

MR01

Particulars of a charge



Companies House



Go online to file this information
www.gov.uk/companieshouse

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

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

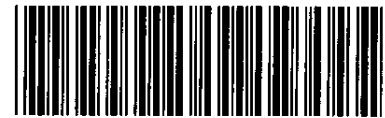
☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08

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

This form **must be delivered to the Registrar for registration**
21 days beginning with the day after the date of creation of the charge.
If the form is 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.
The instrument must be scanned and placed on the public record. **Do not send the original**



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A19

25/01/2020

#98

COMPANIES HOUSE

For official use

1 Company details

Company number 03026598 ✓

Company name in full B.V.S. LIMITED ✓

→ Filling 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 1/01/2020 ✓

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 Lancashire County Developments (Property) Limited ✓

Name

Name

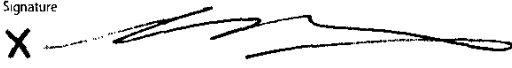
Name

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.

MR01

Particulars of a charge

4	Brief description Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument. Brief description: None	Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument". Please limit the description to the available space.
5	Other charge or fixed security Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge Is the instrument expressed to contain a floating charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes Continue <input type="checkbox"/> No Go to Section 7 Is the floating charge expressed to cover all the property and undertaking of the company? <input checked="" type="checkbox"/> Yes	
7	Negative Pledge Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
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. <input type="checkbox"/>	¹ This statement may be filed after the registration of the charge (use form MR06).
9	Signature Please sign the form here. Signature:  This form must be signed by a person with an interest in the charge.	

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Gary Pennington

Company name GC Business Finance

Address Lee House

90 Great Bridgewater Street

Post town MANCHESTER

County/Region Lancs

Postcode M 1 5 J W

Country United Kingdom

DX

Telephone 0161 245 4715



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 £23 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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3026598

Charge code: 0302 6598 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th January 2020 and created by B.V.S. LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th January 2020.

Given at Companies House, Cardiff on 28th January 2020



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

I CERTIFY THIS IS A TRUE
COPY OF THE ORIGINAL
INSTRUMENT.



B.V.S. LIMITED T/A TUNIT

(1)

- and -

LANCASHIRE COUNTY DEVELOPMENTS (PROPERTY) LIMITED

(2)

DEBENTURE

**THIS IS AN IMPORTANT LEGAL DOCUMENT AND IT IS A REQUIREMENT
THAT YOU MUST TAKE LEGAL ADVICE BEFORE SIGNING IT**

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IMPORTANT NOTICE: THIS IS AN IMPORTANT LEGAL DOCUMENT

We require that you consult with your solicitor or other independent legal adviser before executing this Document

THIS DEBENTURE is made on 10/01/2020 Please do not date

BETWEEN:

- (1) **B.V.S. LIMITED T/A TUNIT** (company number 03026598) whose registered office is at 7 Clarence Street, Chorley, Lancashire, PR7 2BJ (the "**Company**"); and
- (2) **LANCASHIRE COUNTY DEVELOPMENTS (PROPERTY) LIMITED** (company number 01726163) whose registered office is at PO Box 78, County Hall, Preston PR1 8XJ (the "**Lender**").

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following expressions shall have the respective meanings ascribed to them:

"**Act**" means the Law of Property Act 1925;

"**Administrator**" means any administrator appointed by the Lender under this Agreement and in accordance with the provisions of the Insolvency Act 1986;

"**Assigned Assets**" means the Charged Assets expressed to be assigned by way of security pursuant to clause 3.3;

"**Book Debts**" means 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;

"**Charged Assets**" means all property assets and undertaking of the Company from time to time charged by or pursuant to this Agreement (and references to the Charged Assets shall include any part of them);

"**Charged Shares**" means all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments owned by the Company, together with all dividends distributions and other income paid or payable and all rights, bonuses or benefits attaching thereto;

"**Default Rate**" means the default rate of interest of 2 per cent above the Interest Rate as defined in the Loan Agreement;

"Designated Account" means any account of the Company nominated by the Lender as a designated account for the purposes of this Agreement;

"Environment" means 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 person-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

"Environmental Law" means 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.

"Event of Default" has the meaning given to it in the Loan Agreement;

"Insurances" means the policies of insurance in which the Company has an interest from time to time;

"Intellectual Property" means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Company, in or relating to registered and unregistered trademarks and service marks, patents, registered designs, utility models, applications for any of the foregoing, trade names, domain names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registerable business names and any other rights of every kind deriving from or through the exploitation of any of the aforementioned rights of the Company;

"Loan Agreement" means the loan agreement entered into on or around the date of this Agreement by the Lender and the Company;

"Planning Acts" means the Town and Country Planning Act 1990 and the Planning Act 2008;

"Properties" means all present and future freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Company, or in which the Company holds an interest, and **Property** means any of them.

"Receivables" means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

(a) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing (including without limitation, claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and

(b) all proceeds of any of the foregoing;

"Receiver" means any receiver, or receiver and manager appointed by the Lender under this Agreement;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent, whether as principal or surety and whether owed

jointly or severally or alone or in any other capacity whatsoever) of the Company to the Lender under or pursuant to the Loan Agreement and any amendment to that agreement or this Agreement and all costs, charges and expenses incurred by the Lender in connection with the preparation, negotiation of, preservation or enforcement of the Loan Agreement and any amendment to that agreement or this Agreement;

"Security Interest" means a mortgage, charge, 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; and

"Security Period" means the period starting on the date of this Agreement and ending on the date on which the Lender is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and no further Secured Obligations are capable of being outstanding.

1.2 Interpretation

- (a) References in this Agreement to any Acts. shall be deemed to include references to such enactment as re-enacted, amended or extended for the time being;
- (b) The masculine shall include the feminine and the singular shall include the plural, and vice versa and references to month shall mean calendar month, and any reference to a person shall include a corporation;
- (c) References to the "Company" and the "Lender" shall be construed as so to include their respective successors or permitted assignees (whether immediate or derivative);
- (d) References in this Agreement to the singular include references to the plural and *vice versa*;
- (e) Any reference to this Agreement, this security or any document shall, save as otherwise expressly provided herein, be construed as a reference to this Agreement, this security or such other document as amended, varied, supplemented, transferred and/or replaced in any manner from time to time.

1.3 Clawback

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

1.4 Nature of security over real property

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

- (a) 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 Property at any time;
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;

- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.5 Nature of security over Charged Shares

A reference in this Agreement to any share, stock, debenture or other security or Charged Share includes:

- (a) any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment;
- (b) 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 Loan Agreement and of any side letters between any parties in relation to the Loan Agreement are incorporated into this Agreement.

1.7 Perpetuity Period

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

2 COVENANT TO PAY

The Company, as principal obligor and not merely as surety, covenants with the Lender that it will pay or discharge on demand the Secured Obligations as and when they fall due. Any such amount not paid when due shall bear interest (as well after as before judgment and payable on demand) at the Default Rate from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

3 FIXED AND FLOATING CHARGES

3.1 Fixed Charges

In consideration of the Lender now or hereafter providing banking, loan or other financial facilities to the Company, and as a continuing security for the payment of the Secured Obligations, the Company hereby, with full title guarantee, charges, and agrees to charge, in favour of the Lender the following assets which are at any time owned by the Company, or in which the Company is from time to time interested:

- (a) by way of first legal mortgage the Properties (if any) vested in or charged to the Company, together with all buildings and fixtures (including trade fixtures at any time thereon);
- (b) by way of first fixed charge all other interests (not being charged by clause 3.1(a)) in the Properties vested in or charged to the Company, the buildings

and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;

- (c) by way of first fixed charge all plant, machinery, computers, vehicles, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- (d) by way of first fixed charge all rights and interests the Company has in, and claims under, the Insurances and all proceeds thereof;
- (e) by way of first fixed charge all monies standing to the credit of the Company from time to time on any and all accounts with any bank, financial institution, or other person;
- (f) by way of first fixed charge all Intellectual Property;
- (g) to the extent that any of the Assigned Assets are not effectively assigned under clause 3.3, by way of first fixed charge those Assigned Assets;
- (h) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of the Charged Assets.
- (i) by way of first fixed charge all the goodwill and uncalled capital of the Company; and
- (j) by way of first fixed charge all the Charged Shares.
- (k) *by way of first fixed charge the Book Debts*
- (l) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);

3.2 Floating charge

- (a) as further continuing security for the payment of the Secured Obligations the Company hereby charges with full title guarantee in favour of the Lender by way of first floating charge all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively charged by way of first fixed mortgage or charge pursuant to the provisions of clause 3.1, including, without prejudice to the generality of the foregoing, heritable property and all other property and assets (if any) in Scotland.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any *floating charge created by or pursuant to this Agreement (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).*

3.3 Security Assignment

The Company assigns and agrees to assign absolutely all its present and future right, title and interest in and to the Insurances, all claims and under the Insurances and all proceeds of the Insurances;

To the extent that any Assigned Asset described in clause 3.3 is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Company to any proceeds of the Insurances

4 CONVERSIONS OF FLOATING CHARGE

4.1 Conversion of floating charge

The Lender may in its sole discretion by written notice to the Company convert the floating charge created by this Agreement into a fixed charge as regards all or any of the assets of the Company specified in any notice.

4.2 Automatic conversion of floating charge

The floating charge created by the Company under this Agreement shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to any of the Charged Assets subject to the floating charge created by clause 3.2 (**Floating Charge Asset**) if:

- (a) the Company creates (or purports to create) any Security Interest on or over the relevant Floating Charge Asset without the prior consent in writing of the Lender;
- (b) any third party levies or attempts to levy any distress, execution attachment or other legal process against any such Floating Charge Asset; or
- (c) a resolution is passed or an order made for the winding up, dissolution, administration or reorganisation of the Company, provided that the floating charge created under this Agreement by the Company shall not convert into a fixed charge solely by reason of (1) the obtaining of a moratorium or (2) anything done with a view to obtaining a moratorium, in each case under the Insolvency Act 2000 in respect of a Company.
- (d) the Company disposes or attempts to dispose of all or any part of the Charged Assets. (Other than Charged Assets that are only subject to the floating charge while it remains uncrystallised.

4.3 Partial Conversion

The giving by the Lender of a notice pursuant to clause 4.1 in relation to any class of assets of the Company shall not be construed as a waiver or abandonment of the right of the Lender to serve similar notices in respect of any of the other classes of assets or of any of the other rights of the Lender.

4.4 Assets acquired after any floating charges has crystallised

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

5 LIABILITY OF THE COMPANY

5.1 Liability not discharged

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

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender 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
- (c) any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

5.2 Immediate recourse

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

6 REPRESENTATIONS AND WARRANTIES

6.1 The Company makes the representations and warranties set out in this clause 6 to the Lender on the date of this Agreement.

6.2 Ownership of Charged Assets

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

6.3 No Security

The Charged Assets are free from any Security Interest other than [the Prior Charge and] the Security Interest created by this Agreement.

6.4 No adverse claims

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

6.5 No adverse covenants

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

6.6 No breach of laws

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

6.7 No interference in enjoyment

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

6.8 No overriding interests

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

6.9 Avoidance of security

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

6.10 No prohibitions or breaches

There is no prohibition on assignment in any Insurances and the entry into this Agreement by the Company does not, and will not, constitute a breach of any Insurances or any other agreement or instrument binding on the Company or its assets.

6.11 Environmental compliance

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

6.12 Enforceable security

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

6.13 Charged Shares

- (a) The Charged Shares are fully paid and are not subject to any option to purchase or similar rights.
- (b) No constitutional document of an issuer of a Charged Share, nor any other agreement:
 - (i) restricts or inhibits any transfer of the Charged Shares on creation or enforcement of the security constituted by this Agreement; or
 - (ii) contains any rights of pre-emption in relation to the Charged Shares.
- (c) The Company has complied with all notices relating to all or any of the Charged Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (d) 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 Charged Shares.

6.14 Times for making representations and warranties

The representations and warranties set out in clause 6.2 to clause **Error! Reference source not found.** are made by the Company on the date of this Agreement and

the representations and warranties contained in clauses 6.2 and 6.13 are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

7 CONTINUING SECURITY

- 7.1 This Agreement shall be in addition to, and without prejudice to and shall not merge with, any other right, remedy, guarantee, mortgage or other security which the Lender may at any time hold for any of the Secured Obligations and this Agreement may be enforced against the Company without the Lender first having recourse to any other right, remedy, guarantee, mortgage or other security held or available to it.
- 7.2 This Agreement shall remain in full force and effect as a continuing security until the Lender shall have certified in writing that the Secured Obligations have been discharged in full.

8 NEGATIVE PLEDGE

- 8.1 The Company will not do or agree to do any of the following without the prior written consent of the Lender:
- (a) [save for the Prior Charge] create or permit to subsist any Security Interest on any of the Charged Assets; or
 - (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not), the whole or any part of its interest in any Charged Asset other than [in favour of the Lender or] in the ordinary course of business.
 - (c) create or grant (or purport to create or grant) any interest in the Charged Assets in favour of a third party.

9 INSURANCE UNDERTAKING

- 9.1 The Company shall:
- (a) insure and keep insured such of its property business and other assets as is insurable with such insurer and against such risks and in such amounts and otherwise in such terms as the Lender may require from time to time and will maintain such other insurances as are normally maintained by prudent companies carrying on similar businesses with the interest of the Lender noted upon all policies of such insurance or, if the Lender shall require, in the joint names of the Company and the Lender and will produce or deposit with the Lender all such policies and receipts for all premium and other payments necessary for effecting and maintaining such insurances;
 - (b) apply any insurance proceeds in making good the loss or damage or at the Lender's option, in or towards the discharge of the Secured Obligations;
 - (c) all such insurance monies are charged to the Lender and if the same are not paid directly to the Lender they shall be held on trust by the Company for the Lender;
 - (d) at the Lender's request deposit with the Lender all policies relating to the Insurances;

- (e) if the Company is in default of this clause 9.1, the Lender may affect all necessary insurances at the expense of the Company

10 General Covenants

10.1 The Company covenants that:

- (a) It shall keep all buildings and all plant, machinery, fixtures, fittings and other effects forming part of the Charged Assets in or upon the same and every part thereof required for the use of the Company in a good state of repair working order and condition (reasonable wear and tear excepted) and shall keep all other buildings in a good state of repair (reasonable wear and tear excepted), and shall comply with all material covenants in relation thereto to be performed by the Company and contained in any lease of such buildings and permit the Lender, its officers, employees and agents free access at all reasonable times and upon reasonable notice to view the state and condition of the foregoing without becoming liable as mortgagees in possession.
- (b) If the Company shall receive notice of any proceedings for forfeiture of any lease under which any of the property charged is held, or if there is any attempt by a landlord to re-enter such property, the Company shall give immediate notice to the Lender in writing and take such steps (at the cost of the Company) as the Lender requires.
- (c) It shall duly and punctually (or within any applicable grace period) pay all rates, rents, taxes, insurance premiums and other outgoings due by it in respect of any of the Charged Assets. If any such sums are paid by the Lender the same shall be repaid by the Company to the Lender on demand.
- (d) It shall permit the Lender or its designated representatives on reasonable notice to have access during normal office hours to its accounts and accounting records and to any books and records relating to the Charged Assets, to inspect and take extracts from the same and make photocopies thereof and the Company shall provide, at its reasonable cost and expense, such clerical and other assistance as the Lender may reasonably request with regard thereto;
- (e) It shall in relation to the Charged Assets comply with all material obligations under any present or future statute, regulation, order and instrument or under any bye-laws, regulations or requirements of any competent authority or other approvals, licences or consents and if requested by the Lender produce to the Lender within 14 days of receipt thereof, a copy of any material notice, order or proposal given or made in relation to the Charged Assets by any competent authority and either comply with the same or make such objections and representations against the same as the Lender may require or approve;
- (f) It shall observe and perform all covenants and stipulations from time to time affecting any part of the Charged Assets or the manner of use or the enjoyment of the same and shall not without the prior written consent of the Lender enter into any onerous or restrictive obligations affecting any part thereof.
- (g) It shall not without the prior written consent of the Lender:

- (i) confer on any person any tenancy, right or licence to occupy any land or buildings forming part of the Charged Assets or any licence to assign or let any part of the Charged Assets,
 - (ii) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or part of any Property which forms the Charged Assets; or
 - (iii) let any person into occupation of or share occupation of the whole or any part of the Property.
- (h) If the title to any Property is not registered at the Land Registry, it 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 Property, without the prior written consent of the Lender.
- (i) Whether or not title to any 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 Property, it shall immediately provide the Lender 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 Agreement, the Company shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable is withdrawn or cancelled.
- (j) It shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any of the Properties from time to time.
- (k) It shall not carry out, or permit to be carried out, any development within the meaning of the Planning Acts in or upon the property charged pursuant to clause 3.1 above forming part of the Charged Assets (if any), or any part of it without first obtaining such permissions as may be required under or by virtue of the Planning Acts, and in the case of development involving a substantial change in the structure or a change of use of the Charged Assets or any part of them, without first obtaining the written consent of the Lender.
- (l) It shall not, without the prior written consent of the Lender make or permit to be made any material alteration to any 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).
- (m) [Subject to the Prior Charge] It shall upon request by the Lender deposit with the Lender and the Lender during the continuance of this security shall be entitled to hold all Agreements and documents of title relating to the Company's title to the freehold and leasehold and heritable property (and all insurance policies relating to it to which the Company is entitled to possession) and other property forming part of the Charged Assets and all shares and other securities and all policies of insurance hereby charged for the time being;
- (n) It shall preserve, maintain and renew as and when necessary all Intellectual Property materially necessary in connection with its business and/or the premises in which such business is conducted.

- (o) It 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 Lender, or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Agreement.
- (p) It shall carry on its trade and business on those parts of the Property 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.
- (q) It shall obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset.
- (r) It shall 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 Charged Assets.
- (s) it shall not without the prior written consent of the Lender:
 - (i) exercise any VAT option to tax in relation to any Charged Asset; or
 - (ii) revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this agreement.

10.2 The Company shall:

- (a) give the Lender such information concerning the location, condition, use and operation of the Charged Assets as the Lender may require;
- (b) inform the Lender 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;
- (c) permit any persons designated by the Lender 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
- (d) promptly notify the Lender 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 Lender's prior approval, implement those proposals at its own expense.

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

- (a) any representation or warranty set out in this Agreement that is incorrect or misleading in any material respect when made or deemed repeated; and
- (b) any breach of any covenant set out in this Agreement.

11 BOOK DEBTS COVENANTS

- 11.1 The Company shall as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender;
- 11.2 The Company shall not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account.
- 11.3 The Company shall, if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

12 INTELLECTUAL PROPERTY COVENANTS

- 12.1 The Company shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.
- 12.2 The Company shall use all reasonable efforts to register applications for the registration of any Intellectual Property and shall keep the Lender informed of all matters relating to each such registration.
- 12.3 The Company shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

13 CHARGED SHARES COVENANTS

Deposit of title documents

- 13.1 The Company shall:
 - (a) on the execution of this Agreement, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Charged Shares owned by the Company at that time; and
 - (b) on the purchase or acquisition by it of Charged Shares after the date of this Agreement, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Charged Shares.
- 13.2 At the same time as depositing documents with the Lender, or as the Lender may direct, in accordance with clause 13.1, the Company shall also deposit with the Lender, or as the Lender may direct:
 - (a) all stock transfer forms relating to the relevant Charged Shares duly completed and executed by or on behalf of the Company, but with the name of the transferee, the consideration and the date left blank; and
 - (b) any other documents (in each case duly completed and executed by or on behalf of the Company) that the Lender may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Charged Shares,

so that the Lender may, at any time and without notice to the Company, complete and present those stock transfer forms and other documents to the issuer of the Charged Shares for registration.

Nominations

- 13.3 The Company shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Charged Shares and, pending that termination, procure that any person so nominated:
- (a) does not exercise any rights in respect of any Charged Shares without the prior written approval of the Lender; and
 - (b) immediately on receipt by it, forward to the Lender all communications or other information received by it in respect of any Charged Shares for which it has been so nominated.
- 13.4 The Company shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Charged Shares.

Pre-emption rights and restrictions on transfer

- 13.5 The Borrower shall:
- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Charged Shares, for the transfer of the Charged Shares to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Agreement; and
 - (b) 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 Charged Shares in any manner that the Lender may require in order to permit the transfer of the Charged Shares to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Agreement.

Dividends and voting rights before enforcement

- 13.6 Before the security constituted by this Agreement 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 Charged Shares and, if any are paid or payable to the Lender or any of its nominees, the Lender 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.
- 13.7 Before the security constituted by this Agreement becomes enforceable, the Company may exercise all voting and other rights and powers in respect of the Charged Shares or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
- (a) it shall not do so in any way that would breach any provision of the Loan Agreement or this Agreement or for any purpose inconsistent with the Loan Agreement or this Agreement; and

- (b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Charged Shares or otherwise prejudice the Lender's security under this Agreement.
- 13.8 The Company shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Charged Shares at the direction of the Company.
- 13.9 The Lender 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 Charged Shares that the Lender considers prejudicial to, or impairing the value of, the security created by this Agreement.

Dividends and voting rights after enforcement

- 13.10 After the security constituted by this Agreement has become enforceable:
- (a) all dividends and other distributions paid in respect of the Charged Shares and received by the Company shall be held by the Company on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, may be applied by the Lender in accordance with clause 20.1; and
 - (b) all voting and other rights and powers attaching to the Charged Shares may be exercised by, or at the direction of, the Lender and the Company shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

Calls on Charged Shares

- 13.11 Notwithstanding the security created by this Agreement, 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 Charged Shares. The Company acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments.

No alteration of constitutional documents or rights attaching to Charged Shares.

- 13.12 The Company shall not, without the prior written consent of the Lender, amend, or agree to the amendment of:
- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer of the Charged Shares that is not a public company; or
 - (b) the rights or liabilities attaching to, or conferred by, all or any of the Charged Shares.

Preservation of Charged Shares

- 13.13 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 Charged Shares (that is not a public company) shall not:

- (a) consolidate or subdivide any of the Charged Shares, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of the Charged Shares that may be lodged with it for registration by, or on behalf of, the Lender or the Company in accordance with this Agreement.

Charged Shares Information

- 13.14 The Company shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Charged Shares.

Compliance with requests for information

- 13.15 The Company shall promptly send a copy to the Lender 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 Charged Shares. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the Company.

14 FURTHER ASSURANCE

- 14.1 The Company shall, at its own expense, promptly take whatever action the Lender or a Receiver may require for:

- (a) creating, perfecting or protecting the security intended to be created by this Agreement; and
- (b) facilitating the realisation of any Charged Asset or the exercise of any right, power or discretion exercisable by the Lender or any Receiver or any of its or their delegates or sub-delegates in respect of any Charged Asset,

including the execution of any document, transfer, conveyance, assignment or assurance of any property (whether to the Lender or to its nominees), and the giving of any notice, order or direction and the making of any registration, which in any such case, the Lender may think expedient.

15 ENFORCEMENT OF SECURITY

- 15.1 The security constituted by this Agreement shall become immediately enforceable upon the occurrence of an Event of Default and the power of sale and other powers conferred by section 101 of the Act, as varied or amended by this Agreement, shall be immediately exercisable upon and at any time after the occurrence of an Event of Default. After the security constituted by this Agreement has become enforceable, the Lender may in its absolute discretion enforce all or any part of this security in such manner as it sees fit.
- 15.2 For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Agreement and sections 93 and 103 of the Act shall not apply to this security. The statutory powers of leasing conferred on the Lender shall be extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as

the Lender shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of the Act.

- 15.3 At any time after the Lender has demanded payment of the Secured Obligations or if the Company defaults in the performance of its obligations under this Agreement or the Loan Agreement, the Company will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Charged Asset and for that purpose to enter on any premises where a Charged Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.
- 15.4 At any time after the security constituted by this Agreement has become enforceable, the Lender may:
- (a) redeem any prior Security Interest over any Charged Asset;
 - (b) procure the transfer of that Security Interest to itself; and
 - (c) settle and pass the accounts of the holder of any prior Security Interest (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Company).
- 15.5 The Company shall pay to the Lender 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 Agreement as part of the Secured Obligations.
- 15.6 At all times, the Company must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 15.3 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

16 CONVERSION OF CURRENCY

- 16.1 For the purpose of, or pending the discharge of, any of the Secured Obligations, the Lender may convert any monies received, recovered or realised by it under this Agreement (including the proceeds of any previous conversion under this clause 16) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- 16.2 Any such conversion shall be effected at the Royal Bank of Scotland plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 16.3 Each reference in this clause 16 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.

17 NEW ACCOUNTS

- 17.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Charged Assets, the Lender may open a new account for the Company in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Obligations.

- 17.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 17.1, then, unless the Lender gives express written notice to the contrary to the Company, all payments made by the Company to the Lender shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Obligations, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

18 APPOINTMENT AND POWERS OF ADMINISTRATOR OR RECEIVER

- 18.1 At any time after this security becomes enforceable, or if so requested by the Company by written notice at any time, the Lender may without further notice appoint any person (or persons) to be an Administrator or Receiver of all or any part of the Charged Assets and/or of the income thereof.
- 18.2 The Lender may remove from time to time any Administrator or Receiver appointed by it (subject to the provisions of Section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Administrator or Receiver in the place of any Administrator or Receiver whose appointment has terminated for whatever reason.
- 18.3 If at any time and by virtue of any such appointment there is more than one Administrator or Receiver of all or any part of the Charged Assets and/or the income thereof, such persons shall have power to act individually (unless the contrary shall be stated in the Agreement(s) or other instrument(s) appointing them).
- 18.4 Any Administrator or Receiver shall (without limitation and in addition to the powers conferred by the Act and schedule 1 and/or schedule B1 of the Insolvency Act 1986 or any other statute from time to time in force) have the following powers:
- (a) to take possession of, collect and get in all or any part of the Charged Assets and/or income in respect of which he was appointed;
 - (b) to manage the Charged Assets and the business of the Company;
 - (c) to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
 - (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Charged Assets in respect of which he was appointed without the need to observe the restriction imposed by Section 103 of the Act;
 - (e) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
 - (f) to insure, and renew any insurances in respect of, the Charged Assets as he shall think fit, or as the Lender shall direct;
 - (g) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit, including, without prejudice to the generality of the foregoing power, to employ his partners and firm;
 - (h) undertake or complete any works or repair, alteration, building or development on the Properties that form the Charged assets, apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out the same;

- (i) 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 Charged Asset;
 - (j) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Assets as it thinks fit;
 - (k) for a subsidiary of the Company and transfer to that subsidiary any Charged Assets;
 - (l) in relation to any of the Charged Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those act and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Charged Assets or any part of them;
 - (m) to do all such other things as may seem to him to be incidental or conducive to any other power vested in him in the realisation of this security provided that the Lender is not entitled to appoint an Administrator or a Receiver in respect of any of the Charged Assets which are only subject to a charge which (as created) was a floating charge solely by reason of (1) a moratorium being obtained or (2) anything done with a view to a moratorium being obtained, in each case under the Insolvency Act 2000 except with leave of the court.
- 18.5 Any Administrator or Receiver appointed hereunder shall be the agent of the Company and (subject to the provisions of the Companies Act 2006 and the Insolvency Act 1986) the Company shall be solely responsible for his acts and defaults (except for wilful acts of default and recklessness) and for his remuneration.
- 18.6 Any Administrator or Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Lender (or, failing such agreement, to be fixed by the Lender).
- 18.7 Only monies actually paid by an Administrator or Receiver to the Lender in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Lender in satisfaction thereof.
- 18.8 Neither the Lender nor any Administrator nor any Receiver shall be liable in respect of all or any part of the Charged Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless such loss or damage is caused by its or his gross negligence or wilful default.
- 18.9 Without prejudice to the generality of clause 18.8, entry into possession of the Charged Assets shall not render the Lender or the Administrator or the Receiver liable to account as mortgagee in possession and if and whenever the Lender enters into possession of the Charged Assets, it shall be entitled at any time at its discretion to go out of such possession.
- 18.10 All or any of the powers which are conferred by this Agreement on an Administrator or Receiver may be exercised by the Lender without first appointing an Administrator or Receiver or notwithstanding the appointment of any Administrator or Receiver.
- 18.11 The Lender 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 Agreement, on such terms and conditions that they think fit.

- (i) 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 Charged Asset;
 - (j) bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Assets as it thinks fit;
 - (k) for a subsidiary of the Company and transfer to that subsidiary any Charged Assets;
 - (l) in relation to any of the Charged Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those act and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Charged Assets or any part of them;
 - (m) to do all such other things as may seem to him to be incidental or conducive to any other power vested in him in the realisation of this security provided that the Lender is not entitled to appoint an Administrator or a Receiver in respect of any of the Charged Assets which are only subject to a charge which (as created) was a floating charge solely by reason of (1) a moratorium being obtained or (2) anything done with a view to a moratorium being obtained, in each case under the Insolvency Act 2000 except with leave of the court.
- 18.5 Any Administrator or Receiver appointed hereunder shall be the agent of the Company and (subject to the provisions of the Companies Act 2006 and the Insolvency Act 1986) the Company shall be solely responsible for his acts and defaults (except for wilful acts of default and recklessness) and for his remuneration.
- 18.6 Any Administrator or Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Lender (or, failing such agreement, to be fixed by the Lender).
- 18.7 Only monies actually paid by an Administrator or Receiver to the Lender in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Lender in satisfaction thereof.
- 18.8 Neither the Lender nor any Administrator nor any Receiver shall be liable in respect of all or any part of the Charged Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless such loss or damage is caused by its or his gross negligence or wilful default.
- 18.9 Without prejudice to the generality of clause 18.8, entry into possession of the Charged Assets shall not render the Lender or the Administrator or the Receiver liable to account as mortgagee in possession and if and whenever the Lender enters into possession of the Charged Assets, it shall be entitled at any time at its discretion to go out of such possession.
- 18.10 All or any of the powers which are conferred by this Agreement on an Administrator or Receiver may be exercised by the Lender without first appointing an Administrator or Receiver or notwithstanding the appointment of any Administrator or Receiver.
- 18.11 The Lender 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 Agreement, on such terms and conditions that they think fit.

19 POWER OF ATTORNEY

The Company, by way of security, irrevocably and severally appoints the Lender, each Administrator or Receiver and any of their delegates or sub-delegates to be its attorney to take any action which the Company is obliged to take under this Agreement. The Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause and the Lender or Receiver shall not in any way be responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of the delegate.

20 APPLICATION PROCEEDS

20.1 Order of Application proceeds

All monies received or recovered by the Lender or a Receiver under this Agreement or in connection with the realisation or enforcement of all or part of the security constituted by this Agreement (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 Lender's right to recover any shortfall from the Company):

- (a) in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Lender (and any Receiver attorney or agent appointed by it) under or in connection with this Agreement, and of all remuneration due to any Receiver under or in connection with this Agreement;
- (b) in or towards payment of the Secured Obligations in any order and manner that the Lender determines; and
- (c) in payment of the surplus (if any) to the Company or other person entitled to it.

20.2 Appropriation

Neither the Lender, nor any Receiver 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 Obligations.

20.3 Suspense account

All monies received by the Lender or a Receiver under this Agreement (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Obligations):

- (a) may, at the discretion of the Lender or Receiver be credited to a suspense account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Company; and
- (c) may be held in that account for so long as the Lender or Receiver thinks fit.

21 DISCHARGE CONDITIONAL

- 21.1 Any release, discharge or settlement between the Company and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of

the Secured Obligations 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:

- (a) the Lender or its nominee may retain this Agreement and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender 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.

22 ASSIGNMENT

- 22.1 The Lender may assign or transfer all or any part of its rights under this Agreement.
- 22.2 The Lender may disclose to any actual or proposed assignee or transferee any information its possession that relates to the Company, the Charged Assets and this agreement that the Lender considers appropriate.

23 SET OFF

23.1 Lender's right of set-off

The Lender may at any time set off any liability of the Company to the Lender against any liability of the Lender to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Agreement. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 23 shall not limit or affect any other rights or remedies available to it under this Agreement or otherwise.

23.2 Exclusion of Company's right of set-off

All payments made by the Company to the Lender under this Agreement 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).

24 PROTECTION OF THIRD PARTIES

No purchaser from or other person dealing with the Lender, or with any Administrator or Receiver shall be obliged or concerned to enquire whether the right of the Lender to appoint an Administrator or Receiver or the right of the Lender or any Administrator or Receiver to exercise any of the powers conferred by this Agreement in relation to the Charged Assets or any part thereof have arisen or become exercisable by the Lender or by any such Administrator or Receiver, nor be concerned with notice to the contrary, nor with the propriety of the exercise or purported exercise of any such powers and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

25 DELAY, OMISSION, AMENDMENTS AND CONSENTS

- 25.1 No failure to exercise, nor any delay in exercising, on the part of the Lender any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the

exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

- 25.2 Any breach of this Agreement may be waived before or after it occurs only if the Lender so agrees in writing. A waiver given or consent granted by the Lender under this Agreement will be effective only if given in writing and then only in the instance and for the purpose for which it is given.
- 25.3 No amendment of this Agreement shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

26 COSTS AND EXPENSES

- 26.1 The Company shall promptly on demand pay to the Lender and any Administrator or Receiver the amount of all costs, charges and expenses (including, (without limitation) legal fees (and any VAT or similar Tax thereon)) incurred in connection with the enforcement, exercise or preservation (or the attempted enforcement, exercise or preservation) of any of their respective rights under this Agreement or any of the documents referred to in this Agreement (including all remuneration of the Administrator or the Receiver).

26.2 Indemnity

- (a) The Company shall indemnify the Lender and each Receiver and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to 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:
- (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Agreement or by law in respect of the Charged Assets;
 - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Agreement; or
 - (iii) any default or delay by the Company in performing any of its obligations under this Agreement.
- (b) Any past or present employee or agent may enforce the terms of this clause 26.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

27 RIGHTS AND REMEDIES

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

28 SEVERANCE

If any provision (or part of a provision) of this Agreement 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 Agreement.

29 COUNTERPARTS

This Agreement 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 Agreement.

30 MISCELLANEOUS

- 30.1 The Company shall apply to the Chief Land Registrar for a restriction in the following terms to be entered on the Register of Title relating to any property registered at HM Land Registry (or any unregistered land subject to first registration) and against which this Agreement may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated ____ / ____ / 2019 (**Charge**) in favour of Lancashire County Developments (Property) Limited (as lender) referred to in the charges register".

- 30.2 A certificate or determination by the Lender as to any amount for the time being due to it from the Company under this Agreement and the Loan Agreement shall be, in the absence of manifest error, conclusive evidence of the amount due.
- 30.3 [This Agreement is subject to the Deed of Priority].

31 NOTICES

- 31.1 Any notices given pursuant to this Agreement shall be in writing and shall be sufficiently given to any party if sent in a pre-paid letter by ordinary post addressed to that party at that party's last known address or place of business.
- 31.2 Every notice shall be deemed to have been received (if sent by post) 48 hours after despatch and (if delivered personally) at the time of delivery during normal business hours in the place of intended receipt on a working day in that place and otherwise at the opening of business in that place on the next day succeeding such business day.
- 31.3 The provisions of clause 31.1 and 31.2 shall not apply to the service of any proceedings or other documents in any legal action.



32 THIRD PARTY RIGHTS



A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

33 GOVERNING LAW AND JURISDICTION

- 33.1 This Agreement shall be governed by, and construed in accordance with, the law of England and Wales.
- 33.2 The parties agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes and claims) arising out of or in connection with this Agreement.

IN WITNESS WHEREOF the Company and the Lender have each duly executed this Agreement the day and the year first before written.

Executed by Michael John Bromley For and on behalf of B.V.S. Limited T/A Tunit in the presence of:	<div>Sign here  Director</div>
Signature of Witness	
Name (in BLOCK CAPITALS)	<u>GRAHAM QUINN</u> <u>QUINN & CO Solicitors</u>
Address	<u>2 St. Mary's Walk, Chorley PR7 2RT</u>

Executed by For and on behalf of the directors of LANCASHIRE COUNTY DEVELOPMENTS (PROPERTY) LIMITED in the presence of:	<div>Sign here  Director</div>
Signature of Witness	
Name (in BLOCK CAPITALS)	<u>ANDY MILROY</u>
Address	<u>COUNTY HALL,</u> <u>PRESTON, PR18XJ</u>

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