



Registration of a Charge

Company name: **SOLENT BODYBUILDERS & REPAIRS LIMITED**

Company number: **01006087**



X9K184R7

Received for Electronic Filing: **16/12/2020**

Details of Charge

Date of creation: **27/11/2020**

Charge code: **0100 6087 0004**

Persons entitled: **KEVIN JOHN SAINSBURY
MARK DENNIS SAINSBURY
AND KEVIN JOHN SAINSBURY, MARK DENNIS SAINSBURY AND JLT
TRUSTEES LIMITED (ALL IN THEIR CAPACITY AS TRUSTEES OF
SOLENT BODYBUILDERS & REPAIRS LIMITED RETIREMENT AND DEATH
BENEFIT SCHEME)**

Brief description: **ALL THE ASSETS, GOODWILL, PROPERTY AND UNDERTAKINGS OF THE
COMPANY (PRESENT AND FUTURE). FOR FURTHER DETAILS PLEASE
REFER TO THE INSTRUMENT.**

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: **SCOTT RICHARDSON (GLANVILLES LLP)**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1006087

Charge code: 0100 6087 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th November 2020 and created by SOLENT BODYBUILDERS & REPAIRS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th December 2020 .

Given at Companies House, Cardiff on 17th December 2020

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 27 NOVEMBER 2020

MOORE BLATCH

DEBENTURE

between

SOLENT BODYBUILDERS & REPAIRS LIMITED (1)

and

KEVIN JOHN SAINSBURY, MARK DENNIS
SAINSBURY AND THE TRUSTEES OF SOLENT
BODYBUILDERS & REPAIRS LIMITED RETIREMENT
AND DEATH BENEFIT SCHEME (2)

Gateway House, Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3TG

T. 023 8071 8000

F. 023 8033 2205

www.mooreblatch.com

DX 38507 Southampton 3
(Ref: 65234.1)

Moore Blatch is the trading name of Moore Blatch LLP, which is a limited liability partnership registered in England and Wales, registration number OC335160. The registered office is Gateway House, Tollgate, Chandler's Ford, Eastleigh SO53 3TG.

THIS DEED IS DATED

27 November

2020

PARTIES

(1) **SOLENT BODYBUILDERS & REPAIRS LIMITED**, incorporated and registered in England and Wales with company number 01006087, whose registered office is at Unit 4, Cockerell Close, Segensworth West, Fareham, Hampshire, PO15 5SR (the Company);

(2) **KEVIN JOHN SAINSBURY** of [REDACTED]

MARK DENNIS SAINSBURY of [REDACTED]
and

KEVIN JOHN SAINSBURY, MARK DENNIS SAINSBURY and JLT TRUSTEES LIMITED, all in their capacity as trustees of Solent Bodybuilders & Repairs Limited Retirement and Death Benefit Scheme, whose registered office is Unit 4 Cockerell Close, Segensworth West, Fareham, Hampshire, PO15 5SR.

(the Lenders).

RECITALS

(A) The Lenders have agreed, pursuant to a sale and purchase agreement of even date between them and Solent Commercial Vehicle Services Limited (CRN: 12292158) (Buyer), and others (SPA) in relation to the sale of the entire issued share capital of the Company to defer certain consideration payable to them by the Buyer on a secured basis.

(B) Under this Deed, the Company provides security to the Lenders for the consideration deferred under the SPA.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this Deed:

Administrator	an administrator appointed to manage the affairs, business and property of the Company pursuant to clause 12.6.
Book Debts	all present and future book and other debts, and monetary claims due or owing to the Company, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them.
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
Charged Property	any freehold, leasehold or commonhold property the subject of the security constituted by this Deed and references to "Charged Property" shall include references to the whole or any part or part of it.
Default Rate	8% per annum above the base rate of Barclays Bank Plc.

Delegate	any person appointed by the Lenders or any Receiver pursuant to clause 17 and any person appointed as attorney of the Lenders or any Receiver or Delegate.
Disruption Event	<p>(a) an event (not caused by, and outside the control of, either party) that disrupts the systems for payment or communication or the financial markets needed, in each case, to enable either payment to be made or transactions to be carried out under this Deed or the SPA; or</p> <p>(b) any other event (not caused by, and outside the control of, the party whose operations are disrupted), that results in disruption (of a technical or systems-related nature) to the treasury or payments operations of a party and which prevents either or both parties from (i) performing its payment obligations under this Deed or the SPA; or (ii) communicating with the other party as required by the terms of this Deed or the SPA.</p>
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
Environmental Licence	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Company or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	<p>any of the following events:</p> <p>(a) the Buyer fails to pay any of the Secured Liabilities when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date or by a Disruption Event and payment is made within five Business Days of its due date;</p> <p>(b) the Company or the Buyer fails (other than a failure to pay referred to in paragraph (a) of this definition) to comply with any provision of this Deed or the SPA, and such default is not remedied within 20 Business Days of the Lenders notifying the Company or the Buyer (as applicable) of the default and the remedy required;</p>

- (c) any representation, warranty or statement made, repeated or deemed made by the Company or the Buyer to the Lenders is (or proves to have been) untrue, incorrect or misleading in any material respect when made, repeated or deemed made;
- (d) any Financial Indebtedness is not paid when due or within any originally applicable grace period;
- (e) any Financial Indebtedness becomes due, or capable of being declared due and payable, before its stated maturity by reason of an event of default (however described);
- (f) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor of the Company or the Buyer by reason of an event of default (however described);
- (g) any creditor of the Company or the Buyer becomes entitled to declare any Financial Indebtedness due and payable before its stated maturity by reason of an event of default (however described);
- (h) the Company or the Buyer stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
- (i) the Company or the Buyer commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Lenders) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties);
- (j) a moratorium is declared in respect of any indebtedness of the Company or the Buyer;
- (k) any action, proceedings, procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company or the Buyer;
- (l) any action, proceedings, procedure or step is taken in relation to a composition, compromise, assignment or arrangement with any creditor of the Company or the Buyer;
- (m) any action, proceedings, procedure or step is taken in relation to the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company, the Buyer or any of their assets;
- (n) any event occurs in relation to the Company or the Buyer similar to those set out in paragraphs (h) to (m) (inclusive) under the laws of any applicable jurisdiction;
- (o) control of the Company's or the Buyer's goods is taken or a distress, attachment, execution, expropriation, sequestration or other analogous legal process in any jurisdiction is levied,

enforced or sued out on, or against, the Company's or the Buyer's assets;

- (p) any Security on or over the assets of the Company or the Buyer becomes enforceable;
- (q) all or any part of this Deed, the SPA or any other security of the Lenders in relation to the obligations under the SPA is or becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect or it becomes unlawful for any party to this Deed, the SPA or any other security of the Lenders in relation to the obligations under the SPA (other than the Lenders) to perform any obligation under this Deed, the SPA or any other security of the Lenders in relation to the obligations under the SPA;
- (r) the Company or the Buyer repudiates or rescinds or shows an intention to repudiate or rescind this Deed, the SPA or any other security of the Lenders in relation to the obligations under the SPA; or
- (s) any event occurs (or circumstances exist) that has or is likely to materially and adversely affect the Company or the Buyer's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this Deed, the SPA or any other security of the Lenders in relation to the obligations under the SPA.

Financial Collateral has the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

Financial Indebtedness any Indebtedness of the Buyer or the Company for or in respect of:

- (a) borrowing or raising money, including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptances under any acceptance credit (or dematerialised equivalent), bill discounting, note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Buyer or the Company if those receivables or financial assets are not paid when due;
- (e) any deferred payments for assets or services acquired, other than trade credit that is given in the ordinary course of trade and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any capital balance outstanding under any finance lease;

- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Buyer's or the Company's performance of a contract;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities that are not shown as borrowed money on the Buyer's or the Company's balance sheet because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurance against financial loss given by the Company or the Buyer for any indebtedness of the type referred to in any other paragraph of this definition incurred by any person.

When calculating Financial Indebtedness, no liability shall be taken into account more than once.

Insurance Policy	each contract and policy of insurance effected or maintained by the Company from time to time in respect of its assets or business (including, any contract or policy of insurance relating to the Charged Properties or the Equipment).
Intellectual Property	the Company's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights.
Investments	all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Company.
LPA 1925	the Law of Property Act 1925.
Permitted Security	<p>either of the following Security to be entered into on or around the date of this Deed:</p> <ul style="list-style-type: none"> (a) a fixed charge on non-vesting debts and floating charge between HSBC Invoice Finance (UK) Limited (1) and the Company (2); (b) a debenture between HSBC Bank Plc (1) and the Company (2); and (c) a composite guarantee and indemnity between HSBC Bank Plc (1), the Buyer (2) and the Company (3).

Receiver	a receiver, receiver and manager or administrative receiver appointed by the Lenders under clause 15.
Secured Assets	all the assets, property and undertaking of the Company which are, or are expressed to be, subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them).
Secured Liabilities	all present and future obligations and liabilities of the Company or the Buyer to the Lenders (under the SPA or this Deed), whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, default interest) accruing in respect of those obligations or liabilities.
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations.
Security	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
Security Period	the period starting on the date of this Deed and ending on the date on which the Lenders are satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
VAT	value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- 1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;

- 1.2.8 a reference to **writing** or **written** excludes fax but includes email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or the Schedule is to a clause of, or the Schedule to, this Deed and a reference to a paragraph is to a paragraph of the Schedule;
- 1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 **Clawback**

If the Lenders consider that an amount paid by the Buyer or the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Buyer or the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.4 **Nature of security over real property**

A reference in this Deed to a charge or mortgage of or over any Charged Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and

- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

1.5 Nature of security over Investments

A reference in this Deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the SPA and of any side letters between any parties in relation to the SPA are incorporated into this Deed.

1.7 Perpetuity period

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

1.8 Schedule

The Schedule forms part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedule.

2. COVENANT TO PAY

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

3. GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Lenders, by way of a second legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it, including the real property (if any) specified in the Schedule.

3.2 Fixed charges

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

- 3.2.1 all present and future estates or interests of the Company in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- 3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Company is a party or which are in its favour or of which it has the benefit relating to any letting,

development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);

- 3.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.4 all its present and future goodwill;
- 3.2.5 all its uncalled capital;
- 3.2.6 all the Equipment;
- 3.2.7 all the Intellectual Property;
- 3.2.8 all the Book Debts;
- 3.2.9 all the Investments;
- 3.2.10 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest); and
- 3.2.11 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee assigns to the Lenders absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Lenders, by way of third floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Automatic crystallisation of floating charge

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

- 3.6.1 the Company:

- 3.6.1.1 creates, or attempts to create, without the prior written consent of the Lenders, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of the SPA or this Deed); or
- 3.6.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- 3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company.

3.7 Crystallisation of floating charge by notice

The Lenders may, in their sole discretion, by written notice to the Company, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Lenders in that notice if:

- 3.7.1 an Event of Default is continuing; or
- 3.7.2 the Lenders consider those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.8 Assets acquired after any floating charge has crystallised

Any asset acquired by the Company after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Lenders confirm otherwise to the Company in writing) be charged to the Lenders by way of third fixed charge.

4. LIABILITY OF THE COMPANY

4.1 Liability not discharged

The Company's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lenders that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Lenders renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

4.2 Immediate recourse

The Company waives any right it may have to require the Lenders to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Company.

5. REPRESENTATIONS AND WARRANTIES

5.1 Times for making representations and warranties

The Company makes the representations and warranties set out in this clause 5 to the Lenders on the date of this Deed.

5.2 Ownership of Secured Assets

The Company is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets.

5.3 No Security

The Secured Assets are free from any Security other than Permitted Security and the Security created by this Deed.

5.4 No adverse claims

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

5.5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.6 No breach of laws

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

5.7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

5.8 No overriding interests

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

5.9 Avoidance of security

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

5.10 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy and the entry into this Deed by the Company does not, and will not, constitute a breach of any Insurance Policy or any other policy, agreement, document, instrument or obligation binding on the Company or its assets.

5.11 Environmental compliance

The Company has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

5.12 Enforceable security

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

5.13 Investments

5.13.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.

5.13.2 No constitutional document of an issuer of an Investment, nor any other agreement:

5.13.2.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or

5.13.2.2 contains any rights of pre-emption in relation to the Investments.

5.13.3 The Company has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.13.4 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

5.14 Due incorporation

The Company:

5.14.1 is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and

5.14.2 has the power to own its assets and carry on its business as it is being conducted.

5.15 Powers

5.15.1 The Company has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this Deed and the transactions contemplated by it.

5.15.2 No limit on its powers will be exceeded as a result of the grant of Security contemplated by this Deed.

5.16 Non-contravention

The entry into and performance by the Company of, and the transactions contemplated by, this Deed do not and will not contravene or conflict with:

5.16.1 its constitutional documents;

5.16.2 any agreement or instrument binding on the Company or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or

5.16.3 any law or regulation or judicial or official order applicable to it.

5.17 Authorisations

The Company has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations in this Deed and to make it admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

5.18 Binding obligations

5.18.1 The Company's obligations under this Deed are legal, valid, binding and enforceable.

5.18.2 This Deed creates (or, once entered into, will create):

5.18.2.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and

5.18.2.2 subject to registration in accordance with the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets expressed to be subject to Security in it,

in favour of the Lenders, having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties except those under the Permitted Security and preferred by law.

5.19 No filing or stamp taxes

It is not necessary to file, record or enrol this Deed (other than as provided in clause 5.18) with any court or other authority in that jurisdiction or pay any stamp, registration or similar taxes in relation to this Deed or any transaction contemplated by it (other than in connection with registrations at Companies House and the Land Registry).

5.20 No Event of Default

No Event of Default or, on the date of this Deed, event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this Deed or any document under which the Company or the Buyer owe obligations to the Lenders, satisfaction of any other condition (or any combination thereof) become an Event of Default is continuing.

5.21 Litigation

No litigation, arbitration or administrative proceedings or investigations are taking place or, to the Company's knowledge, threatened against it, any of its directors or any of its assets.

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

The Company shall not at any time, except with the prior written consent of the Lenders:

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed or any Permitted Security;

6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Company shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lenders, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

6.3 Compliance with laws and regulations

- 6.3.1 The Company shall not, without the Lenders' prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

- 6.3.2 The Company shall:

- 6.3.2.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- 6.3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 6.3.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.4 Enforcement of rights

The Company shall use its best endeavours to:

- 6.4.1 procure the prompt observance and performance by each counterparty to any agreement or arrangement with the Company forming part of the Secured Assets (including each insurer in respect of an Insurance Policy) of the covenants and other obligations imposed on that counterparty; and
- 6.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets as the Lenders may require from time to time.

6.5 Notice of misrepresentation and breaches

The Company shall, promptly on becoming aware of any of the same, notify the Lenders in writing of:

- 6.5.1 any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.5.2 any breach of any covenant set out in this Deed.

6.6 Insurance

- 6.6.1 The Company shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- 6.6.1.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - 6.6.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Company; and
 - 6.6.1.3 any other risk, perils and contingencies as the Lenders may reasonably require.
- 6.6.2 Any such insurance must:
- 6.6.2.1 be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lenders;
 - 6.6.2.2 include property owners' public liability and third party liability insurance; and
 - 6.6.2.3 be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises on any Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, in the case of any Charged Property, loss of rents payable by the tenants or other occupiers of any Charged Property for a period of at least three years, including provision for increases in rent during the period of insurance.
- 6.6.3 The Company shall, if requested by the Lenders, produce to the Lenders each policy, certificate or cover note relating to any insurance as is required by clause 6.6.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Company is entitled to obtain from the landlord under the terms of the relevant lease).
- 6.6.4 The Company shall, if requested by the Lenders (such request not to be made more than once in any 12 month period), procure that a note of the Lenders' interest is endorsed on each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 6.6.1 but without the Lenders having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

6.7 Insurance premiums

The Company shall:

- 6.7.1 promptly pay all premiums in respect of each insurance policy as is required by clause 6.6.1 and do all other things necessary to keep that policy in full force and effect; and
- 6.7.2 (if the Lenders so require, subject to such request not being made more than once in any 12 month period) give to the Lenders copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 6.6.1 (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Company is entitled to obtain from the landlord under the terms of the relevant lease).

6.8 No invalidation of insurance

The Company shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.6.1.

6.9 Proceeds from insurance policies

All monies payable under any insurance policy maintained by the Company in accordance with clause 6.6.1 at any time (whether or not the security constituted by this Deed has become enforceable) shall:

- 6.9.1 be paid immediately to the Lenders;
- 6.9.2 if they are not paid directly to the Lenders by the insurers, be held, pending such payment, by the Company as trustee of the same for the benefit of the Lenders; and
- 6.9.3 at the option of the Lenders, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

6.10 Information

The Company shall:

- 6.10.1 give the Lenders such information concerning the location, condition, use and operation of the Secured Assets as the Lenders may reasonably require;
- 6.10.2 permit any persons designated by the Lenders and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 6.10.3 promptly notify the Lenders in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Company's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Lenders' prior approval, implement those proposals at its own expense.

6.11 Payment of outgoings

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lenders.

6.12 Notification of Event of Default

The Company shall notify the Lenders of any Event of Default or any event or circumstance which would, on the giving of notice, expiry of any grace period, making of any determination under this Deed or the SPA (or any combination thereof), become an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

6.13 Authorisations

The Company shall promptly obtain all consents and authorisations necessary under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence of this Deed in its jurisdiction of incorporation.

6.14 Compliance with law

The Company shall comply in all respects with all material laws to which it may be subject, if failure to do so would materially impair its ability to perform its obligations under this Deed.

7. PROPERTY COVENANTS

7.1 Repair and maintenance

The Company shall keep all premises and fixtures and fittings on each Charged Property:

- 7.1.1 in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value; and
- 7.1.2 in such repair and condition as to enable each Charged Property to be let in accordance with all applicable laws and regulations.

7.2 No alterations

The Company shall not, without the prior written consent of the Lenders:

- 7.2.1 pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;
- 7.2.2 make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 7.1); or
- 7.2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Company on any Charged Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

7.3 Conduct of business on Charged Properties

The Company shall carry on its trade and business on those parts (if any) of the Charged Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

7.4 Notices or claims relating to the property

7.4.1 The Company shall:

- 7.4.1.1 give summary particulars to the Lenders of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a Notice) that specifically applies to any Charged Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and
- 7.4.1.2 (if the Lenders so require) promptly, and at the cost of the Company, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Lenders in making, any objections or representations in respect of that Notice that the Lenders reasonably think fit.

7.4.2 The Company shall give summary particulars to the Lenders of any claim, notice or other communication served on it in respect of any modification, suspension or

revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Charged Property.

7.5 Compliance with and enforcement of covenants

The Company shall:

- 7.5.1 observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject, and (if the Lenders so require) produce to the Lenders evidence sufficient to satisfy the Lenders that those covenants, stipulations and conditions have been observed and performed; and
- 7.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

7.6 Payment of rent and outgoings

The Company shall:

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

7.7 Leases and licences affecting the Charged Properties

The Company shall not, without the prior written consent of the Lenders (which consent, in the case of clause 7.7.4, is not to be unreasonably withheld or delayed in circumstances in which the Company may not unreasonably withhold or delay its consent):

- 7.7.1 grant any licence or tenancy affecting the whole or any part of any Charged Property, or exercise the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- 7.7.2 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property);
- 7.7.3 let any person into occupation of or share occupation of the whole or any part of any Charged Property; or
- 7.7.4 grant any consent or licence under any lease or licence affecting any Charged Property.

7.8 Registration restrictions and cautions against first registration and notices

- 7.8.1 If the title to any Charged Property is not registered at the Land Registry, the Company shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Charged Property, without the prior written consent of the Lenders.
- 7.8.2 Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is

registered against the Company's title to any Charged Property, the Company shall immediately provide the Lenders with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Company shall promptly, and at its own expense, take such steps as the Lenders may reasonably require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

- 7.8.3 The Company shall be liable for the reasonable costs and expenses properly incurred by the Lenders in lodging cautions against the registration of the title to the whole or any part of any Charged Property from time to time.

7.9 Development restrictions

The Company shall not, without the prior written consent of the Lenders:

- 7.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of any Charged Property; or
- 7.9.2 carry out or permit or suffer to be carried out on any Charged Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of any Charged Property.

7.10 Environment

The Company shall in respect of each Charged Property:

- 7.10.1 comply in all material respects with all the requirements of Environmental Law; and
- 7.10.2 obtain and comply in all material respects with all Environmental Licences.

7.11 No restrictive obligations

The Company shall not, without the prior written consent of the Lenders, enter into any onerous or restrictive obligations affecting the whole or any part of any Charged Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Charged Property.

7.12 Proprietary rights

The Company shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Charged Property without the prior written consent of the Lenders.

7.13 Inspection

The Company shall permit the Lenders, any Receiver and any person appointed by either of them to enter on and inspect any Charged Property during normal business hours on reasonable prior notice.

7.14 Property information

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

7.15 VAT option to tax

The Company shall not, without the prior written consent of the Lenders:

7.15.1 exercise any VAT option to tax in relation to any Charged Property; or

7.15.2 revoke any VAT option to tax exercised, and disclosed to the Lenders, before the date of this Deed.

7.16 Registration of legal mortgage at the Land Registry

The Company consents (if requested by the Lenders at any time) to an application being made by the Lenders to the Land Registrar for the following restriction in Form P to be registered against its title to each Charged Property over which the Lenders have a legal mortgage:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of Kevin John Sainsbury, Mark Dennis Sainsbury and the trustees of Solent Bodybuilders & Repairs Limited Retirement and Death Benefit Scheme referred to in the charges register or their conveyancer or specify appropriate details."

8. INVESTMENTS COVENANTS

8.1 Nominations

8.1.1 The Company shall terminate with immediate effect all nominations it may have made (including any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:

8.1.1.1 does not exercise any rights in respect of any Investments without the prior written approval of the Lenders; and

8.1.1.2 immediately on receipt by it, forward to the Lenders all communications or other information received by it in respect of any Investments for which it has been so nominated.

8.1.2 The Company shall not, during the Security Period, exercise any rights (including any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.2 Pre-emption rights and restrictions on transfer

The Company shall:

8.2.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Lenders or their nominee, or to a purchaser on enforcement of the security constituted by this Deed; and

8.2.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Lenders may require in order to permit the transfer of the Investments to the Lenders or their nominee, or to a purchaser on enforcement of the security constituted by this Deed.

8.3 Dividends and voting rights before enforcement

- 8.3.1 Before the security constituted by this Deed becomes enforceable, the Company may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Lenders or any of their nominees, the Lenders will hold all those dividends, interest and other monies received by it for the Company and will pay them to the Company promptly on request.
- 8.3.2 Before the security constituted by this Deed becomes enforceable, the Company may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lenders or any of their nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
- 8.3.2.1 it shall not do so in any way that would breach any provision of this Deed or for any purpose inconsistent with this Deed; and
- 8.3.2.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lenders' reasonable opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lenders' security under this Deed.
- 8.3.3 The Company shall indemnify the Lenders against any loss or liability incurred by the Lenders (or their nominee) as a consequence of the Lenders (or their nominee) acting in respect of the Investments at the direction of the Company.
- 8.3.4 The Lenders shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to, or conferred by, any of the Investments that the Lenders consider prejudicial to, or impairing the value of, the security created by this Deed.

8.4 Dividends and voting rights after enforcement

After the security constituted by this Deed has become enforceable:

- 8.4.1 all dividends and other distributions paid in respect of the Investments and received by the Company shall be held by the Company on trust for the Lenders and immediately paid to the Lenders or, if received by the Lenders, may be applied by the Lenders in accordance with clause 18.1; and
- 8.4.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Lenders and the Company shall, and shall procure that its nominees shall, comply with any directions the Lenders may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.5 Calls on investments

Notwithstanding the security created by this Deed, the Company shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Company acknowledges that the Lenders shall not be under any liability in respect of any such calls, instalments or other payments.

8.6 No alteration of constitutional documents or rights attaching to Investments

The Company shall not, without the prior written consent of the Lenders, amend, or agree to the amendment of:

8.6.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or

8.6.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

8.7 Preservation of Investments

The Company shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

8.7.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;

8.7.2 issue any new shares or stock; or

8.7.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Lenders or the Company in accordance with this Deed.

8.8 Investments information

The Company shall, promptly following receipt, send to the Lenders copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

8.9 Compliance with requests for information

The Company shall promptly send a copy to the Lenders of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Lenders may elect to provide such information as it may have on behalf of the Company.

9. EQUIPMENT COVENANTS

9.1 Maintenance of Equipment

The Company shall:

9.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

9.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

9.1.3 not permit any Equipment to be:

9.1.3.1 used or handled other than by properly qualified and trained persons; or

9.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.

9.2 Payment of Equipment taxes

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Lenders.

10. BOOK DEBTS COVENANTS

10.1 Realising Book Debts

10.1.1 The Company shall as an agent for the Lenders, collect in and realise all Book Debts, pay the proceeds to the Lenders immediately on receipt and, pending that payment, hold those proceeds in trust for the Lenders.

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

10.2 Preservation of Book Debts

The Company shall not (except as permitted under clause 10.1 or with the prior written consent of the Lenders) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

11. INTELLECTUAL PROPERTY COVENANTS

11.1 Preservation of rights

The Company shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

11.2 Registration of Intellectual Property

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

11.3 Maintenance of Intellectual Property

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

12. POWERS OF THE LENDERS

12.1 Power to remedy

12.1.1 The Lenders shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.

12.1.2 The Company irrevocably authorises the Lenders and their agents to do all things that are necessary or desirable for that purpose.

12.1.3 The Company shall reimburse the Lenders, on a full indemnity basis, for any monies the Lenders expend in remedying a breach by the Company of its obligations contained in this Deed, and such monies shall carry interest in accordance with clause 19.1.

12.2 Exercise of rights

- 12.2.1 The rights of the Lenders under clause 12.1 are without prejudice to any other rights of the Lenders under this Deed.
- 12.2.2 The exercise of any rights of the Lenders under this Deed shall not make the Lenders liable to account as a mortgagee in possession.

12.3 Power to dispose of chattels

- 12.3.1 At any time after the security constituted by this Deed has become enforceable, the Lenders or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Charged Property.
- 12.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 12.3.1, the Company shall indemnify the Lenders and any Receiver against any liability arising from any disposal made under clause 12.3.1.

12.4 Lenders have Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Lenders in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

12.5 Indulgence

The Lenders may, at their discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

12.6 Appointment of an Administrator

- 12.6.1 The Lenders may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- 12.6.2 Any appointment under this clause 12.6 shall:
 - 12.6.2.1 be in writing signed by a duly authorised signatory of the Lenders; and
 - 12.6.2.2 take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 12.6.3 The Lenders may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 12.6 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

13. WHEN SECURITY BECOMES ENFORCEABLE

13.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs.

13.2 Discretion

After the security constituted by this Deed has become enforceable, the Lenders may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms they think fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

14. ENFORCEMENT OF SECURITY

14.1 General

14.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

14.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 13.1.

14.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

14.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lenders and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in their own name or in that of the Company, to:

14.2.1 grant a lease or agreement for lease;

14.2.2 accept surrenders of leases; or

14.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lenders or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

14.3 Access on enforcement

14.3.1 At any time after the Lenders have demanded payment of the Secured Liabilities or if the Company defaults in the performance of its obligations under this Deed or an Event of Default is Continuing, the Company will allow the Lenders or their Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lenders or a Receiver reasonably believe a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.

14.3.2 At all times, the Company must use its best endeavours to allow the Lenders or its Receiver access to any premises for the purpose of clause 14.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

14.4 Redemption of prior Security

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

14.4.1.1 redeem any prior Security over any Secured Asset;

14.4.1.2 procure the transfer of that Security to itself; and

14.4.1.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Company).

14.4.2 The Company shall pay to the Lenders immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as part of the Secured Liabilities.

14.5 Protection of third parties

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

14.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

14.5.2 whether any power the Lenders, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or

14.5.3 how any money paid to the Lenders, any Receiver or any Delegate is to be applied.

14.6 Privileges

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

14.7 No liability as mortgagee in possession

Neither the Lenders nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

14.8 Conclusive discharge to purchasers

The receipt of the Lenders, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lenders, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

14.9 Right of appropriation

14.9.1 To the extent that:

14.9.1.1 the Secured Assets constitute Financial Collateral; and

14.9.1.2 this Deed and the obligations of the Company under it constitute a Security Financial Collateral Arrangement,

the Lenders shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lenders may, in their absolute discretion, determine.

14.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

14.9.2.1 in the case of cash, the amount standing to the credit of each of the Company's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and

14.9.2.2 in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Lenders by reference to a recognised market index or by any other method that the Lenders may select (including independent valuation).

14.9.3 The Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

15. RECEIVER

15.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Company, the Lenders may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

15.2 Removal

The Lenders may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

15.3 Remuneration

The Lenders may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

15.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lenders under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

15.5 Power of appointment exercisable despite prior appointments

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

15.6 Agent of the Company

Any Receiver appointed by the Lenders under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lenders.

16. POWERS OF RECEIVER

16.1 General

16.1.1 Any Receiver appointed by the Lenders under this Deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 16.2 to clause 16.23.

16.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

16.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

16.1.4 Any exercise by a Receiver of any of the powers given by clause 16 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 16.16) or itself.

16.2 Repair and develop Charged Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

16.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

16.4 Employ personnel and advisers

16.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

16.4.2 A Receiver may discharge any such person or any such person appointed by the Company.

16.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

16.6 Remuneration

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

16.7 Possession

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

16.8 Manage or reconstruct the Company's business

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

16.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

16.10 Sever fixtures and fittings

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

16.11 Sell Book Debts

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

16.12 Valid receipts

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

16.13 Make settlements

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

16.14 Legal action

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

16.15 Improve the Equipment

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

16.16 Make calls on Company members

A Receiver may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

16.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 19, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this Deed.

16.18 Subsidiaries

A Receiver may form a subsidiary of the Company and transfer to that subsidiary any Secured Asset.

16.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Lenders consent, terms under which that security ranks in priority to this Deed).

16.20 Redeem prior Security

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

16.21 Delegation

A Receiver may delegate its powers in accordance with this Deed.

16.22 Absolute beneficial owner

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

16.23 Incidental powers

A Receiver may do any other acts and things that it:

16.23.1 may consider desirable or necessary for realising any of the Secured Assets;

16.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

16.23.3 lawfully may or can do as agent for the Company.

17. DELEGATION

17.1 Delegation

The Lenders or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 21.1).

17.2 Terms

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

17.3 Liability

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

18. APPLICATION OF PROCEEDS

18.1 Order of application of proceeds

All monies received or recovered by the Lenders, a Receiver or a Delegate under this Deed or in connection with the realisation or enforcement of all or part of the security constituted by this Deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Lenders' right to recover any shortfall from the Company):

18.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Lenders (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;

18.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Lenders determine; and

18.1.3 in payment of the surplus (if any) to the Company or other person entitled to it.

18.2 Appropriation

Neither the Lenders, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

18.3 Suspense account

All monies received by the Lenders, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

18.3.1 may, at the discretion of the Lenders, Receiver or Delegate, be credited to a suspense account;

18.3.2 shall bear interest, if any, at the rate agreed in writing between the Lenders and the Company; and

18.3.3 may be held in that account for so long as the Lenders, Receiver or Delegate think fit.

19. COSTS AND INDEMNITY

19.1 Costs

The Company shall, promptly on demand, pay to, or reimburse, the Lenders and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including legal, printing and out-of-pocket expenses) incurred by the Lenders, any Receiver or any Delegate in connection with:

19.1.1 this Deed or the Secured Assets;

19.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lenders', a Receiver's or a Delegate's rights under this Deed; or

19.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment, liquidation, winding-up or administration of the Company) at the Default Rate.

19.2 Indemnity

19.2.1 The Company shall indemnify the Lenders, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

19.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;

19.2.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or

19.2.1.3 any default or delay by the Company in performing any of its obligations under this Deed.

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

20. FURTHER ASSURANCE

20.1 Further assurance

The Company shall promptly, at its own expense, take whatever action the Lenders or any Receiver may reasonably require for:

20.1.1 creating, perfecting or protecting the security created or intended to be created by this Deed;

20.1.2 facilitating the realisation of any Secured Asset; or

20.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lenders or any Receiver in respect of any Secured Asset,

including the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lenders or to their nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Lenders may consider necessary or desirable.

21. POWER OF ATTORNEY

21.1 Appointment of attorneys

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

21.1.1 the Company is required to execute and do under this Deed; or

21.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Lenders, any Receiver or any Delegate.

21.2 Ratification of acts of attorneys

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 21.1.

22. RELEASE

22.1 Subject to clause 29.3, at the end of the Security Period, the Lenders shall, at the request and cost of the Company, take whatever action is necessary to:

22.1.1 release the Secured Assets from the security constituted by this Deed; and

22.1.2 reassign the Secured Assets to the Company.

23. ASSIGNMENT AND TRANSFER

23.1 Assignment by Lenders

23.1.1 Subject to obtaining the Company's prior written consent, the Lenders may assign or transfer any or all of its rights and obligations under this Deed.

23.1.2 The Lenders may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Company, the Secured Assets and this Deed that the Lenders consider appropriate, subject to such proposed assignee or transferee entering into a confidentiality agreement on such terms as reasonably required by the Company.

23.2 Assignment by Company

The Company may not assign any of its rights, or transfer any of its rights or obligations, under this Deed without the Lenders' prior written consent.

24. SET-OFF

24.1 Lenders' right of set-off

The Lenders may at any time set off any liability of the Company to the Lenders against any liability of the Lenders to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Lenders may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lenders of their rights under this clause 24 shall not limit or affect any other rights or remedies available to them under this Deed or otherwise.

24.2 No obligation to set off

The Lenders are not obliged to exercise their rights under clause 24.1. If, however, they do exercise those rights they must promptly notify the Company of the set-off that has been made.

24.3 Exclusion of Company's right of set-off

All payments made by the Company to the Lenders under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

25. AMENDMENTS, WAIVERS AND CONSENTS

25.1 Amendments

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

25.2 Waivers and consents

25.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

25.2.2 A failure or delay by a party to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Lenders shall be effective unless it is in writing.

25.3 Rights and remedies

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

26. SEVERANCE

26.1 Severance

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

27. COUNTERPARTS

27.1 Counterparts

27.1.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

- 27.1.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

28. THIRD PARTY RIGHTS

28.1 Third party rights

28.1.1 Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

28.1.2 The rights of the parties to rescind or agree any amendment or waiver under this Deed are not subject to the consent of any other person.

29. FURTHER PROVISIONS

29.1 Independent security

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

29.2 Continuing security

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lenders discharge this Deed in writing.

29.3 Discharge conditional

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

29.3.1 the Lenders or their nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lenders deem necessary to provide the Lenders with security against any such avoidance, reduction or order for refund; and

29.3.2 the Lenders may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

29.4 Certificates

A certificate or determination by the Lenders as to any amount for the time being due to them from the Company under this Deed shall be, in the absence of any manifest error or fraud, conclusive evidence of the amount due.

29.5 Consolidation

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

29.6 Small company moratorium

Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Company under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Company with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- 29.6.1 an event under this Deed which causes any floating charge created by this Deed to crystallise;
- 29.6.2 an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Company; or
- 29.6.3 a ground under this Deed for the appointment of a Receiver.

30. NOTICES

30.1 Delivery

Any notice or other communication given to a party under or in connection with this Deed shall be:

- 30.1.1 in writing;
- 30.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service, or by email; and
- 30.1.3 sent to:

30.1.3.1 the Company at:

Address: 3000a Parkway, Whiteley, Fareham, Hampshire, PO15 7FX

Attention: Jon Whitbread and Greg Heller

Email: [REDACTED]

30.1.3.2 the Lenders at:

Address: [REDACTED]

Attention: Kevin Sainsbury

Email: [REDACTED]

or to any other address or email address as is notified in writing by one party to the other from time to time.

30.2 Deemed Receipt

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

- 30.2.1 if delivered by hand, at the time it is left at the relevant address;
- 30.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- 30.2.3 if sent by email, at the time of transmission.

A notice or other communication given as described in clause 30.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

30.3 Service of proceedings

This clause 30 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

31. GOVERNING LAW AND JURISDICTION

31.1 Governing law

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

31.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation.

IN WITNESS WHEREOF this document has been executed as a Deed and is delivered and takes effect on the date first stated above.

THE SCHEDULE
REAL PROPERTY
Part 1
Registered Property

None.

EXECUTED as a DEED)
by SOLENT BODYBUILDERS & REPAIRS)
LIMITED acting by JONATHAN ROBERT)
WHITBREAD, a director, and GRZEGORZ)
LUKASZ HELLER, a director)

[Redacted Signature]

Director

[Redacted Signature]

Director

EXECUTED as a DEED)
by KEVIN JOHN SAINSBURY)
in the presence of:)

.....

Witness Signature

Witness Name:

Witness Address:

.....

.....

Witness Occupation

EXECUTED as a DEED)
by MARK DENNIS SAINSBURY)
in the presence of:)
)

.....

Witness Signature

Witness Name:

Witness Address:

.....

.....

Witness Occupation

Signed and Delivered as a deed)
by KEVIN JOHN SAINSBURY, a trustee)
of SOLENT BODYBUILDERS & REPAIRS)
LIMITED RETIREMENT AND DEATH BENEFIT)
SCHEME)

.....
Signature

Witness Signature

Witness Name:

Witness Address:

.....

.....

Witness Occupation

Signed and Delivered as a deed)
by MARK SAINSBURY, a trustee)
of SOLENT BODYBUILDERS & REPAIRS)
LIMITED RETIREMENT AND DEATH BENEFIT)
SCHEME)

.....
Signature

Witness Signature

Witness Name:

Witness Address:

.....

.....

Witness Occupation

Signed and Delivered as a deed)
by.....)
)
as Attorney of)
JLT TRUSTEES LIMITED, a trustee)
of SOLENT BODYBUILDERS & REPAIRS)
LIMITED RETIREMENT AND DEATH BENEFIT)
SCHEME)

.....
Attorney

in the presence of: -

Witness Signature

Witness Name:

Witness Address:

.....

.....

Witness Occupation