



Registration of a Charge

Company name: **LINLEY & SIMPSON LIMITED**

Company number: **03823391**



X7916WXL

Received for Electronic Filing: **28/06/2018**

Details of Charge

Date of creation: **28/06/2018**

Charge code: **0382 3391 0004**

Persons entitled: **SANTANDER UK PLC**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **GEORGINA TRIPP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3823391

Charge code: 0382 3391 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th June 2018 and created by LINLEY & SIMPSON LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th June 2018 .

Given at Companies House, Cardiff on 2nd July 2018

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 28th June 2018

LINLEY & SIMPSON LIMITED (1)

and

SANTANDER UK plc (2)

SHARE CHARGE

CONTENTS

1.	INTERPRETATION	1
2.	Charging provisions	5
3.	General security provisions	5
4.	Negative pledge	7
5.	Restrictions on disposals	8
6.	Further assurance	8
7.	Representations	8
8.	Undertakings	10
9.	Security power of attorney	13
10.	Enforcement of security	13
11.	Receiver	15
12.	Delegation	18
13.	Application of monies	18
14.	Protection of third parties	18
15.	Subsequent Security	19
16.	Payments	19
17.	Releases	20
18.	Miscellaneous	20
19.	Notices	20
20.	Counterparts	21
21.	Governing law	21
22.	Enforcement	21

THIS DEED is made 28th June

2018

BETWEEN:

- (1) **LINLEY & SIMPSON LIMITED** (company number 03823391) whose registered office is at 3 Greengate, Cardale Park, Harrogate, North Yorkshire, HG3 1GY (**Company**); and
- (2) **SANTANDER UK PLC** whose registered office is at 2 Triton Square, Regent's Place, London NW1 3AN and whose address for service hereunder is at Corporate Advances Branch, Bootle, Merseyside, L30 4GB as security trustee for each Group Member (hereinafter called "the Bank" which expression shall include its successors in title and assigns).

IT IS AGREED AS FOLLOWS:-

1. INTERPRETATION

- 1.1 In this Deed (unless the context otherwise requires):

Authorisation	means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;
Charged Assets	means all of the assets the subject of any Security created by or under this Deed in favour of the Bank;
Coalters	means Coalters Ltd (company number 06027829);
Event of Default	means any event of default howsoever described in any document or agreement entered into in connection with, pursuant to or evidencing the Secured Liabilities, including for the avoidance of doubt but without limitation, any event, occurrence or circumstance specified as an event of default under or pursuant to the Facility Agreement;
Expenses	means all interest, commission, fees and legal and other costs, charges and expenses which any Group Member or any Receiver may charge or incur in relation to the Company or this Deed and the preparation, negotiation and creation of this Deed and/or in relation to the Charged Assets and/or breach of any provision of, and the protection, realisation or enforcement of, this Deed, in each case on a full indemnity basis;
Facility Agreement	means the term loan facility agreement originally dated 15 December 2017 as amended on 10 May 2018 and as further amended and restated on or about the date of this Deed and made between (1) LS Group (as borrower) and (2) the Bank (as lender), as the same may be amended, supplemented or replaced from time to time;
Financial Indebtedness	means any indebtedness owed to any person for or in

respect of:

- (a) monies borrowed;
- (b) any amount raised by acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would ordinarily be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-resource basis);
- (f) any hedging transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;
- (g) any counter indemnity in respect of any guarantee, bond, letter of credit or other instrument issued by a financial institution;
- (h) any amount of any liability under an advance or deferred purchase agreement;
- (i) any amount raised under any other transaction having the commercial effect of borrowing; and
- (j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above;

Group	means Santander UK plc (company number 2294747) and its Subsidiaries for the time being;
Group Member	means any member of the Group;
LS Group	means Linley & Simpson Group Limited (company number 08761192) being the immediate parent company of the Company;
Party	means a party to this Deed;
Receiver	means any receiver appointed over any Charged Assets whether under this Deed or by order of the court on application by the Bank and includes a receiver and manager;
Related Rights	means in respect of any Share:

(a) all monies paid or payable in respect of that Share (whether as income, capital or otherwise); and

(b) all shares, investments or other assets derived from that Share; and

(c) all rights derived from or incidental to that Share;

Secured Liabilities means all monies, obligations and liabilities whatsoever whether for principal, interest or otherwise which may now or any time in the future be due, owing or incurred by the Company or any Specified Obligor to the Group (or any Group Member) whether present or future, actual or contingent and whether alone, severally or jointly as principal, guarantor, surety or otherwise and all the Company's or other Specified Obligor's other liabilities whatever to the Group (or any Group Member) including (without limitation) indebtedness on account of money advanced, bills of exchange, promissory notes, obligations with respect to letters of credit, guarantees and indemnities and in whatever name or style and whether on any current or other account, or in any other manner whatsoever, together with interest and including (but without limitation) all Expenses and so that interest shall be calculated and compounded according to the usual manner of the relevant Group Member (as well after as before judgement);

Security means a mortgage, charge, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect;

Security Period means the period beginning on the date of this Deed and ending on the date on which the Bank is satisfied that the Secured Liabilities have been irrevocably and unconditionally satisfied in full; and

Shares means all shares in Coalters present and future held by the Company, including the 100 Ordinary Shares in Coalters registered in the name of the Company as at the date of this Deed.

1.2 Interpretation

1.2.1 In this Deed:

- (a) words denoting the singular shall include the plural and vice versa and one gender includes each and all genders and references to persons shall include references to companies or corporations and vice versa;

- (b) clause, sub-clause and schedule headings are inserted for convenience only and shall not affect the interpretation of this Deed;
- (c) assets includes present and future property, revenues and rights of every description;
- (d) any agreement or instrument is a reference to that agreement or instrument as the same may have been, or may from time to time be amended, novated, replaced, restated, supplemented or varied;
- (e) indebtedness includes any obligation (whether incurred as principal or as surety) for the payment of repayment of money, wither present or future, actual or contingent;
- (f) a guarantee includes any guarantee, indemnity, counter indemnity or other assurance in respect of the indebtedness of any person;
- (g) a person includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or tow of more of the foregoing;
- (h) a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of the law) of any governmental, intergovernmental or supra national body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (i) a reference to determines or determined means a determination made in the absolute discretion of the person making the determination;
- (j) a provision of law is a reference to that provision as amended or re-enacted; and
- (k) the term **dispose** includes any sale, lease, licence, transfer or loan.

1.2.2 The terms of the documents under which the Secured Liabilities arise and of any side letter from either party to this Deed are incorporated in this Deed to the extent required for any purported disposition of the Charged Assets contained in this Deed to be a valid disposition in accordance with section2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.3 Third Party Rights

1.3.1 Unless expressly provided to the contrary in this Deed a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed or any other document issued or entered into under or in connection with it but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

1.3.2 Unless expressly provided to the contrary in this Deed, the consent of any person who is not a Party is not required to rescind or vary this Deed or any other document entered into under or in connection with it.

2. CHARGING PROVISIONS

2.1 Covenant to Pay

The Company will on demand pay or discharge the Secured Liabilities when due.

2.2 General

2.2.1 All Security created by the Company under clause 2.3 (Fixed Charge) is:

- (a) a continuing security for the payment and discharge of the Secured Liabilities;
- (b) granted with full title guarantee; and
- (c) granted in respect of all the right, title and interest (if any), present and future, of the Company in and to the relevant Charged Asset.

2.3 Fixed charge

The Company, as continuing security for the payment of the Secured Liabilities, charges by fixed charge the Shares and all Related Rights.

3. GENERAL SECURITY PROVISIONS

3.1 Continuing security

The Security constituted by this Deed shall be continuing security and shall remain in full force and effect regardless of any intermediate payment or discharge by any person of the whole or any part of the Secured Liabilities.

3.2 Additional security

This Deed is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by the Bank.

3.3 Settlements conditional

3.3.1 If the Bank (acting reasonably) believes that any amount paid by any person in respect of the Secured Liabilities is capable of being avoided or set aside for any reason, then for the purposes of this Deed, such amount shall not be considered to have been paid.

3.3.2 Any settlement, discharge or release between the Company and the Bank shall be conditional upon no Security or payment to or for the Bank by the Company or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any law relating to bankruptcy, insolvency or liquidation or otherwise.

3.4 Waiver of defences

The liability of the Company under this Deed will not be affected by an act, omission, matter or thing which, but for this clause 3.4 (Waiver of defences), would reduce, release or prejudice any of its liability under this Deed (without limitation and whether or not known to the Company or the Bank) including:

- 3.4.1 any time, waiver or consent granted to, or composition with, the Company or other person;
- 3.4.2 the release of the Company or any other person under the terms of any composition or arrangement with any creditor of the Company;
- 3.4.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Company or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 3.4.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Company or any other person;
- 3.4.5 any amendment (however fundamental) or replacement made in respect of the Secured Liabilities or made in respect of any document or Security;
- 3.4.6 any unenforceability, illegality or invalidity of any obligation of any person in respect of the Secured Liabilities or any document or Security; or
- 3.4.7 any insolvency or similar proceedings.

3.5 Company intent

Without prejudice to the generality of clause 3.4 (Waiver of defences), the Company expressly confirms that the Company intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Liabilities for the purposes of or in connection with any of the following:

- 3.5.1 acquisitions of any nature;
- 3.5.2 increasing working capital;
- 3.5.3 enabling investor distributions to be made;
- 3.5.4 carrying out restructurings;
- 3.5.5 refinancing existing facilities;
- 3.5.6 refinancing any other indebtedness;
- 3.5.7 making facilities available to new borrowers;
- 3.5.8 any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- 3.5.9 any fees, costs and/or expenses associated with any of the foregoing.

3.6 Immediate recourse

The Company waives any right the Company may have of first requiring the Bank (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before enforcing its rights under this Deed.

3.7 Appropriations

Until all the Secured Liabilities have been irrevocably paid in full, the Bank (or any trustee or agent on its behalf) may:

- 3.7.1 refrain from applying or enforcing any other moneys, Security or rights held or received by the Bank (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Company shall not be entitled to the benefit of the same; and
- 3.7.2 hold in an interest-bearing suspense account any moneys received from the Company or on account of the Company's liability under this Deed.

3.8 Deferral of Company's rights

Until the Secured Liabilities have been irrevocably paid in full and unless the Bank otherwise directs, the Company will not exercise any rights which the Company may have by reason of performance by the Company of its obligations under this Deed:

- 3.8.1 to be indemnified by any indemnifier or, or person providing Security for the Secured Liabilities;
- 3.8.2 to claim any contribution from any guarantor of, or person providing Security for, the Secured Liabilities; and/or
- 3.8.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Bank for or in respect of the Secured Liabilities or of any other guarantee or Security taken pursuant to, or in connection with, the Secured Liabilities by the Bank.

4. NEGATIVE PLEDGE

- 4.1 Save as permitted by the Facility Agreement, the Company shall not create nor permit to subsist any Security over any of the Charged Assets, other than Security arising under this Deed.
- 4.2 The Company shall not sell, transfer or otherwise dispose of any of the Charged Assets on terms whereby they are or may be re-acquired by the Company in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

5. RESTRICTIONS ON DISPOSALS

The Company shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any Charged Assets.

6. FURTHER ASSURANCE

- 6.1 The Company shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Bank or any Receiver may reasonably specify (and in such form as the Bank or any Receiver may reasonably require) in favour of the Bank or its nominee(s):
- 6.1.1 to create, perfect, protect and maintain the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies of the Bank provided by or pursuant to this Deed or by law; and/or
 - 6.1.2 (if an Event of Default is continuing) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by or under this Deed.
- 6.2 The Company shall take all such action as is available to the Company (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Bank by or pursuant to this Deed.
- 6.3 Any document required to be executed by the Company under this clause 6 (Further assurance) will be prepared at the cost of the Company.

7. REPRESENTATIONS

The Company makes the representations set out in this clause 7 (Representations) to the Bank.

7.1 Status

- 7.1.1 It is a limited liability company, duly incorporated and validly existing under the laws of England and Wales.
- 7.1.2 It has the power to own its assets and carry on its business as it is being conducted.

7.2 Binding obligations

- 7.2.1 The obligations expressed to be assumed by the Company in this Deed are legal, valid, binding and enforceable obligations; and
- 7.2.2 Without limiting the generality of clause 7.2.1 this Deed creates the Security which this Deed purports to create and the Security is valid and effective.

7.3 Non-conflict with other obligations

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

- 7.3.1 Any law, regulation, judicial or official order applicable to it
- 7.3.2 Its constitutional documents; or
- 7.3.3 Any agreement or instrument binding upon it or any of its assets.

7.4 Power and authority

- 7.4.1 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed.
- 7.4.2 No limit on its powers will be exceeded as a result of the grant of the Security contemplated by this Deed.

7.5 Validity and admissibility in evidence

- 7.5.1 Except for the registration of the particulars of this Deed at the Companies Registration Office under the Companies Act 2006, all Authorisations required:
 - (a) To enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed; and
 - (b) To make this Deed admissible in evidence in its Relevant Jurisdiction,have been obtained and are in full force and effect.

7.6 Acting as principal

The Company is acting in all matters relating to this Deed as principal for the Company's own account and not as agent or trustee or in any other capacity whatsoever on behalf of any third party.

7.7 Governing law and enforcement

- 7.7.1 The choice of English law as the governing law of this Deed will be recognised and enforced in its Relevant Jurisdiction.
- 7.7.2 Any judgement obtained in England in relation to this Deed will be recognised and enforced in its Relevant Jurisdiction.

7.8 No filing or stamp taxes

Under the laws of England and Wales, it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Deed of the transactions contemplated by this Deed except registration of particulars of this Deed at the Companies

Registration Office in England and Wales under section 860 of the Companies Act 2006 and payment of the associated fees which registrations, filings, taxes and fees will be made and paid promptly after the date of this Deed.

7.9 Good title to assets

The Company has a good, valid and marketable title to the Charged Assets.

7.10 Legal and beneficial ownership

7.10.1 The Company is the sole legal and beneficial owner of the assets over which the Company purports to grant Security.

7.10.2 Each Charged Asset is legally and beneficially owned by the Company free from any claims, third party rights or competing interests other than Security created under the Security Documents or Permitted Security.

7.10.3 No breach of any law or regulation is outstanding which adversely affects or might adversely affect the value of any Charged Asset.

7.11 Shares

7.11.1 No Charged Asset is subject to any option to purchase or similar rights.

7.11.2 As at the date of this Deed, none of the Shares is in an uncertificated form.

7.11.3 The constitutional documents of Coalters do not restrict or inhibit any transfer of the Charged Assets on creation or enforcement of this Security.

7.12 Repetition

The representations and warranties in this clause 7 (Representations) are deemed to be made by the Company by reference to the facts and circumstances then existing on the date of this Deed and on each subsequent date upon which the representations and warranties set out in the Facility Agreement are repeated.

8. UNDERTAKINGS

8.1 Duration

The Company undertakes to the Bank in accordance with this clause 8 (Undertakings). The undertakings in this clause 8 (Undertakings) shall remain in force during the Security Period.

8.2 Authorisations

The Company shall promptly:

8.2.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

8.2.2 supply certified copies to the Bank of,

any Authorisation required under any law or regulation to enable the Company to perform the Company's obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence of this Deed.

8.3 Shares

8.3.1 On the later of:

- (a) the date of this Deed; and
- (b) the date of acquisition of those Shares or Related Rights,

the Company shall:

- (i) as soon as practicable following any stamping requirements in respect of such Shares, deliver to the Bank all certificates of title and other documents of title or evidence of ownership in respect of its Shares and the Related Rights; and
- (ii) deliver to the Bank such transfer documents (with the transferee left blank) or any other documents as the Bank may require in respect of those Shares and Related Rights.

8.3.2 Until the Bank takes any steps under clause 8.4.1 or takes any enforcement action under clause 10.2 (Acts of enforcement), the Company shall be entitled to receive and retain all dividends, distributions and other monies receivable in respect of the Shares and Related Rights.

8.3.3 The Company shall not exercise the Company's voting and other rights in respect of the Shares and Related Rights in a manner which is likely to be prejudicial to the interests of the Bank.

8.3.4 The Company shall make all payments which may become due and payable by the Company in respect of any of the Shares and Related Rights. If the Company fails to make any such payments, the Bank may but shall not be obliged to make such payment on behalf of the Company. Any sums so paid by the Bank shall be repayable by the Company to the Bank on demand.

8.3.5 The Company shall remain liable to observe and perform all of the conditions and obligations assumed by the Company in respect of the Shares and Related Rights and the Bank shall not be required to perform or fulfil any obligation of the Company in respect of the Shares or Related Rights.

8.3.6 The Company shall comply with any notice served on the Company under the Companies Act 2006 or pursuant to the articles of association or any other constitutional document of Coalters in respect of or in connection with the Shares or Related Rights and will promptly provide to the Bank a copy of that notice.

8.3.7 The Company shall ensure that none of the Shares are converted into uncertificated form without the prior written consent of the Bank.

- 8.3.8 Immediately on conversion of any Shares or Related Rights from a certificated to an uncertificated form, and on the acquisition of any Shares or Related Rights in an uncertificated form, the Company shall give such instructions or directions and take such other steps and enter into such documentation as the Bank may require in order to protect or preserve the Security intended to be created by this Deed.

8.4 Following an Event of Default

- 8.4.1 Following the occurrence of any of the events lists in clause 10.1 (When security is enforceable) the Company shall on request by the Bank:
- (a) deliver to the Bank such stock transfer forms or other transfer documents as the Bank may require to enable the Bank or its nominee or nominees to be registered as the owner of, and to obtain legal and beneficial title to, the Shares and/or Related Rights referred to in such request;
 - (b) provide to the Bank certified copies of all authorisations approving the execution of such transfer forms and registration of such transfers as the Bank may reasonably require;
 - (c) procure that each such transfer is promptly registered by Coalters;
 - (d) procure that, immediately on their issue, all share certificates or other documents of title in the appropriate form, in respect of the relevant Shares and/or Related Rights, are delivered to the Bank in each case showing the registered holder as the Bank or its nominee or nominees (as applicable); and/or
 - (e) exercise all voting rights in respect of the Shares and Related Rights only in accordance with the instructions of the Bank.
- 8.4.2 If the Company receives any dividends, distributions or other monies in respect of the Shares and Related Rights at a time when the Bank has made a request under clause 8.4.1 or taken any enforcement steps under clause 10.2 (Acts of enforcement), the Company shall immediately pay such sums received directly to the Bank for application towards the Secured Liabilities and shall hold all such sums on trust for the Bank pending payment of them to such account as the Bank shall direct.
- 8.4.3 At any time while an Event of Default is continuing, the Bank may complete the transfer documents delivered to it under clause 8.3 (Shares) or take any other necessary steps to vest the Shares and Related Rights in itself or such other person or nominee as it shall select.

8.5 Retention of documents

The Bank may retain any document delivered to it pursuant to clause 8.3 (Shares) or otherwise until the Security created by this Deed is released and if for any reason it ceases to hold any such document before such time, it may by notice to the Company require that the relevant document be redelivered to it and the Company shall immediately comply (or procure compliance) with such notice.

8.6 General

The Company shall not do or cause or permit to be done anything which may in any way materially depreciate, jeopardise or otherwise prejudice the value to the Bank of the Security created by or under this Deed.

9. SECURITY POWER OF ATTORNEY

The Company, by way of security, irrevocably and severally appoints the Bank, each Receiver and any of their delegates or sub-delegates to be the Company's attorney to take any action which the Company is obliged to take under this Deed but which the Company has failed to take. The Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause 9 (Security power of attorney).

10. ENFORCEMENT OF SECURITY

10.1 When security is enforceable

On the occurrence of:

- 10.1.1 any Event of Default which is continuing; or
- 10.1.2 a third party taking possession of, or a receiver being appointed over, or any secured creditor of the Company seeking to enforce its security in respect of all or any of assets of the Company; or
- 10.1.3 any other event which puts in jeopardy all or any part of the security created by this Deed or any other security granted by the Company to the Bank;

then the Security created by and under this Deed is immediately enforceable.

10.2 Acts of enforcement

The Bank may, in its absolute discretion, at any time when the Security created by or under this Deed is enforceable:

- 10.2.1 enforce all or any part of the Security created by or under this Deed in any manner it sees fit;
- 10.2.2 exercise its rights and powers conferred upon mortgagees by the Law of Property Act 1925, as varied and extended by this Deed and rights or powers conferred on a Receiver by this Deed whether or not it has taken possession of, or appointed a Receiver to any of, the Charged Assets;
- 10.2.3 appoint one or more persons to be a Receiver to all or any part of the Charged Assets;
- 10.2.4 exercise its power of sale under section 101 of the Law of Property Act 1925 (as amended by this Deed);
- 10.2.5 sell all or any of the Charged Assets in any manner permitted by law and on such terms as the Bank shall in its absolute discretion determine; and/or

- 10.2.6 apply all dividends and other monies received in respect of the Charged Assets as though they were proceeds of sale.

10.3 **Right of Appropriation**

To the extent that the Security created by this Deed constitutes a "security financial collateral arrangement" and the Charged Assets constitute "financial collateral" for the purpose of the Financial Collateral Arrangements (No 2) Regulations 2003 (**Regulations**), the Bank shall have the right on giving prior notice to the Company, at any time after the Security becomes enforceable, to appropriate all or any part of those Charged Assets in or towards discharge of the Secured Liabilities. The parties agree that the value of the appropriated Charged Assets shall be determined by the Bank by reference to any available publicly available market price in the absence of which by such other means as the Bank (acting reasonably) may select including, without limitation, an independent valuation. For the purpose of Regulation 18(1) of the Regulations, the Company agrees that any such determination by the Bank will constitute a valuation "in a commercially reasonable manner".

10.4 **Statutory Powers - General**

- 10.4.1 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.
- 10.4.2 Section 103 of the Law of Property Act 1925 and section 93 of the Law of Property Act 1925 do not apply to the Security constituted by or under this Deed.
- 10.4.3 Each Receiver and the Bank is entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 and the Insolvency Act 1986 on mortgagees and Receivers.

10.5 **Contingencies**

If the Bank enforces the Security constituted by or under this Deed at a time when no amounts are due to the Bank for or in respect of the Secured Liabilities but at a time when amounts may or will become so due, the Bank (or the Receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account.

10.6 **Mortgagee in possession - no liability**

Neither the Bank nor any Receiver shall be liable to account as mortgagee in possession or for any loss on realisation or for any default or omission (other than by reason of the gross negligence or wilful misconduct of the Bank or any Receiver, as the case may be) for which a mortgagee in possession might otherwise be liable.

10.7 **Redemption of prior mortgages**

At any time after the Security created by or under to this Deed has become enforceable, the Bank may, at the sole cost of the Company (payable to the Bank on demand):

- 10.7.1 redeem any prior form of Security over any Charged Asset; and/or
- 10.7.2 procure the transfer of that Security to itself; and/or
- 10.7.3 settle and pass the accounts of any prior mortgagee, chargee or encumbrancer which once so settled and passed shall be conclusive and binding on the Company.

11. RECEIVER

11.1 Appointment of Receiver

- 11.1.1 At any time after any Security created by or under this Deed is enforceable, the Bank may appoint a Receiver to all or any part of the Charged Assets in accordance with clause 10.2.3 (Acts of enforcement).
- 11.1.2 At any time if so requested in writing by the Company, without further notice, the Bank may appoint one or more persons to be a Receiver of all or any part of the Charged Assets as if the Bank had become entitled under the Law of Property Act 1925 to exercise the power of sale conferred under the Law of Property Act 1925.
- 11.1.3 Any Receiver appointed under this Deed shall be the agent of the Company and the Company shall be solely responsible for his acts or defaults and for his remuneration and liable on any contracts or engagements made or entered into by him and in no circumstances whatsoever shall the Bank be in any way responsible for any misconduct, negligence or default of the Receiver.
- 11.1.4 Where the Company is an eligible company within the meaning of paragraphs 2 to 4 (inclusive) of Schedule A1 of the Insolvency Act 1986 (a) obtaining a moratorium, or (b) anything done with a view to obtaining a moratorium including any preliminary decision or investigation in terms of paragraph 43 of Schedule A1 of the Insolvency Act 1986 shall not be grounds for appointment of a Receiver.

11.2 Removal

The Bank may by written notice remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated.

11.3 Powers of Receiver

11.3.1 General

- (a) In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out in this clause 11.3 (Powers of Receiver).
- (b) If there is more than one Receiver holding office at the same time, unless the document appointing him states otherwise, each Receiver may exercise all of the powers conferred on a Receiver under this

Deed or under the Insolvency Act 1986 individually and to the exclusion of any other Receivers.

(c) A Receiver may (in the name of the Company):

- (i) do all other acts and things which he may consider expedient for realising any Charged Asset; and
- (ii) exercise in relation to any Charged Asset all the powers, authorities and things which he would be capable of exercising if he were its absolute beneficial owner.

11.3.2 Borrow money

A Receiver may raise and borrow money (either unsecured or on the security of any Charged Asset, either in priority to the security constituted by this Deed or otherwise) on any terms and for whatever purpose which he thinks fit. No person lending that money need enquire as to the propriety or purpose of the exercise of that power or to check the application of any money so raised or borrowed.

11.3.3 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Company relating in any way to any Charged Asset.

11.3.4 Delegation

A Receiver may delegate his powers in accordance with clause 12 (Delegation).

11.3.5 Employees

For the purposes of this Deed, a Receiver as he thinks appropriate, on behalf of the Company or for itself as Receiver, may:

- (a) appoint and discharge managers, officers, agents, accountants, servants, workmen and others upon such terms as to remuneration or otherwise as he may think proper; and
- (b) discharge any such persons appointed by the Company.

11.3.6 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings or submit to arbitration or any form of alternative dispute resolution in the name of the Company in relation to any Charged Asset as he considers expedient.

11.3.7 Receipts

A Receiver may give valid receipts for all monies and execute all assurances and things which may be expedient for realising any Charged Asset.

11.3.8 Sale of assets

A Receiver may sell, exchange, convert into monies and realise any Charged Asset by public auction or private contract in any manner and on any terms which he thinks proper. The consideration for any such transaction may consist of cash, debenture or other obligations, shares, stock or other valuable consideration and any such consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit.

11.3.9 Deal with Charged Assets

A Receiver may, without restriction vary the terms of or otherwise dispose of or deal with, all or any part of the Charged Assets without being responsible for loss or damage, and so that any such disposition may be made for cash payable by instalments, loan stock or other debt obligations or for shares or securities of another company or other valuable consideration, and the Receiver may form and promote, or concur in forming and promoting, a company or companies to purchase or otherwise acquire interests in all or any of the Charged Assets or otherwise, arrange for such companies to trade or cease to trade and to purchase or otherwise acquire all or any of the Charged Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit.

11.3.10 Security

A Receiver may redeem any prior Security and settle and pass the accounts of the person entitled to the prior Security so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Company and the money so paid shall be deemed to be an expense properly incurred by the Receiver.

11.3.11 Incidental Matters

A Receiver may do all other acts and things including without limitation, signing and executing all documents and deeds as may be considered by the Receiver to be incidental or conducive to any of the matters or powers listed here or granted by law or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Assets and to use the name of the Company for all the purposes set out in this clause 11 (Receiver).

11.4 Remuneration

The Bank may from time to time fix the remuneration of any Receiver appointed by it.

12. DELEGATION

- 12.1 The Bank and any Receiver may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by the Bank and the Receiver (as appropriate) under this Deed to any person or persons as it shall think fit. Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Bank and Receiver (as appropriate) may think fit.
- 12.2 The Bank and any Receiver will not be liable or responsible to the Company or any other person for any losses, liabilities or expenses arising from any act, default, omission or misconduct on the part of any delegate.

13. APPLICATION OF MONIES

- 13.1 Sections 109(6) and (8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.
- 13.2 All monies received by the Bank or any Receiver under this Deed shall be applied in the following order:
 - 13.2.1 in payment of all costs, fees, taxes and expenses incurred by the Bank or any Receiver in or pursuant to the exercise of the powers set out in this Deed and of all other outgoings properly payable by any Receiver;
 - 13.2.2 in payment of any remuneration to any Receiver;
 - 13.2.3 in or toward payment of the Secured Liabilities;
 - 13.2.4 the balance (if any) will be applied as required by law.
- 13.3 The Bank and any Receiver may place any money received, recovered or realised pursuant to this Deed in or at an interest bearing suspense account and it may retain the same for such period as it considers expedient without having any obligation to apply the same or any part of it in or towards discharge of the Secured Liabilities.

14. PROTECTION OF THIRD PARTIES

- 14.1 No person (including a purchaser) dealing with the Bank or its agents has an obligation to enquire of the Bank, Receiver or others:
 - 14.1.1 whether the Secured Liabilities have become payable;
 - 14.1.2 whether any power purported to be exercised has become exercisable;
 - 14.1.3 whether any Secured Liabilities or other monies remain outstanding;
 - 14.1.4 how any monies paid to the Bank or to the Receiver shall be applied; or
 - 14.1.5 the status, propriety or validity of the acts of the Bank or the Receiver.

- 14.2 The receipt of the Bank or any Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Bank or any Receiver.
- 14.3 In clauses 14.1 and 14.2 **purchaser** includes any person acquiring, for money or monies worth, any lease of, or Security over, or any other interest or right whatsoever in relation to, the Charged Assets or any of them.

15. SUBSEQUENT SECURITY

If the Bank receives notice of any other subsequent Security or other interest affecting all or any of the Charged Assets it may open a new account or accounts for the Company or the Obligors (or any of them) in its books. If it does not do so then, unless it gives express written notice to the contrary to the Company, as from the time of receipt of such notice by the Bank, all payments made by the Company to the Bank shall not be treated as having been applied in reduction of the Secured Liabilities.

16. PAYMENTS

16.1 Currency of account

Subject to clause 16.2 (Change of currency), Sterling is the currency of account and payment for any sum due from the Company under this Deed.

16.2 Change of currency

16.2.1 Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

- (a) any reference in this Deed to, and any obligations arising under this Deed in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Bank (after consultation with the Company); and
- (b) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Bank (acting reasonably).

16.2.2 If a change in any currency of a country occurs, this Deed will, to the extent the Bank (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

16.3 No set-off by the Company

All payments to be made by the Company under this Deed shall be calculated and be made without, (and free and clear of) any deduction for, set-off or counterclaim.

17. RELEASES

Upon the expiry of the Security Period, the Bank shall, at the request and cost of the Company, take whatever action is necessary to release and reassign to the Company:

17.1 its rights arising under this Deed;

17.2 the Charged Assets from the Security created by and under this Deed,
and return all documents or deeds of title delivered to it under this Deed.

18. MISCELLANEOUS

18.1 Certificates and determinations

Any certification or determination by the Bank of a rate or amount for or in respect of the Secured Liabilities is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18.2 Partial invalidity

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

18.3 Remedies and waivers

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

18.3.2 A waiver given or consent granted by the Bank under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

19. NOTICES

19.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or by letter.

19.2 Addresses

The address and the fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

19.2.1 in the case of the Company, that identified with the Company's name below; and

19.2.2 in the case of the Bank, that identified with its name below,
or any substitute address, fax number or department or officer as that Party may
notify to the other by not less than 7 days' notice.

19.3 Delivery

19.3.1 Any communication or document made or delivered by one person to
another under or in connection with this Deed will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or
3 Business Days after being deposited in the post postage prepaid in
an envelope addressed to that person at that address,

and if a particular department or officer is specified as part of its address details
provided under clause 19.2 (Addresses) if addressed to that department or officer.

19.3.2 Any communication or document to be made or delivered to the Bank
will be effective only when actually received by the Bank and then only
if it is expressly marked for the attention of the department or officer
identified with the Bank's signature below (or any substitute department
or officer as the Bank shall specify for this purpose).

19.4 English language

Any notice or documents provided or given under or in connection with this Deed
must be in English.

20. COUNTERPARTS

This Deed or any document entered into under or in connection with this Deed may be
executed in any number of counterparts, and by each party on separate counterparts.
Each counterpart is an original, but all counterparts shall together constitute one and the
same instrument. Delivery of a counterpart of this Deed or any such document entered
into under or in connection with this Deed by e-mail attachment or telecopy shall be an
effective mode of delivery.

21. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are
governed by English law.

22. ENFORCEMENT

22.1 The courts of England have exclusive jurisdiction to settle any dispute arising out
of or in connection with this Deed (including a dispute relating to the existence,
validity or termination of this Deed or any non-contractual obligation arising out
of or in connection with this Deed) (a **Dispute**).

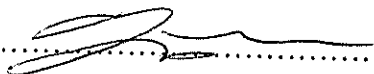
22.2 The Parties agree that the courts of England are the most appropriate and
convenient courts to settle Disputes and accordingly no Party will argue to the
contrary.

- 22.3 This clause 22 (Enforcement) is for the benefit of the Bank. As a result, the Bank shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Bank may take concurrent proceedings in any number of jurisdictions.

AS WITNESS of which the parties have executed this Deed on the date specified on page 1.

SIGNATURES TO THE SHARE CHARGE
The Company

SIGNED AS A DEED by **LINLEY &)**
SIMPSON LIMITED acting by **)**
a director in the presence of:-

.....


Witness's signature

Woodhead

Witness' name:

FIONA WOODHEAD

Witness' address: **Freeths LLP**
Floor 3
100 Wellington Street
Leeds
LS1 4LT

Witness' occupation:

SOLICITOR

Address: **54-56 Street Lane**
Roundhay
Leeds
LS8 2ET

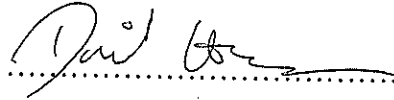
Fax No: **0113 237 0195**

Attention: **Will Linley and Nick Simpson**

The Bank

Signed for and on behalf of the Bank by

DAN HOUMAN.



A person authorised to act for that purpose

Address: 44 Merrion Street
Leeds
LS2 8JQ

Fax No: 0113 285 6123
Attention: Dan Homan