



**Registration of a Charge**

Company name: **BIRMINGHAM SEALS COMPANY LIMITED**

Company number: **03615681**



X4D4NO6J

Received for Electronic Filing: **05/08/2015**

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**Details of Charge**

Date of creation: **03/08/2015**

Charge code: **0361 5681 0004**

Persons entitled: **STUART WHITEHOUSE**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT.**

Certified by:

**BROWNE JACOBSON LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 3615681

Charge code: 0361 5681 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd August 2015 and created by BIRMINGHAM SEALS COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th August 2015 .

Given at Companies House, Cardiff on 6th August 2015

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

Dated 03 August 2015

(1) Birmingham Seals Company Limited

(2) Stuart Whitehouse

## Debenture

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## Contents

1	Definitions and interpretation	2
2	Covenant to pay	5
3	Grant of security	6
4	Liability of the Guarantor	8
5	Representations and warranties	8
6	General covenants	10
7	Book Debts covenants	14
8	Powers of the Lender	14
9	When security becomes enforceable	16
10	Enforcement of security	16
11	Receiver	19
12	Powers of Receiver	20
13	Delegation	23
14	Application of proceeds	23
15	Costs and indemnity	24
16	Further assurance	25
17	Power of attorney	25
18	Release	26
19	Assignment and transfer	26
20	Set-off	26
21	Amendments, waivers and consents	27
22	Severance	27
23	Counterparts	27
24	Third party rights	28
25	Further provisions	28
26	Notices	29
27	Governing law and jurisdiction	30

Date: 03 August 2015

## Parties

- (1) **Birmingham Seals Company Limited** incorporated and registered in England and Wales with company number 03615681 whose registered office is at Unit 31, Regal Drive, Walsall Enterprise Park, Wednesbury Road, Walsall WS2 9HQ (**Guarantor**).
- (2) **Stuart Whitehouse** of The Old Vicarage, 2 Walsall Road, Four Oaks, Sutton Coldfield, West Midlands B74 4QJ (**Lender**).

## Introduction

- A The Lender has agreed, pursuant to the terms of the Share Purchase and Share for Share Exchange Agreement, to sell his Sale Shares in the Guarantor to Antclaire Limited, with the sum of £925,000 being left outstanding as Deferred Consideration on a secured basis.
- B The Guarantor has agreed to guarantee Antclaire Limited's obligations to pay the Deferred Consideration under the Share Purchase and Share for Share Exchange Agreement on the terms set out in the Guarantee.
- C Under this deed, the Guarantor provides security to the Lender in relation to its obligations under the Guarantee.

## Agreed terms

### 1 Definitions and interpretation

#### 1.1 Definitions

Terms defined in the Share Purchase and Share for Share Exchange Agreement shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed:

<b>Administrator</b>	an administrator appointed to manage the affairs, business and property of the Guarantor pursuant to clause 8.7.
<b>Book Debts</b>	all present and future book and other debts, and monetary claims due or owing to the Guarantor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Guarantor in relation to any of them.
<b>Delegate</b>	any person appointed by the Lender or any Receiver pursuant to clause 13 and any person appointed as attorney of the Lender, Receiver or Delegate.
<b>Designated Account</b>	any account of the Guarantor nominated by the Lender as a designated account for the purposes of this deed.
<b>Environment</b>	the natural and man-made environment including all or any of the following media, namely air, water and land

	(including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.
<b>Environmental Law</b>	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.
<b>Equipment</b>	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Guarantor, including any part of it and all spare parts, replacements, modifications and additions.
<b>Event of Default</b>	those events of default as set out in clause 6 of the Share Purchase and Share for Share Exchange Agreement.
<b>Financial Collateral</b>	shall have the meaning given to that expression in the Financial Collateral Regulations.
<b>Financial Collateral Regulations</b>	the Financial Collateral Arrangements (No 2) Regulations 2003 ( <i>SI 2003/3226</i> ).
<b>Guarantee</b>	the guarantee to be entered into by the Guarantor, Stuart Limited and Stuart Whitehouse, guaranteeing the obligations owed by Antclaire Limited to Stuart Whitehouse pursuant to the Share Purchase and Share for Share Exchange Agreement.
<b>Insurance Policy</b>	each contract and policy of insurance effected or maintained by the Guarantor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment).
<b>Intellectual Property</b>	the Guarantor's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.
<b>Investments</b>	all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Guarantor, including any: <ul style="list-style-type: none"> <li>(a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and</li> </ul>

- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

<b>LPA 1925</b>	Law of Property Act 1925.
<b>Permitted Security</b>	the fixed and floating charge granted to the Bank of Scotland on 01 December 2014 and the fixed and floating charge granted to Lloyds Bank Commercial Finance Limited dated 23 July 2015.
<b>Properties</b>	all 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 Guarantor, or in which the Guarantor holds an interest and <b>Property</b> means any of them.
<b>Receiver</b>	a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 11.
<b>Secured Assets</b>	all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
<b>Secured Liabilities</b>	all present and future monies, obligations and liabilities of the Guarantor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Guarantee or this deed (including, without limitation, those arising under clause 25.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.
<b>Security Financial Collateral Arrangement</b>	shall have the meaning given to that expression in the Financial Collateral Regulations.
<b>Security</b>	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.
<b>Security Period</b>	the period starting on the date of this deed and ending on the date on which the Lender 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.
<b>Share Purchase and Share for</b>	the share purchase and share for share exchange agreement made between (1) the Lender, (2) Claire Brown and (3)



**Share Exchange Agreement** Antclaire Limited dated on the date of this deed which provides for the provision of the Deferred Consideration guaranteed by the Guarantee and secured by this deed.

## **1.2 Interpretation**

In this deed, the provisions of clauses 1.2 - 1.7 inclusive of the Share Purchase and Share for Share Exchange Agreement apply to this deed as if they were set out in full in this deed, except that each reference in that clause to the Share Purchase and Share for Share Exchange Agreement shall be read as a reference to this deed.

## **1.3 Clawback**

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

## **1.4 Nature of security over real property**

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

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- 1.4.2 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;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Guarantor in respect of that Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

## **1.5 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 Share Purchase and Share for Share Exchange Agreement and of any side letters between any parties in relation to that agreement are incorporated into this deed.

## **1.6 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).

## **2 Covenant to pay**

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

**3 Grant of security**

**3.1 Legal mortgage**

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee charges to the Lender, by way of first legal mortgage, each Property.

**3.2 Fixed charges**

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

- 3.2.1 all Properties acquired by the Guarantor in the future;
- 3.2.2 all present and future interests of the Guarantor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- 3.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- 3.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Guarantor's business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.5 all its present and future goodwill;
- 3.2.6 all its uncalled capital;
- 3.2.7 all the Equipment;
- 3.2.8 all the Intellectual Property;
- 3.2.9 all the Book Debts;
- 3.2.10 all the Investments;
- 3.2.11 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);
- 3.2.12 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and

- 3.2.13 all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

### **3.3 Assignment**

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- 3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
- 3.3.2 the benefit of all other agreements, instruments and rights relating to the Secured Assets.

### **3.4 Floating charge**

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Guarantor at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1 to clause 3.3 inclusive.

### **3.5 Qualifying floating charge**

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

### **3.6 Automatic crystallisation of floating charge**

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

- 3.6.1 The Guarantor:
- (a) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Share Purchase and Share for Share Exchange Agreement); or
  - (b) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

- 3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Guarantor.

### **3.7 Crystallisation of floating charge by notice**

The Lender may, in its sole discretion, at any time and by written notice to the Guarantor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice.

### **3.8 Assets acquired after any floating charge has crystallised**

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

## **4 Liability of the Guarantor**

### **4.1 Liability not discharged**

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

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 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
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Guarantor.

### **4.2 Immediate recourse**

The Guarantor 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 deed against the Guarantor.

## **5 Representations and warranties**

### **5.1 Representations and warranties**

The Guarantor makes the representations and warranties set out in this clause 5 to the Lender.

### **5.2 Ownership of Secured Assets**

The Guarantor is the sole legal and beneficial owner of the Secured Assets.

**5.3 No Security**

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

**5.4 No adverse claims**

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

**5.5 No adverse covenants**

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

**5.6 No breach of laws**

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

**5.7 No interference in enjoyment**

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

**5.8 No overriding interests**

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

**5.9 Avoidance of security**

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

**5.10 No prohibitions or breaches**

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

**5.11 Environmental compliance**

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

**5.12 Enforceable security**

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

### **5.13 Investments**

- 5.13.1 The Investments are fully paid and are not subject to any option to purchase or similar rights.
- 5.13.2 No constitutional document of an issuer of an Investment, nor any other agreement:
  - (a) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or
  - (b) contains any rights of pre-emption in relation to the Investments.

### **5.14 Times for making representations and warranties**

The representations and warranties set out in clause 5.2 to clause 5.13 are made by the Guarantor on the date of this deed.

## **6 General covenants**

### **6.1 Negative pledge and disposal restrictions**

The Guarantor shall not at any time, except with the prior written consent of the Lender:

- 6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed or any Permitted Security;
- 6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

### **6.2 Preservation of Secured Assets**

The Guarantor 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 Secured Assets or the effectiveness of the security created by this deed.

### **6.3 Guarantor's waiver of set-off**

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

### **6.4 Compliance with laws and regulations**

6.4.1 The Guarantor shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

6.4.2 The Guarantor shall:

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

## **6.5 Enforcement of rights**

The Guarantor shall use its best endeavours to:

- 6.5.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Guarantor's counterparties (including each insurer in respect of an Insurance Policy); and
- 6.5.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Lender may require from time to time.

## **6.6 Notice of misrepresentation and breaches**

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

- 6.6.1 any representation or warranty set out in clause 5 which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.6.2 any breach of any covenant set out in this deed.

## **6.7 Title documents**

The Guarantor shall, as required by the Lender, deposit with the Lender and the Lender shall, for the duration of this deed be entitled to hold:

- 6.7.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Guarantor (and if these are not within the possession or control of the Guarantor, the Guarantor undertakes to obtain possession of all these deeds and documents of title);

- 6.7.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Guarantor is entitled to possess; and
- 6.7.3 all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time.

## **6.8 Insurance**

- 6.8.1 The Guarantor shall insure and keep insured the Secured Assets against:
  - (a) loss or damage by fire or terrorist acts;
  - (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Guarantor; and
  - (c) any other risk, perils and contingencies as the Lender may reasonably require.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lender, and must be for not less than the replacement value of the relevant Secured Assets.

- 6.8.2 The Guarantor shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to the insurance required by clause 6.8.1.
- 6.8.3 The Guarantor shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 6.8.1 and that the terms of each such insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

## **6.9 Insurance premiums**

The Guarantor shall:

- 6.9.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6.8.1 and do all other things necessary to keep that policy in full force and effect; and
- 6.9.2 (if the Lender so requires) produce to, or deposit with, the Lender the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 6.8.1.

## **6.10 No invalidation of insurance**



The Guarantor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 6.8.1.

#### **6.11 Proceeds of insurance policies**

All monies received or receivable by the Guarantor under any insurance policy maintained by it in accordance with clause 6.8.1 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this deed has become enforceable and if the Lender so directs, in or towards discharge or reduction of the Secured Liabilities.

#### **6.12 Notices to be given by the Guarantor**

The Guarantor shall:

6.12.1 on the execution of this deed and as so requested by the Lender from time to time:

- (a) give notice to each insurer under an Insurance Policy in a form agreed by the Lender; and
- (b) procure that each insurer promptly provides to the Lender within five Business Days an acknowledgement of the notice; and

6.12.2 on the execution of this deed and as so requested by the Lender from time to time:

- (a) give notice to each bank, financial institution or other person with whom the Guarantor holds an account (including each Designated Account) in a form agreed by the Lender; and
- (b) procure that each such bank, financial institution or other person promptly provides to the Lender within five Business Days an acknowledgement of the notice.

#### **6.13 Information**

The Guarantor shall:

6.13.1 give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;

6.13.2 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

- 6.13.3 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 Guarantor'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.

#### **6.14 Payment of outgoings**

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

### **7 Book Debts covenants**

#### **7.1 Realising Book Debts**

- 7.1.1 The Guarantor 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.
- 7.1.2 The Guarantor shall not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account.
- 7.1.3 The Guarantor 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.

#### **7.2 Preservation of Book Debts**

The Guarantor shall not (except as provided by clause 7.1 or with the prior written consent of the Lender) 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.

### **8 Powers of the Lender**

#### **8.1 Power to remedy**

- 8.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Guarantor of any of its obligations contained in this deed.
- 8.1.2 The Guarantor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- 8.1.3 Any monies expended by the Lender in remedying a breach by the Guarantor of its obligations contained in this deed shall be

reimbursed by the Guarantor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 15.1.

## **8.2 Exercise of rights**

8.2.1 The rights of the Lender under clause 8.1 are without prejudice to any other rights of the Lender under this deed.

8.2.2 The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

## **8.3 Power to dispose of chattels**

8.3.1 At any time after the security constituted by this deed has become enforceable, the Lender or any Receiver may, as agent for the Guarantor, dispose of any chattels or produce found on any Property.

8.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.3.1, the Guarantor shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 8.3.1.

## **8.4 Lender has Receiver's powers**

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

## **8.5 New accounts**

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

8.5.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 8.5.1, then, unless the Lender gives express written notice to the contrary to the Guarantor, all payments made by the Guarantor to the Lender shall be treated as having been credited to a new account of the Guarantor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

## **8.6 Indulgence**

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

## **8.7 Appointment of an Administrator**

8.7.1 The Lender may, without notice to the Guarantor, appoint any one or more persons to be an Administrator of the Guarantor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.

8.7.2 Any appointment under this clause 8.7 shall:

- (a) be in writing signed by a duly authorised signatory of the Lender; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

8.7.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 8.7 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

## **9 When security becomes enforceable**

### **9.1 Security becomes enforceable on Event of Default**

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

### **9.2 Discretion**

After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

## **10 Enforcement of security**

### **10.1 Enforcement powers**

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

10.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 9.1.

10.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

## **10.2 Extension of statutory powers of leasing**

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

10.2.1 grant a lease or agreement to lease;

10.2.2 accept surrenders of leases; or

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

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

## **10.3 Access on enforcement**

10.3.1 At any time after the Lender has demanded payment of the Secured Liabilities or if the Guarantor defaults in the performance of its obligations under this deed or the Facility Agreement, the Guarantor 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 Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Guarantor for, or by any reason of, that entry.

10.3.2 At all times, the Guarantor must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 10.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

## **10.4 Prior Security**

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

10.4.1 redeem that or any other prior Security;

10.4.2 procure the transfer of that Security to it; and

10.4.3 settle and pass any account of the holder of any prior Security.

The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Guarantor. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Guarantor to the Lender on current account and shall bear interest at the default rate of interest specified in the Share Purchase and Share for Share Exchange Agreement and be secured as part of the Secured Liabilities.

#### **10.5 Protection of third parties**

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

- 10.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.5.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 10.5.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.

#### **10.6 Privileges**

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

#### **10.7 No liability as mortgagee in possession**

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Security Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

#### **10.8 Conclusive discharge to purchasers**

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

#### **10.9 Right of appropriation**

- 10.9.1 To the extent that:
  - (a) the Secured Assets constitute Financial Collateral; and
  - (b) this deed and the obligations of the Guarantor under it constitute a Security Financial Collateral Arrangement,

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

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

- (a) in the case of cash, the amount standing to the credit of each of the Guarantor's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and
- (b) in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

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

## **11 Receiver**

### **11.1 Appointment**

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

### **11.2 Removal**

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

### **11.3 Remuneration**

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

### **11.4 Power of appointment additional to statutory powers**

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act

1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

#### **11.5 Power of appointment exercisable despite prior appointments**

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

#### **11.6 Agent of the Guarantor**

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

### **12 Powers of Receiver**

#### **12.1 General**

12.1.1 Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 12.2 to clause 12.23.

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

12.1.3 Any exercise by a Receiver of any of the powers given by clause 12 may be on behalf of the Guarantor, the directors of the Guarantor (in the case of the power contained in clause 12.16) or himself.

#### **12.2 Repair and develop Properties**

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

#### **12.3 Surrender leases**

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

#### **12.4 Employ personnel and advisers**

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



thinks fit. A Receiver may discharge any such person or any such person appointed by the Guarantor.

#### **12.5 Make VAT elections**

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

#### **12.6 Remuneration**

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

#### **12.7 Realise Secured Assets**

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

#### **12.8 Manage or reconstruct the Guarantor's business**

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

#### **12.9 Dispose of Secured Assets**

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

#### **12.10 Sever fixtures and fittings**

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

#### **12.11 Sell Book Debts**

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

#### **12.12 Valid receipts**

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

#### **12.13 Make settlements**

A Receiver may make any arrangement, settlement or compromise between the Guarantor and any other person that he may think expedient.

#### **12.14 Bring proceedings**

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

#### **12.15 Improve the Equipment**

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

#### **12.16 Make calls on Guarantor members**

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

#### **12.17 Insure**

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 15, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Guarantor under this deed.

#### **12.18 Powers under the LPA 1925**

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

#### **12.19 Borrow**

A Receiver may, for any of the purposes authorised by this clause 12, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).

#### **12.20 Redeem prior Security**

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

#### **12.21 Delegation**

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

#### **12.22 Absolute beneficial owner**

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

#### **12.23 Incidental powers**

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

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

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

12.23.3 lawfully may or can do as agent for the Guarantor.

### **13 Delegation**

#### **13.1 Delegation**

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 deed (including the power of attorney granted under clause 17.1).

#### **13.2 Terms**

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

#### **13.3 Liability**

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

### **14 Application of proceeds**

#### **14.1 Order of application of proceeds**

All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, 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:

14.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection

with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

14.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and

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

#### **14.2 Appropriation**

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

#### **14.3 Suspense account**

All monies received by the Lender, a Receiver or a Delegate under this deed:

14.3.1 may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;

14.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Guarantor; and

14.3.3 may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

### **15 Costs and indemnity**

#### **15.1 Costs**

The Guarantor shall, within five Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with:

15.1.1 this deed or the Secured Assets;

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

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

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Guarantor) at the rate and in the manner specified in the Share Purchase and Share for Share Exchange Agreement.

## **15.2 Indemnity**

The Guarantor shall indemnify the Lender, each Receiver and each Delegate, 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:

- 15.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- 15.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 15.2.3 any default or delay by the Guarantor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **16 Further assurance**

### **16.1 Further assurance**

16.2 The Guarantor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- 16.2.1 creating, perfecting or protecting the security intended to be created by this deed;
- 16.2.2 facilitating the realisation of any Secured Asset; or
- 16.2.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

## **17 Power of attorney**

### **17.1 Appointment of attorneys**

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

- 17.1.1 the Guarantor is required to execute and do under this deed; or
- 17.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

## **17.2 Ratification of acts of attorneys**

The Guarantor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 17.1.

## **18 Release**

18.1 Subject to clause 25.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Guarantor, take whatever action is necessary to:

- 18.1.1 release the Secured Assets from the security constituted by this deed; and
- 18.1.2 reassign the Secured Assets to the Guarantor.

## **19 Assignment and transfer**

### **19.1 Assignment by Lender**

- 19.1.1 At any time, without the consent of the Guarantor, the Lender may assign or transfer any or all of its rights and obligations under this deed.
- 19.1.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Guarantor, the Secured Assets and this deed that the Lender considers appropriate.

### **19.2 Assignment by Guarantor**

The Guarantor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

## **20 Set-off**

### **20.1 Lender's right of set-off**

The Lender may at any time set off any liability of the Guarantor to the Lender against any liability of the Lender to the Guarantor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the 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 20 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

## **20.2 No obligation to set off**

The Lender is not obliged to exercise its rights under clause 20.1. If, however, it does exercise those rights it must promptly notify the Guarantor of the set-off that has been made.

## **20.3 Exclusion of Guarantor's right of set-off**

All payments made by the Guarantor to the Lender under this deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

# **21 Amendments, waivers and consents**

## **21.1 Amendments**

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

## **21.2 Waivers and consents**

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

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

## **21.3 Rights and remedies**

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

# **22 Severance**

## **22.1 Severance**

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

# **23 Counterparts**

## **23.1 Counterparts**

- 23.1.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- 23.1.2 Transmission of an executed counterpart of this deed (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 23.1.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

## **24 Third party rights**

### **24.1 Third party rights**

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

## **25 Further provisions**

### **25.1 Independent security**

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

### **25.2 Continuing security**

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

### **25.3 Discharge conditional**

Any release, discharge or settlement between the Guarantor and the Lender shall be deemed conditional on no payment or security received by the Lender 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:



- 25.3.1 the Lender 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 Secured 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
- 25.3.2 the Lender may recover the value or amount of such security or payment from the Guarantor subsequently as if the release, discharge or settlement had not occurred.

#### **25.4 Certificates**

A certificate or determination by the Lender as to any amount for the time being due to it from the Guarantor under this deed and Share Purchase and Share for Share Exchange Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

#### **25.5 Consolidation**

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

#### **25.6 Small company moratorium**

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

- 25.6.1 an event under this deed which causes any floating charge created by this deed to crystallise;
- 25.6.2 an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Guarantor; or
- 25.6.3 a ground under this deed for the appointment of a Receiver.

### **26 Notices**

#### **26.1 Delivery**

Each notice or other communication required to be given to a party under or in connection with this deed shall be:

- 26.1.1 in writing;
- 26.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax or by e mail; and
- 26.1.3 sent to:
  - (a) the Guarantor at:

Unit 31, Regal Drive, Walsall Enterprise Park, Wednesbury  
Road, Walsall WS2 9HQ

Fax: 01922634259

Attention: Claire Brown

(b) the Lender at:

The Old Vicarage, 2 Walsall Road, Four Oaks, Sutton  
Coldfield, West Midlands B74 4QJ

Attention: Stuart Whitehouse

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

## **26.2 Receipt by Guarantor**

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

26.2.1 if delivered by hand, at the time it is left at the relevant address;

26.2.2 if posted by pre-paid first-class post or other next working day  
delivery service, on the second Business Day after posting; and

26.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 26.2.1 or  
clause 26.2.3 on a day that is not a Business Day, or after normal business  
hours, in the place it is received, shall be deemed to have been received on  
the next Business Day.

## **26.3 Receipt by Lender**

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

## **26.4 Service of proceedings**

This clause 26 does not apply to the service of any proceedings or other  
documents in any legal action or, where applicable, any arbitration or other  
method of dispute resolution.

## **26.5 No notice by email**

A notice or other communication given under or in connection with this deed  
is not valid if sent by email.

## **27 Governing law and jurisdiction**

### **27.1 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.

## **27.2 Jurisdiction**

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising 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 the Lender to take proceedings against the Guarantor 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.

## **27.3 Other service**

The Guarantor irrevocably consents to any process in any legal action or proceedings under clause 27.2 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 agreement has been entered into as a deed on the date stated at the beginning of it.

Executed as a deed by  
**BIRMINGHAM SEALS COMPANY LIMITED** Director .....  
acting by  
a director, in the presence of:

SIGNATURE OF WITNESS [REDACTED]  
NAME OF WITNESS LEANNE WAREHAM  
ADDRESS OF WITNESS BROWNE JACOBSON, MOWBRAY HOUSE,  
CASTLE MEADOW ROAD, NOTTINGHAM NG2 1BS

OCCUPATION OF WITNESS SOLICITOR

Executed as a deed by  
**STUART WHITEHOUSE** .....  
in the presence of: Director

SIGNATURE OF WITNESS [REDACTED]  
NAME OF WITNESS [REDACTED]  
ADDRESS OF WITNESS LEANNE WAREHAM  
BROWNE JACOBSON, CASTLE MEADOW ROAD,  
NOTTINGHAM NG2 1BS  
OCCUPATION OF WITNESS SOLICITOR.