

MR01

Particulars of a charge

567637/13

A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration with
21 days** beginning with the day after the date of creation of the charge.
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery



You **must** enclose a certified copy of the instrument with this form. This
scanned and placed on the public record



A2EUZFAJ

A14

16/08/2013

#62

COMPANIES HOUSE

FRIDAY

1 Company details

Company number 0 1 3 9 8 1 2 5

Company name in full Walon Limited

65 For official use

Filing in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 3 1 0 7 2 0 1 3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name KBC Commercial Finance NV

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ **Yes**

☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ **Yes** Continue

☒ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ **Yes**

☐ **No**

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Particulars of a charge

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

DMH Stallard LLP

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge

Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name (Ref 0625/215520-6)

Company name DMH Stallard LLP

Address 6 New Street Square

New Fetter Lane

Post town

County/Region London

Postcode

E	C	4	A		3	B	F
---	---	---	---	--	---	---	---

Country United Kingdom

DX 344 Chancery

Telephone 020 7842 1514

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy

Important information

Please note that all information on this form will appear on the public record.

How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'.

Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1398125

Charge code: 0139 8125 0065

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st July 2013 and created by WALON LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th August 2013

Given at Companies House, Cardiff on 20th August 2013



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

It is hereby certified that this
is a true redacted copy of the
original document

DMH Stallard LLP
6 New Street Square
New Fetter Lane
London
EC4A 3BF

DATED: 31st July 2013

DMH Stallard LLP
(Ref: 0625)

KBC COMMERCIAL FINANCE NV

and

WALON LIMITED

CHARGE OVER BOOK DEBTS AND PROCEEDS OF BOOK DEBTS



DMH Stallard

www.dmhstallard.com

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THIS DEED is made the 31st day of July 2013

BETWEEN

- (1) Walon Limited incorporated and registered in England and Wales with company number 01398125 whose registered office is at Luften Trading Estate, Luften, Yeovil, Somerset, United Kingdom, BA22 8HZ ("Walon").
- (2) KBC Commercial Finance NV incorporated and registered in Belgium whose office is at Havenlaan 6, BE-1080, Brussels, Belgium ("KBC")

BACKGROUND

- (A) KBC has agreed pursuant to the Invoice Discounting Agreement to provide Walon with invoice discounting facilities.
- (B) This Deed provides security which Walon has agreed to give to KBC for the invoice discounting facilities under the Invoice Discounting Agreement

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this Deed.

Book Debts: means in relation to Walon, all its book debts which

- (a) are in existence during the period commencing on Commencement (as defined in the Invoice Discounting Agreement) and ending on the date on which the Invoice Discounting Agreement terminates in accordance with its terms, and
- (b) are the subject of the Invoice Discounting Agreement, and
- (c) have failed to vest legally and beneficially in KBC pursuant to the terms of the Invoice Discounting Facility.

Business Day: a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market

Costs: all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs

Debtor Account has the meaning given to that expression in the Invoice Discounting Agreement

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*)

Invoice Discounting Agreement: the agreement dated 31 July 2013 (including the standard conditions relating thereto) as amended from time to time between Walon and KBC for the provision of the invoice discounting facilities secured by this Deed.

Permitted Security has the meaning given to that expression in the Invoice Discounting Agreement

Proceeds the realisation and proceeds of the Book Debts and any other sums or monies in relation to the Book Debts.

Receiver: a receiver appointed under this Deed

Secured Liabilities: all present and future monies, obligations and liabilities owed by Walon to KBC, whether actual or contingent, as principal or surety and/or in any other capacity, under or in connection with the Invoice Discounting Agreement or this Deed together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities in accordance with the provisions of the Invoice Discounting Agreement or this Deed

Security Assets means in relation to Walon, all of its assets and rights which are the subject of any security created by this Deed.

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

Security Interest: 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 KBC is 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

1.2 Interpretation

Unless the context otherwise requires, in this Deed.

- 1.2.1 a reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and

to any former statute or statutory provision which it consolidated or re-enacted before the date of this Deed,

- 1 2.2 a reference to one gender includes a reference to the other genders,
- 1 2 3 words in the singular include the plural and in the plural include the singular,
- 1 2 4 a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and references to paragraphs are to paragraphs of the relevant Schedule;
- 1 2 5 a reference to **this Deed** (or any specified provision of it) or any other document shall be construed as a reference to this Deed, that provision or that document as in force for the time being and as amended or novated from time to time,
- 1 2 6 a reference to a **person** shall include a reference to an individual, firm, body corporate, corporation, unincorporated body of persons, or any state or any agency of a person,
- 1 2.7 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1 2 8 a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation,
- 1.2.9 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 2.10 a reference to Walon or KBC shall include its successors, permitted transferees and permitted assigns; and
- 1 2.11 clause, schedule and paragraph headings shall not affect the interpretation of this Deed.
- 1 3 **Clawback**
If KBC considers that an amount paid in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of Walon or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed
- 1 4 **Third party rights**
A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this Deed
- 1.5 **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 6 **Schedules**

The schedules form 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 Schedules.

2. **COVENANT TO PAY**

2 1 Walon shall, on demand, pay to KBC and discharge the Secured Liabilities when they become due

2 2 Any demand hereunder by KBC to Walon for the payment and discharge of the Secured Liabilities shall only be made following or at the same time as KBC has exercised any of its rights under clause 13.2 of the Invoice Discounting Agreement

3. **GRANT OF SECURITY**

As a continuing security for the payment and discharge of the Secured Liabilities, Walon with full title guarantee charges to KBC, by way of first fixed charge

- (a) all the Book Debts
- (b) all benefits, claims, rights and security held in respect of or to secure the payment of the Book Debts, and
- (c) all the Proceeds.

4. **LIABILITY OF WALON**

4 1 **Liability not discharged**

Walon'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 KBC that is or becomes wholly or partially illegal, void or unenforceable on any ground, or
- 4.1 2 any termination, amendment, variation or supplement of or to the Invoice Discounting Agreement,
- 4.1.3 KBC 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 4 any other act or omission, which but for this clause 4 might have discharged, or otherwise prejudiced or affected, the liability of Walon
- 4 2 **Immediate recourse**
Walon waives any right it may have to require KBC to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against Walon
5. **REPRESENTATIONS AND WARRANTIES**
Walon represents and warrants to KBC in the terms set out in Schedule 1. The representations and warranties set out in Schedule 1 are made on the date of this Deed and shall be deemed to be repeated on each anniversary date of this Deed with reference to the facts and circumstances then existing
6. **COVENANTS**
Walon covenants with KBC in the terms set out in Schedule 2
7. **POWERS OF KBC**
KBC shall have the powers set out in Schedule 3
- 8 **ENFORCEMENT**
- 8.1 **Enforcement**
The security constituted by this Deed shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 4. The parties to this Deed agree that the provisions of Schedule 4 shall apply to this Deed and shall be binding between them
- 8 2 **Power of sale**
At any time after this Deed has become enforceable, KBC and any Receiver may (without prejudice to any other right which KBC or the Receiver may have) without further notice to Walon exercise the power to sell or otherwise dispose of the whole or any part of the Secured Assets
- 8.3 **Terms of sale**
Any sale or disposal under clause 8.2 may be made in such manner, on such terms and for such consideration (whether payable immediately or by instalments) as KBC or the Receiver, as the case may be, shall in its absolute discretion think fit and without liability for loss
- 8 4 **Right of appropriation**
- 8.4 1 To the extent that the Proceeds from time to time standing to the credit of the Debtor Account constitute Financial Collateral and this Deed and the obligations of Walon hereunder constitute a Security Financial Collateral Arrangement, KBC shall have the right, at any time after this Deed has become enforceable and subject to the terms of this Deed, to appropriate all or any of that part of such amounts in or towards the payment and/or discharge of the Secured Liabilities in

such order as KBC in its absolute discretion may from time to time determine. The value of the Proceeds from time to time standing to the credit of the Debtor Account appropriated in accordance with this clause shall be, in the case of cash, the amount of cash appropriated. Walon agrees that the method of valuation provided for in this clause is commercially reasonable for the purposes of the Financial Collateral Regulations

- 8.4.2 The rights of KBC that are set out in clause 8.4.1 shall be separate and distinct rights from KBC's general rights of set off under this Deed and the Invoice Discounting Agreement

9. COSTS AND INDEMNITY

9.1 Costs

Walon shall pay to, or reimburse, KBC and any Receiver on demand, on a full indemnity basis, all Costs incurred by KBC and/or any Receiver in relation to

- 9.1.1 protecting, perfecting, preserving or enforcing (or attempting to do so) any of KBC's or the Receiver's rights under this Deed,

- 9.1.2 suing for, or recovering, any of the Secured Liabilities, (including, without limitation, the Costs of any proceedings in relation to this Deed or the Secured Liabilities), together with interest on any amount due under this clause

9.2 Indemnity

KBC and any Receiver, and their respective employees and agents, shall be indemnified on a full indemnity by Walon in respect of all actions, liabilities and Costs incurred or suffered in or as a result of

- 9.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this Deed;

- 9.2.2 any matter or thing done, or omitted to be done, in relation to the Security Assets under those powers, and

- 9.2.3 any default or delay by Walon in performing any of its obligations under this Deed

- 9.3 Any monetary obligations due for payment under this clause 9 pursuant to the indemnities given to KBC and any Receiver shall be satisfied by Walon in the manner set out in clause 5.7 of the Invoice Discounting Agreement

10. RELEASE

Subject to clause 12.3, on the expiry of the Security Period (but not otherwise), KBC shall, at the request and cost of Walon, take whatever action is necessary to release the Security Assets from the security constituted by this Deed.

11. ASSIGNMENT AND TRANSFER

- 11.1 **Assignment by KBC**
KBC may assign or transfer the whole or any part of KBC's rights and/or obligations under this Deed to any person at the same time that it assigns or transfers its rights under the Invoice Discounting Agreement in accordance with the terms thereof.
- 11.2 **Assignment by Walon**
Walon may not assign any of its rights, or transfer any of its obligations, under this Deed or enter into any transaction which would result in any of those rights or obligations passing to another person.
12. **FURTHER PROVISIONS**
- 12.1 **Independent security**
This Deed shall be in addition to, and independent of, every other security or guarantee which KBC may hold for any of the Secured Liabilities at any time. No prior security held by KBC over the whole or any part of the Security Assets shall merge in the security created by this Deed.
- 12.2 **Continuing security**
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 KBC discharges this Deed in writing.
- 12.3 **Discharge conditional**
Any release, discharge or settlement between Walon and KBC shall be deemed conditional on no payment or security received by KBC in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:
- 12.3.1 KBC or its nominee may retain this Deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Security Assets, for such period as KBC deems necessary to provide KBC with security against any such avoidance, reduction or order for refund, and
- 12.3.2 KBC may recover the value or amount of such security or payment from Walon subsequently as if such release, discharge or settlement had not occurred.
- 12.4 **Certificates**
A certificate or determination by KBC as to any amount for the time being due to it from Walon shall (in the absence of any manifest error) be conclusive evidence of the amount due.
- 12.5 **Rights cumulative**

The rights and powers of KBC conferred by this Deed are cumulative, may be exercised as often as KBC considers appropriate, and are in addition to its rights and powers under the general law

12.6 Waivers

Any waiver or variation of any right by KBC (whether arising under this Deed or under the general law) shall only be effective if it is in writing and signed by KBC and applies only in the circumstances for which it was given, and shall not prevent KBC from subsequently relying on the relevant provision.

12.7 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of KBC shall, in any way, preclude KBC from exercising any right or power under this Deed or constitute a suspension or variation of any such right or power

12.8 Delay

No delay or failure to exercise any right or power under this Deed shall operate as a waiver

12.9 Single or partial exercise

No single or partial exercise of any right under this Deed shall prevent any other or further exercise of that or any other right.

12.10 Consolidation

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

12.11 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

12.12 Counterparts

This Deed may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

13. NOTICES

13.1 Service

Each notice or other communication required to be given under, or in connection with, this Deed shall be:

13.1.1 in writing, delivered personally or sent by pre-paid first-class letter or fax, and

13.1.2 sent

- (a) to Walon at
Luften Trading Estate
Luften, Yeovil
Somerset, BA22 8HZ
Fax 01935 422271
Attention David Harris
- (b) to KBC at
Havenlaan 6,
BE-1080
Brussels
Belgium
Fax: 00 32 26460689
Attention: Peter De Graeve and Stijn Sioulants

or to such other address or fax number as is notified in writing by one party to the other from time to time.

13.2 Receipt by Walon

Any notice or other communication that KBC gives shall be deemed to have been received

13.2.1 If sent by fax, when received in legible form,

13.2.2 If given by hand, at the time of actual delivery, and

13.2.3 if posted, on the fifth Business Day after the day it was sent by pre-paid first-class post

A notice or other communication given as described in clause 13.2.1 or clause 13.2.2 on a day which 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.

13.3 Receipt by KBC

Any notice or other communication given to KBC shall be deemed to have been received only on actual receipt.

14. GOVERNING LAW AND JURISDICTION

14.1 Governing law

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

14.2 Jurisdiction

The parties to this Deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject

matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of KBC to take proceedings against Walon in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

14.3 Other service

Walon irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

SCHEDULE 1

Representations and warranties

- 1 **Ownership of Security Assets**
Walon is, subject to the Permitted Security, the legal and beneficial owner of the Security Assets.
- 2 **No Security Interests**
The Security Assets are free from any Security Interest other than the Security Interests created by this Deed or the Permitted Security.
- 3 **Adverse claims**
Walon has not received or acknowledged notice of any adverse claim by any person in respect of the Security Assets or any interest in it
- 4 **Adverse covenants**
There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Security Assets
- 5 **No breach of laws**
There is no breach of any law or regulation which materially adversely affects the Security Assets
- 6 **Avoidance of security**
No Security Interest expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of Walon or otherwise.
- 7 **No prohibitions or breaches**
The entry into of this Deed by Walon does not and will not constitute a breach of any agreement or instrument binding on Walon or its assets

SCHEDULE 2

Covenants

Part 1

General covenants

- 1 Negative pledge and disposal restrictions
- 1 1 Walon shall not at any time, except with the prior written consent of KBC
- 1 1 1 create, purport to create or permit to subsist any Security Interest on, or in relation to, any Security Assets other than any Security Interest created by this Deed or the Permitted Security;
- 1 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 Security Assets other than in accordance with the Permitted Security; or
- 1 1 3 create or grant (or purport to create or grant) any interest in the Security Assets in favour of a third party other than in accordance with the Permitted Security.
- 2. **Preservation of Charged Property**

Walon 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 KBC, or materially diminish the value of any of the Security Assets or the effectiveness of the security created by this Deed
- 3. **Enforcement of rights**
- 3.1 Walon shall use its best endeavours to:
- 3.1.1 procure the prompt observance and performance of the covenants and other obligations imposed on Walon's counterparties, and
- 3 1 2 enforce any rights and institute, continue or defend any proceedings relating to any of the Security Assets which KBC may require from time to time
- 4. **Notice of breaches**
- 4 1 Walon shall, promptly on becoming aware of any of the same, give KBC notice in writing of
- 4 1 1 any representation or warranty set out in Schedule 1 which is incorrect or misleading in any material respect when made or deemed to be repeated, and

4 1 2 any breach of any covenant set out in this Schedule 2

5. Title documents

5.1 Walon shall, on the execution of this Deed deposit with KBC and KBC shall, for the duration of this Deed be entitled to hold all deeds and documents of title (if any) relating to the Book Debts as KBC may specify from time to time

6. Further assurance

6 1 Walon shall, at its own cost:

6 1 1 prepare and execute, in favour of KBC and in such form as KBC may reasonably require, such further mortgages, charges or transfers of or over all or any part of the Security Assets as KBC may, in its absolute discretion, require from time to time provided that such further mortgages, charges or transfers shall be on no more onerous terms than those set out in this Deed; and

6 1.2 give all notices, orders and directions which KBC may require, in its absolute discretion, for perfecting, protecting or facilitating the realisation of its security over the Security Assets

7 Walon's waiver of set-off

Walon waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by Walon under this Deed)

Part 2

Book Debts covenants

8 Preservation of Book Debts

Walon shall not (except as provided by paragraph 9 of Part 2 of Schedule 2 or with the prior written consent of KBC) 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

9. Realising Book Debts

9 1 Walon shall:

9 1 1 unless instructed not to do so by KBC, act as an agent for KBC, collect in and realise all Book Debts, pay the proceeds into the Debtor Account immediately on receipt and, pending that payment, hold those proceeds in trust for KBC,

9 1 2 if called on to do so by KBC, execute a legal assignment of the Book Debts to the KBC on such terms as KBC may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred

SCHEDULE 3

Powers of KBC

- 1 **Power to remedy**
KBC shall be entitled (but shall not be obliged) to remedy a breach at any time by Walon of any of its obligations contained in this Deed and Walon irrevocably authorises KBC and its agents to do all such things as are necessary or desirable for that purpose
- 2 **Exercise of rights**
The rights of KBC under paragraph 1 of this Schedule 3 are without prejudice to any other rights of KBC under this Deed. The exercise of those rights shall not make KBC liable to account as a mortgagee in possession
- 3 **Prior Security Interests**
 - 3.1 At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security Interest having priority to this Deed shall have become exercisable, KBC may:
 - 3.1.1 redeem such or any other prior Security Interest or procure its transfer to itself other than the Permitted Security; and
 - 3.1.2 settle and pass any account of the holder of any prior Security Interest, other than the Permitted Security
4. **Conversion of currency**
For the purpose of, or pending the discharge of, any of the Secured Liabilities, KBC may convert any monies received, recovered or realised by KBC under this Deed (including the proceeds of any previous conversion under this paragraph 4) from their existing currencies of denomination into such other currencies of denomination as KBC may think fit. Any such conversion shall be effected at KBC's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each reference in this paragraph 4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency
- 5 **New accounts**
 - 5.1 If KBC receives, or is deemed to have received, notice of any subsequent Security Interest, or other interest, affecting all or part of the Security Assets (other than the Permitted Security), KBC may open a new account for Walon in KBC's books. Without prejudice to KBC's right to combine accounts, no money paid to the credit of Walon in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities

- 5.2 If KBC does not open a new account immediately on receipt of the notice or deemed notice referred to in paragraph 5.1 of this Schedule 3, then, unless KBC gives express written notice to the contrary to Walon, all payments made by Walon to KBC shall be treated as having been credited to a new account of Walon and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by KBC
- 6 **KBC's set-off rights**
If KBC has more than one account for Walon in its books, KBC may at any time after the occurrence of an enforcement event under paragraph 1 of Schedule 4, transfer all or any part of the balance standing to the credit of any account to any other account which may be in debit (but KBC shall notify Walon of the transfer once made).
- 7 **Indulgence**
KBC may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person that is not a party to this Deed (whether or not such person is jointly liable with Walon) 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 Walon for the Secured Liabilities.

SCHEDULE 4

Enforcement

1 Enforcement events

This Deed shall be enforceable if:

1.1 Any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by Walon on demand in accordance with clause 2 of this Deed

1 2 Any event set out in clause 13 of the Invoice Discounting Agreement occurs and KBC exercises its rights under Clause 13.2 thereof, without prejudice to any other rights of KBC, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and KBC may, in its absolute discretion, enforce all or any part of the security created by this Deed as it sees fit

2 Power of sale

The power of sale under this Deed (including any statutory power of sale) shall, as between KBC and a purchaser from KBC, arise on and be exercisable at any time after the execution of this Deed, but KBC shall not exercise such power of sale until the security constituted by this Deed has become enforceable under paragraph 1 of this Schedule 4.

3 Protection of third parties

3 1 No purchaser, mortgagee or other person dealing with KBC or any Receiver shall be concerned

3.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power KBC or a Receiver is purporting to exercise has become exercisable, or

3 1 2 to see to the application of any money paid to KBC or any Receiver

4. No liability as mortgagee in possession

Neither KBC nor any Receiver shall be liable to account as mortgagee in possession in respect of the Security Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, the Security Assets for which a mortgagee in possession might be liable as such

5 Appointment of Receiver

- 5 1 At any time after the security constituted by this Deed has become enforceable, or at the request of Walon, KBC may, without further notice
- 5 1 1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver of all or any part of the Security Assets, and
- 5.1 2 from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by KBC specifies to the contrary)
- 5 2 KBC may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by KBC
6. Power of sale additional
- 6.1 The powers of sale and appointing a Receiver conferred by this Deed shall be in addition to all statutory and other powers of KBC under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise, and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise.
- 6 2 The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by KBC despite any prior appointment in respect of all or any part of the Security Assets
- 7 Agent of Walon
Any Receiver appointed by KBC under this Deed shall be the agent of Walon and Walon shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him
8. Powers of Receiver
Any Receiver appointed by KBC under this Deed shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of the Security Assets.
9. Order of application of proceeds
- 9 1 All monies received by KBC or a Receiver in the exercise of any enforcement powers conferred by this Deed shall be applied:

- (i) first in paying all unpaid fees, costs and other liability incurred by or on behalf of KBC (and any Receiver, attorney or agent appointed by it);
- (ii) second in paying the remuneration of any Receiver (as agreed between the Receiver and KBC);
- (iii) third in or towards discharge of the Secured Liabilities in such order and manner as KBC determines, and
- (iv) finally in paying any surplus to Walon or any other person entitled to it

10. Appropriation

Neither KBC nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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

11. Suspense account

All monies received by KBC or a Receiver under this Deed may, at the discretion of KBC or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between KBC and Walon, and may be held in such account for so long as KBC or Receiver thinks fit

12. Power of attorney

12.1 By way of security, Walon irrevocably appoints KBC and every Receiver separately to be the attorney of Walon and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which

12.1.1 Walon is required to execute and do under this Deed, including execute any document required by KBC and/or:

12.1.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this Deed or by law on KBC or any Receiver.

13. Ratification of acts of attorney

Walon ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 12 of this Schedule 4.

Executed as a deed by
WALON LIMITED
acting by a director,
in the presence of:

Director

Executed as a deed by
KBC COMMERCIAL FINANCE NV
acting by two authorised signatories

Geert VAN NERUM
General Manager

Bert Wauters..
Head of Sales
KBC Commercial Finance