



Registration of a Charge

Company name: **TRG LOGISTICS LTD**

Company number: **03974669**



X84XYX5N

Received for Electronic Filing: **07/05/2019**

Details of Charge

Date of creation: **29/04/2019**

Charge code: **0397 4669 0017**

Persons entitled: **PRAETURA DEBT LIMITED**

Brief description: **AS A CONTINUING SECURITY FOR THE PAYMENT AND DISCHARGE OF THE SECURED LIABILITIES, EACH SECURITY OBLIGOR WITH FULL TITLE GUARANTEE CHARGES TO THE TRUSTEE BY WAY OF LEGAL MORTGAGE EACH PROPERTY SPECIFIED IN SCHEDULE 3 AND WITH FULL TITLE GUARANTEE CHARGES TO THE TRUSTEE BY WAY OF FIXED CHARGE, ALL PROPERTIES ACQUIRED BY THAT SECURITY OBLIGOR IN THE FUTURE, ALL PRESENT AND FUTURE INTERESTS OF THE SECURITY OBLIGOR NOT EFFECTIVELY MORTGAGED OR CHARGED IN OR OVER FREEHOLD AND LEASEHOLD PROPERTY; AND ALL OF ITS INTELLECTUAL PROPERTY.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **BERMANS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3974669

Charge code: 0397 4669 0017

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th April 2019 and created by TRG LOGISTICS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th May 2019 .

Given at Companies House, Cardiff on 8th May 2019

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

29th April

2019

(1) PRAETURA DEBT LIMITED
(AS SECURITY TRUSTEE FOR THE SECURED PARTIES)

(2) THE COMPANIES NAMED IN THIS DEED
AS SECURITY OBLIGORS

COMPOSITE GUARANTEE AND DEBENTURE

This Debenture is subject to the terms of an Intercreditor Deed dated 11 March 2019 and made between Challenge Group Holdings Limited (1), The Companies listed in Schedule 1 to the Intercreditor (2), HSBC UK Bank Plc (3), HSBC UK Bank Plc and HSBC Invoice Finance (UK) Limited (4) and The Institutions and Persons listed in Schedule 2 to the Intercreditor (5).

Contents

Clause

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

THIS DEED is made on

29th April

2019

BETWEEN

- (1) **PRAETURA DEBT LIMITED** (company number 11010030 whose registered office is at Giant's Basin, Potato Wharf, Castlefield, Manchester M3 4NB as security trustee for the Secured Parties (the **Trustee**); and
- (2) **THE COMPANIES LISTED IN SCHEDULE 2 TO THIS DEED** (each a "**Security Obligor**" and together the "**Security Obligors**")

BACKGROUND

- (A) Under this deed, the Security Obligors provide security to the Trustee as security trustee for the Secured Parties in respect of certain obligations due to the Secured Parties pursuant to the terms of the Instrument.

AGREED TERMS

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this deed:

Administrator	means an administrator appointed to manage the affairs, business and property of a Security Obligor pursuant to clause 8.6;
Book Debts	means all present and future book and other debts, and monetary claims due or owing to a Security Obligor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by a Security Obligor in relation to any of them;
Business Day	means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
Delegate	means any person appointed by the Trustee or any Receiver pursuant to clause 13 and any person appointed as attorney of the Trustee, Receiver or Delegate;
Designated Account	means any account of a Security Obligor nominated by the Trustee as a designated account for the purposes of this deed;
Equipment	means 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 a Security Obligor, including any part of it and all spare parts, replacements, modifications and additions;
Event of Default	means an Event of Default as that term is defined in the Instrument;
Financial Collateral	has the meaning given to that expression in the Financial Collateral Regulations;
Financial Collateral Regulations	means the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3226);
Guarantee	means the guarantee and indemnity contained in clause 2 (Guarantee and indemnity) as extended by Schedule 4 (The Guarantee);
Instrument	the secured loan note instrument dated on or about the date of this deed executed by the Obligor to constitute the Notes and any certificate issued pursuant to it;
Insurance Policy	means each contract and policy of insurance effected or maintained by a Security Obligor 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);
Intellectual Property	means each Security Obligor's present and future patents, copyright and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
Investments	means 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 a Security Obligor, including any: a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and 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;
LPA 1925	means the Law of Property Act 1925;
Notes	The £2,000,000 aggregate principal amount secured loan notes 2023 of the Obligor constituted by the Instrument;
Obligor	Challenge Group Holdings Limited (company number 10332186) whose registered address is at Giant's Basin, Potato Wharf, Castlefield, Manchester M3 4NB
Prior Security Holder	means HSBC UK Bank Plc;
Prior Security	means all Security granted by the Security Holders to the Prior Security Holder on or around the date of this deed;
Properties	means 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 a Security Obligor, or in which a Security Obligor holds an interest (including, but not limited to, the property specified in Schedule 3) and Property means any of them;
Receiver	means a receiver or receiver and manager of any or all of the Secured Assets appointed by the Trustee under clause 11;
Secured Assets	means Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them);
Secured Liabilities	means all present and future monies, obligations and liabilities of any of the Security Obligors to the Secured Parties, 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 Obligor's obligations under the Instrument, this deed or otherwise;
Secured Parties	the persons whose details are set out under Schedule 1;
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations;
Security	means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect;
Security Period	means the period starting on the date of this deed and ending on the date on which the Trustee is satisfied that all of the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2 *Interpretation*

In this deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** does not include fax or email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);

- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 *Clawback*

If the Trustee considers that an amount paid by a Security Obligor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of that Security Obligor 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 relevant Security Obligor 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 Instrument 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).

1.7 *Schedules*

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

1.8 *Joint and several liability*

The liabilities and obligations of each Security Obligor under this deed shall be joint and several. Each Security Obligor agrees to be bound by this deed notwithstanding that any other Security Obligor which was intended to sign or be bound by this deed did not so sign or is not bound by this deed.

2. **Guarantee and Indemnity**

2.1 *Guarantee and Indemnity*

Each Security Obligor (with the exception of the Obligor) irrevocably and unconditionally, jointly and severally:

- 2.1.1 guarantees to the Trustee the punctual performance by the Obligor of the Secured Liabilities;
 - 2.1.2 undertakes with the Trustee that whenever the Obligor does not pay any of the Secured Liabilities, it shall immediately upon demand pay such Secured Liabilities as if it was the principal debtor; and
 - 2.1.3 undertakes with the Trustee that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will as an independent and primary obligation, indemnify the Trustee immediately on demand against any cost, loss or liability it incurs as a result of a Security Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due.
- 2.2 The guarantee set out in this clause 2 is given subject to and with the benefit of the provisions set out in Schedule 4.
- 3. Covenant to pay**
- 3.1 Each Security Obligor shall, on demand, pay to the Trustee and discharge the Secured Liabilities when they become due.
- 4. Grant of security**
- 4.1 *Legal mortgage*

As a continuing security for the payment and discharge of the Secured Liabilities, each Security Obligor with full title guarantee charges to the Trustee, by way of legal mortgage, each Property specified in Schedule 3.
- 4.2 *Fixed charges*

As a continuing security for the payment and discharge of the Secured Liabilities, each Security Obligor with full title guarantee charges to the Trustee by way of fixed charge:

 - 4.2.1 all Properties acquired by that Security Obligor in the future;
 - 4.2.2 all present and future interests of the Security Obligor not effectively mortgaged or charged under the preceding provisions of this clause 4.2.2 in, or over, freehold or leasehold property;
 - 4.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
 - 4.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with that Security Obligor's business or the use of any Secured Asset, and all rights in connection with them;
 - 4.2.5 all of its present and future goodwill;
 - 4.2.6 all of its uncalled capital;
 - 4.2.7 all of its Equipment;
 - 4.2.8 all of its Intellectual Property;
 - 4.2.9 all of its Book Debts;
 - 4.2.10 all of its Investments;
 - 4.2.11 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); and
 - 4.2.12 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 4.3.

4.3 *Assignment*

As a continuing security for the payment and discharge of the Secured Liabilities, each Security Obligor with full title guarantee assigns to the Trustee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities all of 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.

4.4 *Floating charge*

As a continuing security for the payment and discharge of the Secured Liabilities, each Security Obligor with full title guarantee charges to the Trustee, by way of floating charge, all the undertaking, property, assets and rights of that Security Obligor at any time not effectively mortgaged, charged or assigned pursuant to clause 4.1 to clause 4.3 inclusive.

4.5 *Qualifying floating charge*

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 4.4.

4.6 *Automatic crystallisation of floating charge*

The floating charge created by clause 4.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

4.6.1 A Security Obligor:

- (a) creates, or attempts to create, without the prior written consent of the Trustee, 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 Instrument; 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);

4.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

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

4.7 *Crystallisation of floating charge by notice*

The Trustee may, in its sole discretion, by written notice to the Security Obligors, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Trustee in that notice if an Event of Default occurs and is continuing.

4.8 *Assets acquired after any floating charge has crystallised*

Any asset acquired by a Security Obligor 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 Trustee confirms otherwise to the Security Obligor in writing) be charged to the Trustee by way of fixed charge.

5. **Liability of the Security Obligors**

5.1 *Liability not discharged*

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

5.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Trustee that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;

5.1.2 the Trustee 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

5.1.3 any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of a Security Obligor.

5.2 *Immediate recourse*

The Security Obligors waive any right they may have to require the Trustee 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 Security Obligors.

6. Representations and warranties

6.1 *Representations and warranties*

Each Security Obligor makes the representations and warranties set out in this clause 6 to the Trustee.

6.2 *No Security*

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

6.3 *No adverse claims*

That Security Obligor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them (save for the Prior Security).

6.4 *No adverse covenants*

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

6.5 *No overriding interests*

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

6.6 *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 that Security Obligor or otherwise.

6.7 *No prohibitions or breaches*

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

6.8 *Enforceable security*

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

6.9 *Times for making representations and warranties*

The representations and warranties set out in clause 6.2 to clause 6.8 are made by each Security Obligor on the date of this deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

7. Covenants

7.1 *Negative pledge and disposal restrictions*

The Security Obligors shall not at any time, except with the prior written consent of the Trustee:

7.1.1 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 and the Prior Security;

7.1.2 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

- 7.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party other than the Prior Security.

7.2 *Preservation of Secured Assets*

The Security Obligors 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 Trustee, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

7.3 *Title documents*

Subject to the rights of the Prior Security Holder, the Security Obligors shall, on the execution of this deed (or, if later, the date of acquisition of the relevant Secured Asset), deposit with the Trustee and the Trustee shall, for the duration of this deed be entitled to hold:

- 7.3.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Security Obligors (and if these are not within the possession or control of the Security Obligors, each Security Obligor undertakes to obtain possession of all these deeds and documents of title relevant to it); and

- 7.3.2 all deeds and documents of title (if any) relating to the Book Debts as the Trustee may specify from time to time.

7.4 *Insurance*

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

- (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 Security Obligors; and
- (c) any other risk, perils and contingencies as the Trustee may reasonably require.

- 7.4.2 The Security Obligors shall, if requested by the Trustee, produce to the Trustee each policy, certificate or cover note relating to the insurance required by clause 7.4.1.

- 7.4.3 The Security Obligors shall, if requested by the Trustee, procure that a note of the Trustee's interest is endorsed upon each insurance policy (other than public liability and third party liability insurances) maintained by them or any person on their behalf in accordance with clause 7.4.1 but without the Trustee having any liability for any premium in relation to those Insurance Policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

7.5 *Insurance premiums*

The Security Obligors shall promptly pay all premiums in respect of each insurance policy maintained by them in accordance with clause 7.4.1 and do all other things necessary to keep that policy in full force and effect.

7.6 *Proceeds of insurance policies*

Subject to the rights of the Prior Security Holder, all monies payable to a Security Obligor under any insurance policy maintained by it in accordance with clause 7.4.1 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 Trustee so directs, in or towards discharge or reduction of the Secured Liabilities.

7.7 *Registration restrictions*

If the title to any Property is not registered at the Land Registry, the relevant Security Obligor shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Trustee. The Security Obligors shall be liable for the costs and expenses of the Trustee in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

7.8 *Registration at the Land Registry*

The relevant Security Obligor consents to an application being made by the Trustee to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [the Trustee] referred to in the charges register."

7.9 *Maintenance of Equipment*

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

7.10 *Preservation of Intellectual Property rights*

Each Security Obligor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

8. **Powers of the Trustee**

8.1 *Power to remedy*

8.1.1 The Trustee shall be entitled (but shall not be obliged) to remedy, at any time, a breach by any Security Obligor of any of its obligations contained in this deed.

8.1.2 The Security Obligors irrevocably authorise the Trustee and its agents to do all things that are necessary for that purpose.

8.1.1 Any monies expended by the Trustee in remedying a breach by a Security Obligor of its obligations contained in this deed shall be reimbursed by the Security Obligors to the Trustee 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 Trustee under clause 8.1 are without prejudice to any other rights of the Trustee under this deed.

8.2.2 The exercise of any rights of the Trustee under this deed shall not make the Trustee 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 Trustee or any Receiver may, as agent for the Security Obligors, 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 Security Obligors shall indemnify the Trustee and any Receiver against any liability arising from any disposal made under clause 8.3.1.

8.4 *Trustee 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 Trustee 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 *Indulgence*

The Trustee 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 Security Obligors) 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 Security Obligors for the Secured Liabilities.

8.6 *Appointment of an Administrator*

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

8.6.2 Any appointment under this clause 8.6 shall:

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

8.6.3 The Trustee may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 8.6 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 a Security Obligor is in breach of its obligations under this deed or if an Event of Default occurs which has not been remedied in accordance with the terms of the Instrument.

9.2 *Discretion*

After the security constituted by this deed has become enforceable, the Trustee 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 Trustee 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 relevant Security Obligor, 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 relevant Security Obligor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Trustee 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 security constituted by this deed becomes enforceable, each Security Obligor will allow the Trustee 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 Trustee or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to that Security Obligor for, or by any reason of, that entry.

10.3.2 At all times after the security constituted by this deed has become enforceable, the Security Obligors must use reasonable endeavours to allow the Trustee 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*

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

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

10.4.2 The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Security Obligors. All monies paid by the Trustee to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Trustee, be due from the Security Obligors to the Trustee on current account and shall bear interest at the default rate of interest specified in the Instrument and be secured as part of the Secured Liabilities.

10.5 *Protection of third parties*

No purchaser, mortgagee or other person dealing with the Trustee, 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 Trustee, 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 Trustee, any Receiver or any Delegate is to be applied.

10.6 *Privileges*

Each Receiver and the Trustee 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 Trustee, 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 Trustee, 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 Trustee, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that 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 Security Obligors under it constitute a Security Financial Collateral Arrangement,

the Trustee 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 Trustee 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 Security Obligors' 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 Trustee may select (including independent valuation).

10.9.3 The Security Obligors agree 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 Security Obligors, the Trustee 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 Trustee may, without further notice 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 Trustee 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 Trustee 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 Trustee despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 *Agent of the Security Obligors*

Any Receiver appointed by the Trustee under this deed shall be the agent of the relevant Security Obligor and the relevant Security Obligor 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 relevant Security Obligor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Trustee.

12. Powers of Receiver

12.1 *General*

12.1.1 Any Receiver appointed by the Trustee 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 12.22.

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 relevant Security Obligor, the directors of that Security Obligor (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 Security Obligors.

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 Trustee 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 a Security Obligor'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 any Security Obligor.

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 Security Obligors.

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 for realising any of the Secured Assets.

12.13 *Make settlements*

A Receiver may make any arrangement, settlement or compromise between a Security Obligor 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 members*

A Receiver may make calls conditionally or unconditionally on the members of the Security Obligors 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 Security Obligors on their 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 Security Obligors 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 Trustee (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 Trustee 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 Security Obligors, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.21 *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.

12.22 *Incidental powers*

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

12.22.1 may consider necessary for realising any of the Secured Assets;

12.22.2 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

12.22.3 lawfully may or can do as agent for the Security Obligors.

13. Delegation

13.1 *Delegation*

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

13.3 *Liability*

Neither the Trustee nor any Receiver shall be in any way liable or responsible to the Security Obligors 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 Trustee, 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 Trustee (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 Trustee determines; and

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

14.2 *Appropriation*

Neither the Trustee, 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 Trustee, a Receiver or a Delegate under this deed:

14.3.1 may, at the discretion of the Trustee, 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 Trustee and the relevant Security Obligor; and

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

15. Costs and indemnity

15.1 Costs

The Security Obligors shall, promptly on demand, pay to, or reimburse, the Trustee 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) properly incurred by the Trustee, any Receiver or any Delegate in connection with:

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

15.1.2 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 Security Obligors) at the rate and in the manner specified in the Instrument.

15.2 Indemnity

The Security Obligors shall indemnify the Trustee, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including any 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) properly suffered or incurred by any of them arising out of or in connection with any default or delay by the Security Obligors in performing any of their obligations under this deed.

16. Further assurance

16.1 The Security Obligors shall, at their own expense, take whatever action the Trustee, the Secured Parties or any Receiver may reasonably require for:

16.1.1 facilitating the realisation of any Secured Asset; or

16.1.2 facilitating the exercise of any right, power, authority or discretion exercisable by the Trustee, the Secured Parties or any Receiver in respect of any Secured Asset,

including, without limitation (if the Trustee 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 Trustee or to his 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, each Security Obligor irrevocably appoints the Trustee, every Receiver and every Delegate separately to be the attorney of that Security Obligor 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 Security Obligor is required to execute and do under this deed; or

17.1.2 any attorney deems proper in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Trustee, any Receiver or any Delegate.

17.2 Ratification of acts of attorneys

The Security Obligors ratify and confirm, and agree to ratify and confirm, anything that any of their 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 Trustee shall, at the request of the Security Obligors, 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 relevant Security Obligor.

19. Assignment and transfer

- 19.1 No Security Obligor may assign any of its rights, or transfer any of its rights or obligations, under this deed without the prior written consent of the Trustee.

- 19.2 The Trustee may assign and transfer all or any of its rights and obligations under this deed. The Security Obligors shall, immediately upon being requested to do so by the Trustee, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

20. Set-off

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

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 Trustee 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 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 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.

- 23.2 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.

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

24. Third party rights

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

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

- 24.3 Subject to the terms of the Instrument, the Secured Parties are entitled under the Contracts (Rights of Third Parties) Act 1999 and with the prior written consent of the Trustee to enforce any term of this deed which confers (expressly or impliedly) any benefit on that Secured Party.

25. Further provisions

25.1 Independent security

The security and Guarantee constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Trustee may hold for any of the Secured Liabilities at any time. No prior security held by the Trustee 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 and Guarantee 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 Trustee discharges this deed in writing.

25.3 Discharge conditional

Any release, discharge or settlement between any Security Obligor and the Trustee shall be deemed conditional on no payment or security received by the Trustee 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 Trustee 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 Trustee deems necessary to provide the Trustee with security against any such avoidance, reduction or order for refund; and

- 25.3.2 the Trustee may recover the value or amount of such security or payment from any Security Obligor subsequently as if the release, discharge or settlement had not occurred.

25.4 Consolidation

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

25.5 Small company moratorium

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

- 25.5.1 an event under this deed which causes any floating charge created by this deed to crystallise;

25.5.2 an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by a Security Obligor; or

25.5.3 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; and

26.1.3 sent to:

(a) the Security Obligors at the registered office of each Security Obligor from time to time;

(b) the Trustee at his address as set out in this deed.

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

26.1.4 notwithstanding the terms of clause 26.1.3(a) above, any notice from the Trustee to the Obligor shall be deemed service on each of the Security Obligors.

26.2 Receipt by the Security Obligors

Any notice or other communication that the Trustee gives to the Security Obligors shall be deemed to have been received:

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

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.

A notice or other communication given as described in clause 26.2.1 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 Trustee

Any notice or other communication given to the Trustee 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 or fax

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

27. Governing law and jurisdiction

27.1 Governing law

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

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 (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation.

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

Schedule 1
Secured Parties

Name	Number	Address
Blythe Capital	11591010	Blythe Hall, Blythe Lane, Latham, Lancashire L40 5TY
Sodecon Finance	10186781	C/O Stonegate Trinity LLP 137 Newhall Street Birmingham B3 1SF
Praetura Debt Limited	11010030	Giant's Basin, Potato Wharf, Castlefield, Manchester M3 4NB

Schedule 2**Security Obligors**

Name	Number	Address
Challenge Group Holdings Limited	10332186	3rd Floor Giants Basin, Potato Wharf, Manchester, United Kingdom, M3 4NB
Challenge Recruitment Group Limited	08821900	1 Smithy Court, Wigan, England, WN3 6PS
The Recruitment Shed Limited	07508893	As above
Challenge Logistics Limited	03846205	As above
Challenge Transport and Distribution Limited	08981112	3 Beecham Court, Smithy Brook Road, Wigan, Greater Manchester, WN3 6PR
Firststep Recruitment Solutions Limited	05696637	1 Smithy Court, Wigan, England, WN3 6PS
Deployment Services Limited	05718489	Metier House, 133 Manchester, Road, Rochdale, Lancashire, OL11 4JG
Deployment Limited	09829474	As above
NLGordon Limited	07201522	2nd Floor, Pathtrace House, 91-99 High Street, Banstead, Surrey, England, SM7 2NL
TRG Logistics Ltd	03974669	As above
Phoenix Training Services (Midlands) Limited	04819289	Phoenix Wharf Bolton Street, Bordesley, Birmingham, West Midlands, B9 4HH

Schedule 3
Details of specific Property

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Schedule 4

Guarantee

1. The Guarantee is and shall at all times be a continuing security and shall cover the ultimate balance from time to time owing to the Trustee by the Security Obligors in respect of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.
2. The liability of the Security Obligors under the Guarantee shall not be reduced, discharged or otherwise adversely affected by:
 - 2.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Trustee may now or after the date of the Guarantee have from or against any Security Obligor and any other person in connection with the Secured Liabilities;
 - 2.2 any variation in the Instrument (whether or not the Security Obligors' liability to the Trustee may be increased thereby) or defect therein or in its execution;
 - 2.3 any act or omission by the Trustee or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against any Security Obligor or any other person;
 - 2.4 any grant of time, indulgence, waiver or concession to any Security Obligor or any other person;
 - 2.5 any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of any Security Obligor;
 - 2.6 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, any Security Obligor or any other person in connection with the Secured Liabilities;
 - 2.7 any act or omission which would not have discharged or affected the liability of any Security Obligor had it been a principal debtor instead of a guarantor; or
 - 2.8 any other act or omission except an express written release of any Security Obligor by the Trustee.
3. The Trustee shall not be obliged, before taking steps to enforce any of its rights and remedies under the Guarantee, to:
 - 3.1 take any action or obtain judgment in any court against any Security Obligor or any other person;
 - 3.2 make or file any claim in a bankruptcy, liquidation, administration or insolvency of any Security Obligor or any other person; or
 - 3.3 make demand, enforce or seek to enforce any claim, right or remedy against any Security Obligor or any other person.
4. Each Security Obligor warrants to the Trustee that it has not taken or received, and shall not take, exercise or receive the benefit of any Security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise (**Rights**) and whether from contribution or otherwise from or against any Security Obligor, its liquidator, an Administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Security Obligor under the Guarantee but:
 - 4.1 if any of the Rights is taken, exercised or received by any Security Obligor, those Rights and all monies at any time received or held in respect of those Rights shall be held by each Security Obligor on trust for the Trustee for application in or towards the discharge of the Secured Liabilities under the Guarantee; and
 - 4.2 on demand by the Trustee, each Security Obligor shall promptly transfer, assign or pay to the Trustee all other Rights and all monies from time to time held on trust by each Security Obligor under this clause 4.

5. The Guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, security, right or remedy obtained or held by the Trustee from time to time for the discharge and performance of any Security Obligor of the Secured Liabilities.
6. Until all amounts which may be or become payable during the Security Period by the Security Obligors under or in connection with the Secured Liabilities have been irrevocably paid in full, the Trustee may:
 - 6.1 refrain from applying or enforcing any other monies, security or rights held or received by the Trustee 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 no Security Obligor shall be entitled to the benefit of the same;
 - 6.2 place to the credit of a suspense account any monies received under or in connection with the Guarantee in order to preserve the rights of the Trustee to prove for the full amount of all its claims against any Security Obligor or any other person in respect of the Secured Liabilities; and
 - 6.3 at any time and from time to time apply all or any monies held in any suspense account in or towards satisfaction of any of the monies, obligations and liabilities that are the subject of the Guarantee as the Trustee, in its absolute discretion, may conclusively determine.
7. The Guarantee is in addition to and shall not affect nor be affected by or merge with any other judgment, Security, right or remedy obtained or held by the Trustee from time to time for the discharge and performance of any Security Obligor of the Secured Liabilities.

Execution

Security Trustee

EXECUTED AND DELIVERED as a deed
by **PRAETURA DEBT LIMITED**
acting by a director in the presence of:

Director
Signature: _____

Witness _____

Name: _____

Full Name _____

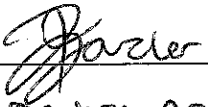
Address _____

Occupation _____

Obligor

EXECUTED AND DELIVERED as a deed
by **CHALLENGE RECRUITMENT GROUP LIMITED**
acting by a director in the presence of:

Director
Signature: _____

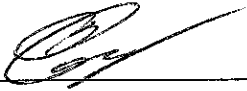
Witness 

Name: _____

Full Name DANIEL ARCHER

Address QALSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

Occupation CHARTERED ACCOUNTANT


Name: TOM CROPPER

Secured Parties

EXECUTED AND DELIVERED as a deed
by **BLYTHE CAPITAL**
acting by a director in the presence of:

Director
Signature:

Witness _____

Name: _____

Full Name _____

Address _____

Occupation _____

EXECUTED AND DELIVERED as a deed
by **SODECON FINANCE**
acting by a director in the presence of:

Director
Signature:

Witness _____

Name: _____

Full Name _____

Address _____

Occupation _____

EXECUTED AND DELIVERED as a deed
by **PRAETURA DEBT LIMITED**
acting by a director in the presence of:

Director
Signature:

Witness _____

Name: _____

Full Name _____

Address _____

Occupation _____

Security Obligors

EXECUTED AND DELIVERED as a deed
by **CHALLENGE GROUP HOLDINGS LIMITED**
acting by a director in the presence of:

Director
Signature:



Witness



Name:

TOM CROPPER

Full Name

DANIEL ARCHER

Address

OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

Occupation

CHARTERED ACCOUNTANT

EXECUTED AND DELIVERED as a deed
by **CHALLENGE RECRUITMENT GROUP LIMITED**
acting by a director in the presence of:

Director
Signature:



Witness



Name:

TOM CROPPER

Full Name

DANIEL ARCHER

Address

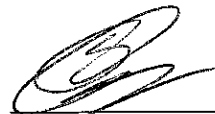
OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

Occupation

CHARTERED ACCOUNTANT

EXECUTED AND DELIVERED as a deed
by **THE RECRUITMENT SHED LIMITED**
acting by a director in the presence of:

Director
Signature:



Witness



Name:

TOM CROPPER

Full Name

DANIEL ARCHER

Address

OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

Occupation

CHARTERED ACCOUNTANT

EXECUTED AND DELIVERED as a deed
by **CHALLENGE LOGISTICS LIMITED**
acting by a director in the presence of:

Director
Signature:

Witness

Full Name

Address

Occupation

Name:

D Archer

DANIEL ARCHER

OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE
CH3 9NN

CHARTERED ACCOUNTANT

[Signature]
TOM CROPPER

EXECUTED AND DELIVERED as a deed
by **CHALLENGE TRANSPORT AND DISTRIBUTION
LIMITED**
acting by a director in the presence of:

Director
Signature:

Witness

Full Name

Address

Occupation

D Archer

DANIEL ARCHER

OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

CHARTERED ACCOUNTANT

Name:

[Signature]
TOM CROPPER

EXECUTED AND DELIVERED as a deed
by **FIRSTSTEP RECRUITMENT SOLUTIONS LIMITED**
acting by a director in the presence of:

Director
Signature:

Witness

Full Name

Address

Occupation

D Archer

DANIEL ARCHER

OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

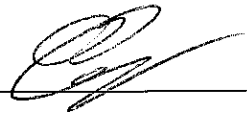
CHARTERED ACCOUNTANT

Name:

[Signature]
TOM CROPPER

EXECUTED AND DELIVERED as a deed
by **DEPLOYMENT SERVICES LIMITED**
acting by a director in the presence of:

Director
Signature:



Witness 

Name: TOM CROPPER

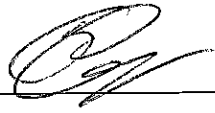
Full Name DANIEL ARCHER

Address OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

Occupation CHARTERED ACCOUNTANT

EXECUTED AND DELIVERED as a deed
by **DEPLOYMENT LIMITED**
acting by a director in the presence of:

Director
Signature:



Witness 

Name: TOM CROPPER

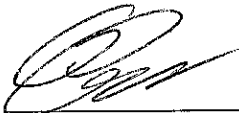
Full Name DANIEL ARCHER

Address OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN

Occupation CHARTERED ACCOUNTANT

EXECUTED AND DELIVERED as a deed
by **NLGORDON LIMITED**
acting by a director in the presence of:

Director
Signature:



Witness 

Name: TOM CROPPER

Full Name DANIEL ARCHER

Address OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE
CH3 9NN

Occupation CHARTERED ACCOUNTANT

EXECUTED AND DELIVERED as a deed
by **TRG LOGISTICS LTD**
acting by a director in the presence of:

Director
Signature:

Witness

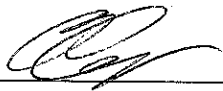
Full Name

Address

Occupation

Name:


DANIEL ARCHER
OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE,
CH3 9NN
CHARTERED ACCOUNTANT


TOM CROPPER

EXECUTED AND DELIVERED as a deed
by **PHOENIX TRAINING SERVICES (MIDLANDS)**
LIMITED
acting by a director in the presence of:

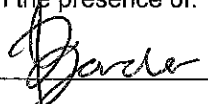
Director
Signature:

Witness

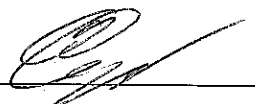
Full Name

Address

Occupation


DANIEL ARCHER
OAKSGATE COTTAGE, WOODSFIN LANE,
TATTENHALL, CHESHIRE
CH3 9NN
CHARTERED ACCOUNTANT

Name:


TOM CROPPER

