



Registration of a Charge

Company Name: **LCM (HOLDINGS) LIMITED**

Company Number: **04300235**



Received for filing in Electronic Format on the: **20/06/2023**

XC62DJAP

Details of Charge

Date of creation: **07/06/2023**

Charge code: **0430 0235 0003**

Persons entitled: **DAVID WILLMINGTON, STEPHEN SARGEANT**

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: **WE CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **STEPHENSON HARWOOD LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4300235

Charge code: 0430 0235 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th June 2023 and created by LCM (HOLDINGS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th June 2023 .

Given at Companies House, Cardiff on 21st June 2023

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**

EXECUTION VERSION

Shareholder Security Agreement

Dated 7 June 2023

**(1) LCM (Holdings) Limited
(the Chargor)**

and

**(2) David Willmington and Stephen Sargeant
(the Sellers)**

Contents

	Page
1	Definitions and interpretation 1
2	Creation of Security 5
3	Representations..... 5
4	Restrictions on dealings 7
5	Shares 7
6	When Security becomes enforceable..... 9
7	Enforcement of Security..... 9
8	Receiver 11
9	Powers of Receiver..... 12
10	Application of proceeds..... 14
11	Delegation 14
12	Protection of the Sellers and Receivers..... 14
13	Further assurances..... 15
14	Power of attorney 16
15	Preservation of Security 16
16	Changes to the Parties..... 18
17	Miscellaneous..... 18
18	Release 18
19	Costs and expenses..... 19
20	Notices..... 19
21	Partial invalidity 20
22	Remedies and waivers 20
23	Amendments and waivers 21
24	Counterparts..... 21
25	Governing law 21
26	Enforcement 21

Shareholder Security Agreement

Dated 7 June 2023

Between:

- (1) **LCM (Holdings) Limited**, a private limited company registered in England and Wales with registered number 04300235 and having its registered office at Unit 15 Newport Business Park, Barry Way, Newport, Isle of Wight, PO30 5GY (the "**Chargor**"); and
- (2) **(A) David Willmington**, residing at 35 Winslade Park Avenue, Clyst St Mary, Exeter, EX5 1DA; and **(B) Stephen Sargeant**, residing at Strada Stefan cel Mare 26a, Tunari, Ilfov, Romania, 077180 (each a "**Seller**" and together the "**Sellers**").

Background:

- (A) On or about the date of this Deed, the Sellers have agreed to sell the entire issued share capital of the Chargor to the Purchaser pursuant to the terms of the SPA.
- (B) One of the conditions to the Sellers entering into the SPA is that the Chargor grants Security in favour of the Sellers on the terms set out in this Deed.

It is agreed as follows:

1 Definitions and interpretation

1.1 Definitions

In this Deed:

"Act" means the Law of Property Act 1925.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Company" means L.C.M. Systems Limited, a private limited company registered in England and Wales with registered number 02057541 and having its registered office at Unit 15 Newport Business Park, Barry Way, Newport, Isle of Wight, PO30 5GY.

"Deferred Consideration" has the meaning given to it in the SPA.

"Delegate" means any delegate, agent, attorney or trustee appointed by a Seller.

"Distressed Transfer" means any disposal or appropriation of any of the Shares:

- (a) by way of enforcement of this Security; or
- (b) otherwise after this Security has become enforceable.

"Event of Default" means a failure by the Purchaser to make a payment of the Deferred Consideration to the Sellers in accordance with the terms of the SPA.

"Guarantee" means the guarantee dated on or around the date hereof granted by the Chargor in favour of the Sellers.

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) the limitation of the enforcement of the terms of leases of real property by laws of general application to those leases; and
- (d) similar principles, rights and remedies under the laws of any Relevant Jurisdiction.

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"Party" means a party to this Deed.

"PSC Regime" means the regime relating to "people with significant control", as set out in Part 21A of the Companies Act 2006 and The Register of People with Significant Control Regulations 2016.

"Purchaser" means Interface, Inc., (registered in the state of Arizona, USA with registered number 00734911) whose registered office is at 7401 E Butherus Dr, Scottsdale, AZ, 85260, Maricopa County, USA.

"Receiver" means a receiver or receiver and manager or administrative receiver, in each case appointed under this Deed.

"Relevant Jurisdiction" means England and Wales.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to the Sellers pursuant to the Guarantee to pay the Deferred Consideration under the SPA (except for any obligation which, if it were so included, would result in this Deed contravening section 678 or 679 of the Companies Act 2006).

"Security" means a mortgage, charge, pledge, lien, assignment by way of security, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect.

"Security Asset" means any asset of the Chargor which is, or is expressed to be, subject to any Security created by this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Sellers are satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

"Shares" means all the shares in the Company owned by the Chargor or held by any nominee or trustee on its behalf.

"SPA" means the share sale and purchase agreement dated on or around the date of this Deed relating to the sale and purchase of the entire issued share capital of the Chargor and made between the Purchaser and the Sellers.

"Subsidiary" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

"Third Parties Act" means the Contracts (Rights of Third Parties) Act 1999.

"Transaction Documents" has the meaning given to it in the SPA.

1.2 Construction

- (a) Capitalised terms defined in the SPA have the same meaning in this Deed unless expressly defined in this Deed.
- (b) The provisions of clause 1 (*Definitions and interpretation*) of the SPA apply to this Deed as though they were set out in full in this Deed except that references to the SPA will be construed as references to this Deed.
- (c) Unless a contrary indication appears, a reference in this Deed to:
 - (i) the Transaction Documents or any other agreement or instrument is a reference to those Transaction Documents or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (ii) the words **"include(s)"**, **"including"** and **"in particular"** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
 - (iii) **"liabilities"** means any obligation, whether incurred as principal or as surety, whether or not in respect of indebtedness, whether present or future, actual or contingent and whether owed jointly or severally or in any other capacity;
 - (iv) any **"rights"** in respect of an asset includes:
 - (A) all amounts and proceeds paid or payable;
 - (B) all rights to make any demand or claim; and

- (C) all powers, remedies, causes of action, security, guarantees and indemnities,
 - in each case in respect of or derived from that asset;
- (v) any share, stock, debenture, bond or other security or investment includes:
 - (A) any dividend, interest or other distribution paid or payable;
 - (B) any right, money or property accruing or offered at any time by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,
 - in each case in respect of that share, stock, debenture, bond or other security or investment; and
- (vi) the term "**this Security**" means any Security created by this Deed.
- (d) Any covenant of the Chargor under this Deed (other than a payment obligation which has been discharged) remains in force during the Security Period.
- (e) If the Sellers consider that an amount paid to it under the Transaction Documents is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) Unless the context otherwise requires, a reference to a Security Asset includes the proceeds of any disposal of that Security Asset.
- (g) Each of the mortgages, fixed charges and assignments contained in Clause 2 (*Creation of Security*) shall be read and construed separately, as though each category and asset were mortgaged, charged or assigned (as applicable) independently and separately of each other.

1.3 **Third party rights**

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of this Deed, the consent of any person who is not a Party is not required to rescind, vary, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this Deed at any time.
- (c) Any Receiver, any Delegate or any other person may enforce and enjoy the benefit of any Clause which expressly confers rights on it (including, without limitation, Clause 7.4 (*Protection of third parties*), Clause 12 (*Protection of the Secured Parties*) and Clause 15.4 (*Deferral and waiver of Chargor's rights*)), subject to paragraph (b) above and the provisions of the Third Parties Act.

2 Creation of Security

2.1 General

- (a) The Chargor must pay or discharge the Secured Liabilities on demand when due.
- (b) All the Security created under this Deed:
 - (i) is created in favour of the Sellers;
 - (ii) is created over present and future assets of the Chargor;
 - (iii) is security for the payment and discharge of all the Secured Liabilities; and
 - (iv) is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

2.2 Shares

The Chargor:

- (a) mortgages the Shares, whether owned by it or held by any nominee or trustee on its behalf; and
- (b) (to the extent that they are not the subject of a mortgage under paragraph (a) above) charges by way of first fixed charge its interest in the Shares, whether owned by it or held by any nominee or trustee on its behalf.

2.3 Trust

If or to the extent that the assigning or charging of any Security Asset is ineffective because of a prohibition on that assigning or charging, then the Chargor holds it on trust for the Sellers.

3 Representations

The Chargor makes the representations and warranties set out in this Clause 3 to the Sellers on the date of this Deed.

3.1 Status

- (a) It is a limited liability corporation, duly incorporated and validly existing under the laws of the jurisdiction of its incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

3.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

3.3 **Non-conflict with other obligations**

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

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

3.4 **Power and authority**

- (a) 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 and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of Security or giving of indemnities contemplated by this Deed.

3.5 **Validity and admissibility in evidence**

All Authorisations required or desirable:

- (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 Jurisdictions,

have been obtained or effected and are in full force and effect except any Authorisation referred to in Clause 3.8 (*No filing or stamp Taxes*) which Authorisation will be promptly obtained or effected after the date of this Deed.

3.6 **Shares**

- (a) The Shares represent the entire issued share capital of the Company.
- (b) The Shares are legally and beneficially owned and controlled by the Chargor.
- (c) The Shares are fully paid and are not subject to any option to purchase or similar right.
- (d) The constitutional documents of the Company do not and could not restrict or inhibit any transfer of the Shares on creation or enforcement of this Security.
- (e) on the date of this Deed:
 - (i) the Chargor has complied in full with any obligations it has to provide information to the Company under the PSC Regime; and
 - (ii) the Chargor has received neither a "warning notice" nor a "restrictions notice" (each as defined in Schedule 1B to the

Companies Act 2006) in respect of any of the Security Assets which remains in effect.

3.7 Governing law and enforcement

- (a) Subject to the Legal Reservations, the choice of English law as the governing law of this Deed will be recognised and enforced in its Relevant Jurisdictions.
- (b) Subject to the Legal Reservations, any judgment obtained in relation to this Deed in England will be recognised and enforced in its Relevant Jurisdictions.

3.8 No filing or stamp Taxes

Under the laws of its Relevant Jurisdiction it is not necessary that this Deed be registered, filed, recorded, notarised 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 or the transactions contemplated by this Deed except registration of particulars of this Deed at Companies House under the Companies Act 2006 and payment of associated fees, which registration and fees will be made and paid promptly after the date of this Deed.

4 Restrictions on dealings

4.1 Security

Except as expressly allowed under this Deed, the Chargor must not create or permit to subsist any Security on any Security Asset.

4.2 Disposals

Except as expressly allowed under the Transaction Documents or this Deed, the Chargor must not enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or any part of any Security Asset, or enter into any agreement to make any such disposal.

5 Shares

5.1 Deposit

The Chargor must promptly:

- (a) deposit with the Sellers, or as the Sellers may direct, all certificates and other documents of title or evidence of ownership in relation to the Shares; and
- (b) execute and deliver to the Sellers all share transfers and other documents which may be requested by the Sellers in order to enable the Sellers or their nominees to be registered as the owner of or otherwise obtain a legal title to the Shares.

5.2 Calls

- (a) The Chargor must pay all calls or other payments due and payable in respect of any of the Shares.

- (b) If the Chargor fails to do so, the Sellers may pay the calls or other payments in respect of any of the Shares on behalf of the Chargor. The Chargor must promptly on request reimburse the Sellers for any payment made by the Sellers under this Clause 5.2.

5.3 **Other obligations in respect of Shares**

- (a) The Chargor must promptly send a copy to the Sellers of, and comply with all requests for, information which is within its knowledge and which are made under any law or regulation or any similar provision contained in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Shares. If it fails to do so, the Sellers may elect to provide such information as they may have on behalf of the Chargor.
- (b) The Chargor must comply with all other conditions and obligations assumed by it in respect of any of the Shares.
- (c) The Sellers are not obliged to:
 - (i) perform any obligation of the Chargor;
 - (ii) make any payment;
 - (iii) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor; or
 - (iv) present or file any claim or take any other action to collect or enforce the payment of any amount to which it may be entitled under this Deed,
 in respect of any of the Shares.

5.4 **Voting rights**

- (a) Until such time as the Sellers make a demand under paragraph (c) below:
 - (i) the voting rights, powers and other rights in respect of the Shares will be exercised:
 - (A) by the Chargor; or
 - (B) if exercisable by the Sellers, in any manner which the Chargor may direct the Sellers in writing; and
 - (ii) all dividends, distributions or other income paid or payable in relation to any of the Shares must be paid directly to the Chargor.
- (b) The Chargor must indemnify the Sellers against any loss or liability incurred by them as a consequence of the Sellers acting in respect of any of the Shares as permitted by this Deed on the direction of the Chargor.
- (c) At any time after the Security under this Deed has become enforceable, the Sellers may, on demand, exercise (in the name of the Chargor and without any further consent or authority on the part of the Chargor) any voting rights

and any powers or rights which may be exercised by the legal or beneficial owner of any Shares, any person who is the holder of any Shares or otherwise.

5.5 People with significant control regime

The Chargor must:

- (a) within the relevant timeframe, comply with any notice it receives pursuant to the PSC Regime in relation to the Shares; and
- (b) promptly provide the Sellers with a copy of that notice.

5.6 Registration at Companies House

The Chargor consents to registration of this Deed at Companies House pursuant to Part 25 of the Companies Act 2006.

6 When Security becomes enforceable

6.1 Enforcement

This Security will become immediately enforceable following the occurrence of an Event of Default which is continuing.

6.2 Discretion

After this Security has become enforceable, the Sellers may enforce all or any part of this Security in any manner it sees fit or as instructed in accordance with the SPA.

6.3 Statutory powers

The power of sale and other powers conferred by section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

7 Enforcement of Security

7.1 General

- (a) 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.
- (b) Section 103 of the Act (restricting the power of sale) and section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

7.2 No liability as mortgagee in possession

Neither the Sellers nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

7.3 Privileges

The Sellers and each Receiver is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that section 103 of the Act does not apply.

7.4 **Protection of third parties**

No person (including a purchaser) dealing with the Sellers or a Receiver or its or his/her agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Sellers or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Transaction Documents; or
- (d) how any money paid to the Sellers or to that Receiver is to be applied.

7.5 **Redemption of prior mortgages**

- (a) At any time after this Security has become enforceable, the Sellers may:
 - (i) redeem any prior Security against any Security Asset; and/or
 - (ii) procure the transfer of that Security to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Sellers, promptly on demand, the costs and expenses incurred by the Sellers in connection with any such redemption and/or transfer, including the payment of any principal or interest.

7.6 **Contingencies**

If this Security is enforced at a time when no amount is due under the Transaction Documents but at a time when amounts may or will become due, the Sellers (or a Receiver) may pay the proceeds of any recoveries effected by them into a suspense account or other account selected by them.

7.7 **Financial collateral**

- (a) To the extent that the Security Assets constitute "**financial collateral**" and this Deed and the obligations of the Chargor under this Deed constitute a "**security financial collateral arrangement**" (in each case, for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003), the Sellers will have the right after this Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) Where any financial collateral is appropriated:
 - (i) if it is listed or traded on a recognised exchange, its value will be taken as being the value at which it could have been sold on the exchange on the date of appropriation; or
 - (ii) in any other case, its value will be such amount as the Sellers reasonably determine having taken into account advice obtained by

it from an independent commercial property adviser, investment bank or accountancy firm of national standing selected by them,

and the Sellers will give credit for the proportion of the value of the financial collateral appropriated to its use.

- (c) The Chargor agrees that the method of valuing financial collateral under paragraph (b) is commercially reasonable.

8 Receiver

8.1 Appointment of Receiver

- (a) Except as provided below, the Sellers may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests to the Sellers at any time.
- (b) Any appointment under paragraph (a) above may be by deed, under seal or in writing under its hand.
- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under section 109(1) of the Act) does not apply to this Deed.
- (d) The Sellers are not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (e) The Sellers may not appoint an administrative receiver (as defined in section 29(2) of the Insolvency Act 1986) over the Security Assets if the Sellers are prohibited from so doing by section 72A of the Insolvency Act 1986 and no exception to the prohibition on appointing an administrative receiver applies.

8.2 Removal

The Sellers may by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) 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.

8.3 Remuneration

The Sellers may fix the remuneration of any Receiver appointed by it and the maximum rate specified in section 109(6) of the Act will not apply.

8.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly

appointed by a mortgagee under the Act. The Chargor alone is responsible for any contracts, engagements, acts, omissions, defaults and losses of a Receiver and for any liabilities incurred by a Receiver.

- (b) The Sellers will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

8.5 Relationship with Sellers

- (a) Subject to paragraph (b), to the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Sellers in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.
- (b) The Sellers' right to exercise voting rights, powers and other rights in relation to any Investment is subject to the terms of Clause 5.4 (*Voting rights*).

9 Powers of Receiver

9.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 9 in addition to those conferred on it by any law. This includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him/her states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

9.2 Possession

A Receiver may take immediate possession of, get in and realise any Security Asset.

9.3 Carry on business

A Receiver may carry on any business of the Chargor in any manner he/she thinks fit.

9.4 Employees

- (a) A Receiver may appoint and discharge managers, officers, agents, accountants and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he/she thinks fit.
- (b) A Receiver may discharge any person appointed by the Chargor.

9.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he/she thinks fit.

9.6 Sale of assets

- (a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he/she thinks fit.
- (b) The consideration for any such transaction may consist of cash or non-cash consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he/she thinks fit.

9.7 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

9.8 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he/she thinks fit.

9.9 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

9.10 Subsidiaries

A Receiver may form a Subsidiary of the Chargor and transfer to that Subsidiary any Security Asset.

9.11 Delegation

A Receiver may delegate his/her powers in accordance with this Deed.

9.12 Lending

A Receiver may lend money or advance credit to any person.

9.13 Other powers

A Receiver may:

- (a) do all other acts and things which he/she may consider necessary or desirable for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he/she would be capable of exercising if he/she were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

10 Application of proceeds

All amounts from time to time received or recovered by the Sellers or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or part of this Security will be held by the Sellers and applied in accordance with the SPA. This Clause 10:

- (a) is subject to the payment of any claims having priority over this Security; and
- (b) does not prejudice the right of the Sellers to recover any shortfall from the Chargor,

and section 109(8) of the Act shall not apply.

11 Delegation

11.1 Power of attorney

The Sellers or any Receiver may, at any time, delegate by power of attorney or otherwise to any person for any period all or any right, power, authority or discretion exercisable by them under this Deed.

11.2 Terms

Any such delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Sellers or that Receiver (as the case may be) may, in their discretion, think fit.

11.3 Liability

Neither the Sellers nor any Receiver shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

12 Protection of the Sellers and Receivers

12.1 Exclusion of liability

None of the Sellers, any Receiver, any Delegate, or any of their respective officers, employees or agents shall have any responsibility or liability:

- (a) for any action taken, or any failure to take any action, in relation to all or any of the Security Assets;
- (b) to account as mortgagee in possession or for any loss upon realisation of any Security Asset; or
- (c) for any other default or omission in relation to all or any of the Security Assets for which a mortgagee in possession might be liable,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.2 **General indemnity**

- (a) The Chargor shall indemnify the Sellers, any Receiver, any Delegate and their respective officers, employees and agents against all actions, proceedings, demands, claims, costs, expenses, loss and other liabilities incurred by them in respect of all or any of the following:
- (i) any act or omission by any of them in relation to all or any of the Security Assets;
 - (ii) any payment relating to or in respect of all or any of the Security Assets which becomes payable at any time by any of them;
 - (iii) any stamp, registration or similar Tax or duty which becomes payable in connection with the entry into, or the performance or enforcement of, this Deed or any Security created under it;
 - (iv) carrying out or purporting to carry out any of the rights, powers, authority and discretions conferred on them by, or permitted under, this Deed; and
 - (v) any breach by the Chargor of any of its undertakings or other obligations to the Sellers,

except in the case of gross negligence or wilful misconduct on the part of that person.

12.3 **Indemnity out of the Security Assets**

The Sellers, any Receiver, any Delegate and their respective officers, employees and agents shall be entitled to be indemnified out of the Security Assets or any part of them in respect of the indemnities referred to in Clause 12.2 (*General indemnity*) and may retain and use monies received by it under this Deed towards payment of any sums under those indemnities.

13 **Further assurances**

- (a) The Chargor must promptly, at its own expense, take whatever action the Sellers or a Receiver may require for:
- (i) creating, perfecting or protecting any security over any Security Asset; or
 - (ii) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Sellers or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset.
- (b) The action that may be required under paragraph (a) above includes:
- (i) the execution of any mortgage, charge, transfer, conveyance, assignment or assurance of any asset, whether to the Sellers or to their nominees; or

- (ii) the giving of any notice, order or direction and the making of any filing or registration,

which, in any such case, the Sellers may consider necessary or desirable.

14 Power of attorney

The Chargor, by way of security, irrevocably and severally appoints the Sellers, each Receiver and any of their respective delegates or sub-delegates to be its attorney with the full power and authority of the Chargor to execute, deliver and perfect all deeds, instruments and other documents in its name and otherwise on its behalf and to do or cause to be done all acts and things, in each case which (i) it is required to execute or do under the terms of this Deed and which it has failed to do within 20 Business Days following a request from the Sellers to undertake such action; or, (ii) following this Deed becoming enforceable, which it has failed to do at any time, which any attorney may (acting reasonably) deem necessary for carrying out any obligation of the Chargor under or pursuant to this Deed or generally for enabling the Sellers or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 14.

15 Preservation of Security

15.1 Waiver of defences

Neither the Security created by this Deed nor the obligations of the Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 15 would reduce, release or prejudice that Security or any of its obligations under this Deed (without limitation and whether or not known to it or the Sellers) including:

- (a) any time, waiver or consent granted to, or composition with the Company or other person;
- (b) the release of the Chargor or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal, enforcement or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Company or any 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;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the Transaction Documents or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under the Transaction Documents or any other document or security; or

- (g) any insolvency, liquidation, administration or similar proceedings.

15.2 **Immediate recourse**

The Chargor waives any right it may have of first requiring the Sellers (or any trustee or agent on their behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or provision of the Transaction Documents to the contrary.

15.3 **Appropriations**

The Sellers (or any trustee or agent on their behalf) may at any time during the Security Period:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any moneys received from the Chargor or on account of the liability of the Chargor under this Deed.

15.4 **Deferral and waiver of Chargor's rights**

- (a) Unless the Security Period has expired or the Sellers otherwise direct, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or the enforcement of the Security created by this Deed:
 - (i) to receive or claim payment from, or be indemnified by the Company;
 - (ii) to claim any contribution from any other person who has provided Security or a guarantee in respect of the Company's obligations under the Transaction Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Sellers under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, the Transaction Documents by the Sellers;
 - (iv) to bring legal or other proceedings for an order the Company to make any payment, or perform any obligation, in respect of which the Chargor has granted security under this Deed;
 - (v) to exercise any right of set-off against the Company; and/or
 - (vi) to claim or prove as a creditor of the Company in competition with the Sellers.

- (b) If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Sellers by the Company under or in connection with the Transaction Documents to be repaid in full on trust for the Sellers and shall promptly pay or transfer the same to the Sellers or as the Sellers may direct for application in accordance with the terms of this Deed.
- (c) On and from a Distressed Transfer, the Chargor waives all its rights described under paragraph (a) above absolutely and permanently (both during and after the Security Period).
- (d) The Company may rely on paragraph (c) above.

15.5 Additional Security

- (a) This Security is in addition to and is not in any way prejudiced by any other security or guarantee now or subsequently held by the Sellers.
- (b) No prior security held by the Sellers (in their capacity as such or otherwise) over any Security Asset will merge into this Security.

16 Changes to the Parties

16.1 The Chargor

The Chargor may not assign or transfer any of its rights or obligations under this Deed without the prior consent of the Sellers.

16.2 The Sellers

The Sellers may assign or otherwise dispose of all or any of its rights under this Deed in accordance with the SPA.

17 Miscellaneous

17.1 Continuing security

This Security is a continuing security and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

17.2 Payments without deduction

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

18 Release

At the end of the Security Period, unless any third party has any subrogation or other rights in respect of the Security created by this Deed at that time, the Sellers must, at the request and cost of the Chargor, take whatever action is necessary to release its Security Assets from this Security.

19 Costs and expenses

The Chargor shall, within three Business Days of demand, pay to the Sellers or any Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by the Sellers or any Receiver or Delegate:

- (a) in connection with the enforcement of, or the preservation of any rights under, this Deed; or
- (b) arising from any actual or alleged breach by any person of any law or regulation.

20 Notices

20.1 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, email or letter.

20.2 Addresses

- (a) The contact details of each Party for any communication to be made or delivered under or in connection with this Deed are those identified with its name below.
- (b) Any Party may change its contact details by giving not less than five Business Days' notice to the other Party.

20.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Sellers will be effective only when actually received by the Sellers.
- (c) Any communication or document which becomes effective, in accordance with paragraphs (a) and (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

20.4 Electronic communication

- (a) Any communication to be made between the Parties under or in connection with this Deed may be made by electronic mail or other electronic means

(including, without limitation, by way of posting to a secure website) if the Parties:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication as specified in (a) above made between the Parties will be effective only when actually received (or made available) in readable form.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Deed shall be deemed only to become effective on the following day.
- (d) Any reference in this Deed to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 20.4.

20.5 English language

- (a) Any notice given under or in connection with this Deed must be in English.
- (b) All other documents provided under or in connection with this Deed must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Sellers, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

21 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.

22 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Sellers, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No waiver of any right or remedy under this Deed on the part of the Sellers shall be effective unless it is in writing. Any such waiver shall be effective only to the extent set out in that waiver. No election to affirm this Deed on the part of the Sellers shall be effective unless it is in writing. No single or

partial exercise of any right or remedy shall 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.

23 Amendments and waivers

Any term of this Deed may be amended or waived only with the written consent of the Chargor and the Sellers.

24 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

25 Governing law

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

26 Enforcement

26.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to decide 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 the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to decide Disputes and accordingly no Party will argue to the contrary.

This deed has been executed and delivered as a deed on the date stated at the beginning of this Deed.

Signatories

Chargor

Executed as a **deed** by **LCM
(Holdings) Limited** acting by a
director in the presence of:

Signature Redacted

signature

Director

signature

of witness

Signature Redacted

Stephen Sargeant

print name

name

Elena Parva

print name of witness

Address

Address Redacted

Contact details:

Address: Unit 15 Newport Business Park, Barry Way, Newport, Isle of Wight, PO30 5GY

The Sellers

Executed as a **deed** by **Stephen Sargeant** in the presence of:

Signature Redacted

signature

signature
of witness

Signature Redacted

Stephen Sargeant

print name

name

Elena Parva

print name of witness

Address

Address Redacted

Contact details:

Address: Strada Stefan cel Mare 26a, Tunari, Ilfov, Romania, 077180

Email: steve@lcmsystems.com

Executed as a **deed** by **David Willmington** in the presence of:

Signature Redacted

signature

signature
of witness

Signature Redacted

David Willmington

name

Martin Charles Pearce McGahey

print name of witness

Address

Address Redacted

Contact details:

Address: 35 Winslade Park Avenue, Clyst St Mary, Exeter, EX5 1DA

Email: david@mantracourt.com