that Account and to advise the Lender immediately of any redesignation or change in account details affecting any Account.

11.2 Lender statements

The Chargor shall, promptly upon request by the Lender, supply the Lender with copies of all mandate letters, Lender statements and other agreements relating to the Accounts.

11.3 Changes to/closure of the Accounts

The Chargor shall not, without the Lender's prior written consent, permit or agree to any variation of the terms and conditions relating to any Account or close any Account.

11.4 Restrictions on withdrawal

Prior to the occurrence of an Event of Default, the Chargor shall be entitled to withdraw or transfer any sum standing to the credit of any Account, subject to the terms of the Facility Agreement. After the occurrence of an Event of Default, the Chargor shall not be entitled to make any such withdrawal or transfer without the Lender's prior written consent.

11.5 Release from security

Amounts permitted to be withdrawn or transferred from the Accounts pursuant to this deed shall, upon such withdrawal or transfer, be released from the security constituted by this deed.

11.6 Application

The Lender is entitled at any time or times without notice (both before and after demand) to apply or transfer any amount standing to the credit of any Account in or towards payment of the Liabilities.

11.7 Notice to Account Banks

The Chargor shall immediately (a) upon execution of this deed serve a notice of charge in the form of Part 1 of Schedule 2 (Form of Notice to Account Bank) on each Account Bank and (b) on the relevant Account Bank upon opening any Account after the date of this deed and use its reasonable endeavours to procure that each Account Bank acknowledges that notice by signing and returning to the Lender a letter of acknowledgement substantially in the form of Part 2 of Schedule 2 (Form of Notice to Account Bank) within [14] days of the date of this deed or, if later, the date of creation of the relevant Account. Any instructions contained in a notice of charge sent by the Chargor pursuant to this Clause may not be revoked or amended without the Lender's prior written consent. The execution of this deed by the parties to this deed constitutes notice by the Chargor to the Lender of the charge created by this deed over any Account opened by the Chargor with the Lender.

12 Monetary Claims

12.1 Collecting Monetary Claims

The Chargor shall promptly get in and realise all Monetary Claims and pay the proceeds thereof into the relevant designated Account in accordance with the terms of the Facility Agreement or as the Lender may otherwise direct in writing and pending that payment will hold those proceeds on trust for the Lender.

12.2 Dealing with Monetary Claims

The Chargor shall not, without the prior written consent of the Lender, assign, factor, discount, release, waive, compound or otherwise deal with any of the Monetary Claims or vary any term relating to a Monetary Claim other than as permitted by the terms of the Finance Documents.

12.3 Assignment

The Chargor shall, at the Lender's request, execute a legal assignment of the Monetary Claims in favour of the Lender on such terms as the Lender may, [acting reasonably], agree and will sign and deliver written notice of that assignment, in a form acceptable to the Lender, to each debtor which owes or may owe a Monetary Claim and will use all reasonable endeavours to procure that the notice is duly acknowledged by the debtors concerned in accordance with the terms of that assignment.

13 Contracts

13.1 Representations and warranties

The Chargor represents and warrants to the Lender that each Contract is in full force and effect and constitutes the Chargor's legal, valid, binding and enforceable obligations.

13.2 Notices of assignment

The Chargor shall immediately upon execution of this deed serve a notice, substantially in the form of Part 1 of Schedule 4 (Form of Notice to Counterparty), on each counterparty to each Contract and use reasonable endeavours to procure that each such counterparty acknowledges that notice by signing and returning to the Lender a notice substantially in the form of Part 2 of Schedule 4 (Form of Notice to Counterparty) within [14] days of the date of this deed or, if later, the date of the relevant Contract. Any instructions contained in a notice sent to a counterparty pursuant to this Clause may not be revoked or amended without the Lender's prior written consent.

13.3 Preservation and enforcement of rights

The Chargor shall perform all its obligations and diligently enforce all its rights under the Contracts and take all action necessary to preserve those rights (including by way of legal or arbitration proceedings).

13.4 Amendments and waivers

The Chargor shall not, without the Lender's prior written consent, amend, supplement or waive or agree to the amendment, supplement or waiver of any [material] term of any Contract or terminate any Contract or allow any Contract to lapse [(other than where a Contract expires in accordance with its terms and not by reason of default)] and shall not do or permit anything to be done which may impair the enforceability of any term of any Contract.

13.5 Copy documents

The Chargor shall supply the Lender with (a) a copy of each Contract, certified as being true and correct by a director of the Chargor and (b) with any other information and copies of any other documents relating to the Contracts which the Lender, or any Receiver, requests.

13.6 Obligations

Notwithstanding the operation of Clause 4.7 (Contracts), the Chargor is and shall remain liable under any Contract to which it is a party to perform all its obligations under that Contract and the Lender shall not be, or be deemed to be, under any obligation or liability under or in connection with any Contract by reason of this deed or the exercise by the Lender of any rights, powers or remedies under this deed.

14 Insurances

14.1 Representations and warranties

The Chargor represents and warrants to the Lender that each Policy is in full force and effect and on risk, all premiums payable in relation to the Policies have been paid when due and, so far as

the Chargor is aware, there are no grounds on which any Policy may be declared void or voidable in whole or in part.

14.2 Notices of assignment

The Chargor shall immediately upon execution of this deed serve a notice, substantially in the form of Part 1 of Schedule 6 (Form of Notice to Insurer), on each other party to each Policy and use its reasonable endeavours to procure that each such party acknowledges that notice by signing and returning to the Lender a letter of undertaking substantially in the form of Part 2 of Schedule 6 (Form of Notice to Insurer) within [14] days of the date of this deed or, if later, the date of entry into of the relevant Policy. Any instructions contained in any notice sent by the Chargor pursuant to this Clause may not be revoked or amended without the Lender's prior written consent.

14.3 Preservation and enforcement of rights

The Chargor shall perform all its obligations, pay all premiums and diligently enforce all its rights under the Policies and take all action necessary to keep the Policies in full force and effect.

14.4 Amendments and waivers

The Chargor shall not, without the Lender's prior written consent, amend, supplement or waive or agree to the amendment, supplement or waiver of any [material] term of any Policy or terminate any Policy or allow any Policy to lapse [(other than where a Policy expires in accordance with its terms and not by reason of default)].

14.5 Copy documents

The Chargor shall supply the Lender with (a) a copy of each Policy and of each certificate of insurance and cover note relating to each Policy, certified as being true and correct copies by a director of the Chargor and (b) with any other information and copies of any other documents relating to the Policies which the Lender, or any Receiver, requests.

15 Intellectual Property

The Chargor shall take all steps as are necessary to preserve any Intellectual Property in which it has an interest [and which is material to its business] and will not use or permit any such Intellectual Property to be used in a way which may have a material adverse effect on the value of that Intellectual Property.

16 Enforcement

16.1 When enforceable

The Security created by this deed will be immediately enforceable at any time after an Event of Default has occurred.

16.2 Statutory powers

(a) The statutory power of sale, of appointing a receiver and the other statutory powers conferred on mortgagees, receivers or administrative receivers by the LPA and the Insolvency Act 1986 (as the case may be) as varied and extended by this deed will apply to the Security constituted by this deed and will be immediately exercisable at any time after that Security has become enforceable. If there is any ambiguity or conflict between the powers contained in those Acts and those contained in this deed, those contained in this deed will prevail.

(b) For the purposes of all powers implied by statute, the Liabilities are deemed to have become due and payable on the date of this deed.

16.3 Statutory restrictions

Sections 93 and 103 of the LPA do not apply to this deed.

16.4 Appointment of Receiver

- (a) At any time after an Event of Default has occurred or if the Chargor so requests, the Lender may, in writing signed by any of the Lender's officers or managers, appoint any person (or persons) to be a Receiver of all or part of the Secured Assets.
- (b) Section 109(1) of the LPA does not apply to this deed.

16.5 Appointment of Administrator

- (a) Subject to the Insolvency Act 1986, at any time after an Event of Default has occurred, or if the Chargor so requests, the Lender may appoint one or more qualified persons to be an Administrator of the Chargor, to act independently or together with any other Administrators so appointed.
- (b) For the purposes of this sub-clause, a "qualified person" is a person qualified to act as an Administrator under the Insolvency Act 1986.

16.6 Status, removal and remuneration of Receiver

- (a) Each Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults unless any such default is the direct result of the Receiver's gross negligence or wilful misconduct and for his remuneration and expenses. The Chargor shall be liable for all agreements and arrangements made or entered into by the Receiver.
- (b) The Lender may by notice from time to time, for any reason, remove any Receiver appointed by it and, if it deems it appropriate, appoint a substitute Receiver.
- (c) The Lender may from time to time fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the LPA will not apply.

16.7 Relationship with Lender

To the fullest extent allowed by law, any right or power conferred by this deed or by law on a Receiver may, after the Security constituted by this deed becomes enforceable, be exercised by the Lender in relation to any Secured Asset irrespective of whether or not a Receiver has been appointed.

16.8 Powers of Receiver

- (a) General
 - (i) A Receiver has all of the rights, powers and discretions set out below in this Clause in addition to those conferred on it by any law; this includes:
 - (A) in the case of an administrative receiver, all rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986; and
 - (B) otherwise, all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA and the Insolvency Act 1986.
 - (ii) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

(b) Possession

A Receiver may take immediate possession of, get in and collect any Secured Asset.

(c) Carry on Business

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

(d) Employees

(i) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this deed upon such terms as to remuneration or otherwise as he thinks fit.

(ii) A Receiver may discharge any person appointed by the Chargor.

(e) Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Secured Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

(f) Sale of assets

(i) A Receiver may sell, exchange, convert into money and realise any Secured Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

(ii) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit.

(iii) Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor.

(g) Leases

A Receiver may let any Secured Asset for any term and at any rent (with or without a premium) which he thinks fit and may accept a surrender of any lease or tenancy of any Secured Asset on any terms which he thinks fit (including the payment of money to a lessee or tenant on a surrender).

(h) Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Secured Asset.

(i) Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Secured Asset which he thinks fit.

(j) Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Secured Asset.

(k) Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Secured Asset.

(l) Delegation

A Receiver may delegate his power in accordance with this deed.

(m) Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

(n) Protection of assets

A Receiver may:

- (i) effect any repair or insurance and do any other act which the Chargor might do in the ordinary conduct of its business to protect or improve any Secured Asset;
- (ii) commence and/or complete any building operation; and
- (iii) apply for and maintain any planning permission, building regulation, approval or any other authorisation,

in each case as he thinks fit.

(o) Other Powers

A Receiver may:

- (i) do all other acts and things which he may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this deed or law;
- (ii) exercise in relation to any Secured Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute owner of that Secured Asset; and
- (iii) use the name of the Chargor for any of the above purposes.

16.9 Redemption of prior mortgages

At any time after the Security created by this deed has become enforceable, the Lender may redeem any prior Security created in respect of a Secured Asset and/or procure the transfer of the benefit of that Security to itself and/or settle the accounts of the prior mortgagee or encumbrancer. The Chargor shall on demand indemnify the Lender for all costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the amount of any principal or interest paid by the Lender.

17 Order of Application

17.1 Application of proceeds

All amounts received or recovered by the Lender or any Receiver in exercise of their rights under this deed will, subject to the rights of any creditors having priority, be applied in the order provided in Clause 17.2 (Order of application).

17.2 Order of application

The order referred to in Clause 17.1 (Application of proceeds) is:

- (a) in or towards payment of the costs and losses incurred, and payments made, by the Lender and/or any Receiver;

- (b) in or towards the payment or discharge of the Liabilities in such order as the Lender thinks fit; and
- (c) in payment of any surplus to the Chargor or other person entitled to it.

18 Liability of Lender

18.1 Liability

Neither the Lender nor any Receiver will (either by reason of taking possession of the Secured Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Chargor or any other person for any costs, losses or liabilities relating to any of the Secured Assets or for any act, default, omission or misconduct of the Lender, any Receiver or their respective officers, employees or agents in relation to the Secured Assets or otherwise. The Lender and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by law on mortgagees and receivers.

18.2 Exoneration

Neither the Lender nor any Receiver will have any duty (a) to perform any of the Chargor's obligations or exercise any rights in relation to any Secured Asset, (b) to ensure that any Related Rights are made available or to verify that the correct amount has been received in relation to any Related Right, (c) to take up any offer in relation to any Secured Assets, (d) to give any notification to anyone in relation to any Secured Asset or (e) to take any action to enforce any other person's obligations as regards any Secured Asset.

19 Saving Provisions

19.1 Continuing Security

Subject to Clause 20 (Discharge of Security), the Security constituted by this deed is continuing security and will extend to the ultimate balance of the Liabilities, regardless of any intermediate payment or discharge in whole or in part.

19.2 Waiver of defences

Neither the obligations of the Chargor under this deed nor the Security constituted by this deed will be affected by any act, omission or thing which, but for this Clause, would reduce, release or prejudice any of the Chargor's obligations under this deed or release or prejudice any of that Security (without limitation and whether or not known to the Chargor or the Lender).

19.3 Immediate recourse

The Chargor waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Chargor under this deed.

19.4 Appropriations

Until the occurrence of the Discharge Date, the Lender may refrain from applying or enforcing any other moneys, Security or rights held or received by the Lender in relation to the Liabilities, or apply and enforce the same in such manner and order as it sees fit (whether against the Liabilities, or otherwise) and hold in an [interest bearing] suspense account any money received from the Chargor on account of the Liabilities.

19.5 Tacking

- (a) For the purposes of section 94(1)(c) of the LPA and section 49(3) of the Land Registration Act 2002, the Lender confirms that it will comply with its obligations to make

further advances under the Facility Agreement, subject to the terms of the Finance Documents.

- (b) The Chargor hereby consents to an application being made to the Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Real Property.

20 Discharge of Security

Subject to Clause 2(f) (Interpretation), if the Discharge Date has occurred, the Lender will at the request and cost of the Chargor release, reassign or discharge (as appropriate) the Secured Assets from the Security constituted by this deed. Any such release, reassignment or discharge is made without any representation or warranty by the Lender.

21 Protection of Purchasers and Power of Attorney

21.1 Protection of purchasers

No purchaser or other person will be obliged or concerned to see or enquire whether the right of the Lender or a Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable nor be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

21.2 Power of attorney

The Chargor by way of security irrevocably and severally appoints the Lender, each Receiver and each of their respective delegates and sub delegates as the Chargor's attorney (with full power of substitution and delegation) in the Chargor's name and on the Chargor's behalf and as the Chargor's act and deed to sign or execute all such deeds, instruments and documents and do all such acts and things as may be required by the Lender or any Receiver pursuant to this deed or the exercise of any of their respective powers. The Chargor hereby ratifies whatever any attorney does or purports to do pursuant to its appointment under this Clause.

22 Preservation of Security

This deed is in addition to any other rights or Security, now and in the future, held by the Lender from the Chargor or any other person for the Liabilities and will not merge with or prejudice or be prejudiced by any such rights or Security.

23 Delegation

The Lender or any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are exercisable by it under this deed to any person or persons on such terms as it sees fit. Neither the Lender nor any Receiver will have any liability to the Chargor or any other person for any loss or liability arising from any act, default, omission or misconduct by the delegate [other than as regards gross negligence or wilful misconduct].

24 Set-Off

Notwithstanding any term to the contrary affecting any of the liabilities concerned, the Lender will be entitled at any time or times without notice (both before and after demand) to set off any liability of the Chargor to the Lender against any liability of the Lender to the Chargor (including by way of setting-off any amount standing to the credit of any Account in or towards payment of the Liabilities) and may combine or consolidate with any Account all or any of the Chargor's other accounts with the Lender irrespective of whether the liabilities concerned are actual or contingent, present or future and irrespective of the branch or office, currency or place of payment. The Lender may for such purposes convert or exchange any currency as it deems fit.

25 New Accounts

If any subsequent charge or other interest affects any Secured Asset, the Lender may open a new account with the Chargor. If it does not open a new account, it will nonetheless be treated as if it had done so at the time it received (or was deemed to have received) notice of that charge or other interest. As from that time, all payments made to the Lender will be credited (or be treated as being credited) to the new account and will not operate to reduce any Liabilities.

26 Certificates

A certificate signed by an official of the Lender as to the amount at any time of the Liabilities and/or the value of the Secured Assets shall be conclusive evidence as against the Chargor of the relevant amount or value.

27 Assignment and Transfer

27.1 Chargor's consent to assignment/transfer by Lender

The Chargor consents to the assignment and/or transfer by the Lender of any one or more of its rights and/or obligations under this deed.

27.2 No assignment/transfer by Chargor

The Chargor may not assign or transfer any one or more of its rights and/or obligations under this deed without obtaining the Lender's prior written consent.

27.3 Confidentiality

The Lender may give such information relating to the Chargor or this deed as it thinks fit to any person proposing to take an assignment and/or transfer from the Lender and/or to enter into contractual relations with the Lender with respect to this deed.

28 Indemnity

The Chargor shall indemnify the Lender on demand against any loss or expense (including, without limitation, legal fees) incurred by the Lender as a result either of a failure by the Chargor to perform any of its obligations under this deed or of any representation or warranty made in this deed having been incorrect when made.

29 Miscellaneous

29.1 Severability

If, at any time, any provision of this deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

29.2 Variations

No variation of the terms of this deed shall be valid unless in writing signed by the Chargor and the Lender.

29.3 Delay or omission by Lender

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

29.4 Third party rights

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

29.5 Perpetuity period

The trusts created by this deed have a perpetuity period of 125 years.

29.6 Counterparts

This deed 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 deed.

29.7 Incomplete details

The fact that no or only incomplete details of any Secured Asset are listed in this deed does not affect the enforceability of the Security constituted by this deed.

29.8 Financial collateral

To the extent that any of the Secured Assets constitute "financial collateral" and this deed constitutes a "security financial collateral arrangement" (as those terms are defined in the Regulations), the Lender shall, upon the Security created by this deed becoming enforceable and to the extent permitted by the Regulations, have the right to appropriate all or any part of those Secured Assets in or towards discharge of the Liabilities without obtaining any court authorisation in such order as the Lender may in its absolute discretion determine. The value of any Secured Assets appropriated in accordance with this Clause shall be, in the case of cash, the amount of cash appropriated and, in the case of Shares, shall be the price of those Shares at the time the right of appropriation is exercised as listed on any recognised market index, or as determined by such other method as the Lender may select. The Chargor agrees that the method of valuation provided for in this Clause is commercially reasonable for the purposes of the Regulations.

30 Governing law

This deed and any non-contractual obligation arising out of or in connection with it is governed by English law.

This deed is executed as a deed by the Chargor and is signed for and on behalf of the Lender and is delivered and takes effect on the date at the beginning of this deed.

SCHEDULE 1

Account Details

Name of Account Bank	Name of Account Holder	Sort Code	Account Number	Currency
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SCHEDULE 2

Form of Notice to Account Bank

Part 1

Notice to Account Bank

[On the Letterhead of the Chargor]

To: [name and address of third party Lender]

Attention: []

Copy to: [Lender details]

Date: []

Dear Sirs

Debenture dated [] (the "Debenture") between [] (the "Chargor") and [] (the "Lender")

This letter constitutes notice to you that, pursuant to the Debenture, we have charged (by way of first fixed charge) in favour of the Lender all our present and future rights and interest in and to account number [] in our name with you (the "Account") together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all Related Rights as defined in the Debenture.

We hereby irrevocably instruct and authorise you to:

- 1 credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 [deal only with the Lender in relation to the Account unless you receive written instructions from the Lender to the contrary;]
- 3 hold all sums from time to time standing to the credit of the Account to the order of the Lender;
- 4 comply with the terms of any written notice or instructions (including payment instructions) relating to the Account or the sums standing to the credit of the Account from time to time which you may receive from the Lender without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instructions;
- 5 disclose to the Lender, without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Lender may from time to time request; and
- 6 send copies of all notices and communications relating to the Account to the Lender as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under any mandate or other agreement relating to the Account and that neither the Lender, any Receiver nor any of their agents will at any time have any liability to you regarding the Account.

We are not permitted, without the Lender's prior written consent, to permit or agree to any variation of the terms and conditions relating to the Account or to close the Account.

The instructions in this notice may not be revoked or varied without the prior written consent of the Lender.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to *[identify Lender officer]* at *[insert address details of Lender]* with a copy to us at the above address.

Yours faithfully

.....

[Authorised signatory of Chargor]

Part 2
Form of Acknowledgement
[On the letterhead of the Account Bank]

To: [Lender]

Attention: []

Copy to: []

Date: []

Dear Sirs

Debenture dated [] (the "Debenture") between [] (the "Chargor") and [] (the "Lender")

We confirm receipt from the Chargor of a notice dated [] 200[] (the "Notice") of the creation of a first fixed charge, pursuant to the terms of the Debenture, of all the Chargor's present and future rights and interest in and to account number [] held with us in the name of [the Chargor] (the "Account") together with all money from time to time standing to the credit of that Account, all interest accruing in relation thereto and all Related Rights, as defined in the Debenture.

We confirm that:

- 1 the balance on the Account as at today's date is £[];
- 2 we accept the instructions and authorisations contained in the Notice and undertake to comply with the terms of the Notice;
- 3 we have not received notice of the creation of any other assignment or security regarding the Account or of the creation of any third party interest in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive any such notice;
- 4 we do not have and will not in future create, accept or enforce any security interest or right of set-off or combination or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums; and
- 5 we will not amend the terms or conditions upon which the Account is operated or close the Account without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....

for and on behalf of
[third party Lender]

SCHEDULE 3

Contracts

- 1 The irrevocable license duly executed between Freedman Seats Limited and the Chargor.

SCHEDULE 4

Form of Notice to Counterparty

Part 1

Notice to Counterparty

The Miracle Chair Company Limited

To: Hugh Alexander Briggs as Lender

Date: 4 July, 2014

Dear Sirs

Debenture dated 4 July 2014 between The Miracle Chair Company Limited (the "Chargor") and Hugh Alexander Briggs (the "Lender") (the "Debenture")

This letter constitutes notice to you that pursuant to the Debenture we have assigned to the Lender by way of security all our present and future rights under or in connection with the Irrevocable Technology Licence Agreement (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights, as defined in the Debenture.

We irrevocably authorise and instruct you to:

- 1 disclose to the Lender without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Contract as the Lender may at any time request;
- 2 deal only with the Lender in relation to the Contract unless you receive written instructions from the Lender to the contrary;
- 3 pay all sums from time to time due and payable by you under the Contract in accordance with any written instructions given to you by the Lender from time to time;
- 4 comply with the terms of any written notice or instructions relating to the Contract or the debts represented thereby which you receive from the Lender without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
- 5 send copies of all notices and communications relating to the Contract to the Lender as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Contract and that neither the Lender, any Receiver nor any of their agents will at any time have any liability to you under the Contract.

We are not permitted to agree any amendment or supplement to, or to waive any [material] term of the Contract, or to terminate the Contract or to allow it to lapse [other than where the Contract expires in accordance with its terms and not by reason of default] without the prior written consent of the Lender.

The instructions in this notice may not be revoked or amended without the prior written consent of the Lender.

This notice is governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at Brick Kiln Cottage, Berkhamsted Common, Berkhamsted, Herts, HP4 1PU with a copy to us at the above address.

Yours faithfully

.....

For and on behalf of

The Miracle Chair Company Limited

Part 2
Form of Acknowledgement
Hugh Alexander Briggs

To: The Miracle Chair Company Limited

Date: 4 July 2014

Dear Sirs

Debenture dated 4 July 2014 between The Miracle Chair Company Limited (the "Chargor") and Hugh Alexander Briggs (the "Lender") (the "Debenture")

We confirm receipt from the Chargor of a notice dated 4 July 2014 (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of all the Chargor's present and future rights under or in connection with [insert details of Contract] (the "**Contract**") (including under any guarantee, warranty or indemnity granted in relation to the Contract) and all Related Rights, as defined in the Debenture.

We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and we undertake to act in accordance with and comply with the terms of the Notice;
- 2 we have not received notice of the creation of any other assignment of or security over rights or proceeds arising under the Contract in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 3 we have not claimed or exercised nor do we have any outstanding right to claim or exercise against the Chargor any right of set-off, counter claim or other right relating to the Contract; and
- 4 we agree that no [material] term of the Contract may be amended, supplemented or waived without your prior written consent.

This letter is governed by English law.

Yours faithfully

.....
Hugh Alexander Briggs

SCHEDULE 5
Insurance Policies

None at the date hereof.

SCHEDULE 6

Form of Notice to Insurer

Part 1

Notice to Insurer

[On the letterhead of the Chargor]

To: [insert name and address of Insurer]

Copy to: [Lender details]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Lender") (the "Debenture")

This letter constitutes notice to you that, pursuant to the Debenture, we have assigned to the Lender by way of security all amounts payable to us under or in connection with the policies described below (the "**Policies**"), all our rights in connection with those amounts and all Related Rights, as defined in the Debenture.

[Describe insurances]

We irrevocably authorise and instruct you to:

- 1 disclose to the Lender without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Lender may at any time request;
- 2 pay any sums from time to time due and payable by you under the Policies in accordance with any written instructions given to you by the Lender from time to time;
- 3 [comply with the terms of any notice or instructions relating to the Policies which you receive from the Lender (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction);]
- 4 [note on the Policies the Lender's interest as first priority assignee of (i) all amounts payable under the Policies and (ii) all rights in connection with those amounts and to identify the Lender as [sole loss payee] and as co-insured in respect of each Policy]; and
- 5 send copies of all notices issued under the Policies to the Lender as well as ourselves.

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Lender, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies.

We are not permitted to agree any amendment or supplement to or to waive any [material] term of the Policies or to terminate any Policy without the prior written consent of the Lender.

The instructions in this notice may not be revoked or amended without the prior written consent of the Lender.

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at [address] with a copy to us at the above address.

This notice is governed by English law.

Yours faithfully

.....

For and on behalf of

[CHARGOR]

Part 2
Form of Acknowledgement
[On the letterhead of the Insurer]

To: [Lender]

[Address]

Copy: [Chargor]

Date: []

Dear Sirs

Debenture dated [] between [] (the "Chargor") and [] (the "Lender") (the "Debenture")

We confirm receipt from the Chargor of a notice dated [] (the "**Notice**") of an assignment, pursuant to the terms of the Debenture, of (i) all amounts payable to the Chargor under or in connection with the Policies (ii) all the Chargor's rights in connection with those amounts and (iii) all Related Rights, as defined in the Debenture. We confirm that:

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice;
- 2 [we [will note/have noted] your interest as first priority assignee of the amounts and rights referred to above and have identified you as co-insured and sole loss payee on the Policies;]
- 3 [we will not terminate or otherwise allow any of the Policies to lapse without giving you at least [14 days'] prior written notice;]
- 4 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds and we will notify you promptly should we receive any such notice;
- 5 we agree that no [material] term of the Policies may be amended, supplemented or waived without your prior written consent; and
- 6 we agree to notify you if the Chargor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach.

All terms used in this letter have the same meaning as in the Notice.

This letter is governed by English law.

Yours faithfully

.....
For and on behalf of
[Name of insurance company]

SCHEDULE 7

Initial Shares

None at the date hereof.

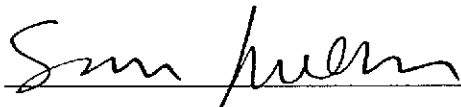
EXECUTION PAGES

NOTICE TO CHARGOR: THIS IS AN IMPORTANT DOCUMENT. SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND. YOU ARE RECOMMENDED TO TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING. IF YOU SIGN AND THE LENDER IS NOT PAID YOU MAY LOSE THE SECURED ASSETS.

Chargor

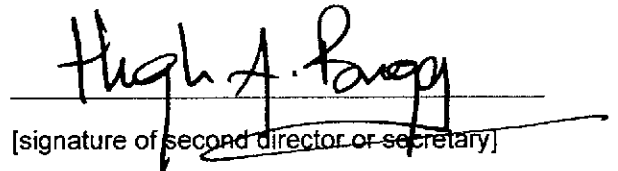
Companies

Executed as a deed by THE MIRACLE CHAIR COMPANY LIMITED acting by:



[signature of first director]

and



[signature of second director or secretary]

SIMON FRIEDMAN

[print name of first director]

Director

HUGH ALEXANDER BRIGGS

[print name of second director or secretary]

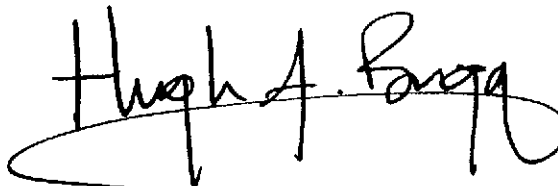
Director/Secretary

Notice details

Address:

Fax:

Lender



Executed by MR HUGH ALEXANDER BRIGGS:

[signature of authorised signatory]

Notice details

Address:

Fax:

Attention:

