Companies House

MR01(ef)

Registration of a Charge

Company name: **ABSOLUTE SOFTWARE LIMITED**

Company number: **05249561**

Received for Electronic Filing: **13/01/2016**

X4YHRQ2P

Details of Charge

Date of creation: **13/01/2016**

Charge code: **0524 9561 0003**

Persons entitled: **SOUTH WEST INVESTMENT GROUP (CAPITAL) LIMITED**

Brief description:

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: **SOUTH WEST INVESTMENT GROUP (CAPITAL) LIMITED**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5249561

Charge code: 0524 9561 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th January 2016 and created by ABSOLUTE SOFTWARE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th January 2016 .

Given at Companies House, Cardiff on 14th January 2016

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 13th January 2016

(1) ABSOLUTE SOFTWARE LIMITED

(2) SOUTH WEST INVESTMENT GROUP (CAPITAL) LIMITED

DEBENTURE

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DATED: 13th January **2016**

PARTIES:

(1) **ABSOLUTE SOFTWARE LIMITED**, a company registered in England and Wales (Company Number: 05249561) whose registered office is at Gateway Business Centre, Barncoose Gateway Park, Redruth, Cornwall TR15 3RQ (the **"Borrower"**); and

(2) **SOUTH WEST INVESTMENT GROUP (CAPITAL) LIMITED**, a company registered in England and Wales (Company Number: 2360656) the registered office of which is at Lowena House, Glenthorne Court, Truro Business Park, Threemilestone, Truro, Cornwall TR4 9NY (the **"Lender"**) acting under the direction of its manager, **SOUTH WEST INVESTMENT GROUP SERVICES LIMITED** (Company Number: 2688108) whose registered office is at Lowena House, Glenthorne Court, Truro Business Park, Threemilestone, Truro, Cornwall TR4 9NY (the "**Fund Manager**").

BACKGROUND:

(A) The Lender has agreed pursuant to the Agreement to provide the Borrower with a loan on a secured basis.

(B) This debenture provides security which the Borrower has agreed to give the Lender for, amongst other liabilities, the loan facilities under the Agreement.

OPERATIVE PROVISIONS:

1 **INTERPRETATION**

1.1 In this deed, unless the context otherwise requires:

"Agreement"	means the agreement dated on or around **17th December 2015** and made between the Borrower and the Lender relating to a loan to the Borrower by the Lender;
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for general business in London;
"Charged Property"	means all the assets, property and undertaking for the time being subject to the security interests created by this deed (and references to the Charged Property include references to any part of it);
"Delegate"	any person appointed by the Lender or any Receiver pursuant to clause 10.14 (delegation) and any person appointed as attorney of the Lender, Receiver or Delegate;
"Designated Account"	any account of the Borrower nominated by the Lender as a designated account for the purposes of this deed;
"Encumbrance"	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;

"Environment"	the natural and man-made environment including all or any of the following media; namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media;
"Environmental Law"	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment;
"Equipment"	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions;
"Financial Collateral"	shall have the meaning given to that expression in the Financial Collateral Regulations;
"Financial Collateral Regulations"	the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003/3226);
"Insurance Policies"	all the contracts and policies of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment) and each an "**Insurance Policy**";
"Intellectual Property"	the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights;
"Material Adverse Effect"	means any event or circumstance which, in the Lender's opinion: (a) is likely to materially and adversely affect the Borrower's ability to perform or otherwise comply with all or any of its obligations under this deed or the Agreement; or (b) is likely to materially and adversely affect the Borrower's business, operations, property, condition (financial or otherwise) or prospects; or (c) is likely to result in this deed and/or the Agreement not being legal, valid and binding on, and enforceable in accordance with its terms against the Borrower or any other person or, in the case of this deed, not providing to the Lender security over the assets expressed to be subject to a security interest under this deed;
"Properties"	means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time hereafter (and from time to time) owned by the

	Borrower or in which the Borrower holds an interest (including but not limited to the properties set out in Schedule 1) and "**Property**" means any of them;
"Receiver"	a receiver and/or manager and/or administrative receiver of any or all of the Charged Property, appointed under clause 9;
"Secured Liabilities"	means all present and future monies, obligations and liabilities owed or incurred by the Borrower to the Lender of any kind and however arising and in any currency, whether or not immediately payable, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever and including, without limitation interest (including, without limitation, default interest), commission, costs, charges and expenses accruing in respect of such monies and liabilities and for the avoidance of doubt such moneys, obligations and liabilities include all those which may arise pursuant to this deed (and references to the "**Secured Liabilities**" include references to any of them);
"Securities"	means all right, title and interest of the Borrower, now or in the future, in all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned (at law or in equity) by the Borrower, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof;
"Security Financial Collateral Arrangement"	shall have the meaning given to that expression in the Financial Collateral Regulations;
"Security Period"	the period starting on the date of this deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding; and
"VAT"	Value Added Tax

1.2 Interpretation

Unless the context otherwise requires, in this deed:

1.2.1 any reference to any statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this deed;

1.2.2 a reference to one gender includes a reference to the other genders;

1.2.3 words in the singular include the plural and in the plural include the singular;

1.2.4 a reference to a clause or schedule is to a clause or schedule of or to this deed;

1.2.5 a reference to this deed (or any specified provision of it) or any other document shall be construed as a reference to this deed, that provision or that document as in force for the time being and as amended or novated from time to time;

1.2.6 a reference to a person shall be construed as including a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person;

1.2.7 a reference to an amendment includes a supplement, variation, novation or re-enactment (and amended shall be construed accordingly);

1.2.8 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;

1.2.9 a reference to an authorisation includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;

1.2.10 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;

1.2.11 a reference to the Borrower or the Lender or the Fund Manager shall include its successors (including without limitation in relation to the Lender Manager any successor(s) as fund manager of the South West Loan Funds), permitted transferees and permitted assignees; and

1.2.12 the headings do not form part of this deed or any part of it and do not affect its interpretation.

1.3 Fund Manager

The Fund Manager has been appointed by the Lender to carry out certain functions under this deed. All notices, financial information and other documents which the Borrower must supply under the terms of this deed should be submitted to the Fund Manager unless the Lender notifies the Borrower to the contrary.

1.4 Clawback

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

1.5 Nature of security over real property

A reference in this deed to a charge or mortgage of any freehold, leasehold or commonhold property includes:

1.5.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;

1.5.2 the proceeds of sale of any part of that property and any other monies paid or payable in respect of or in connection with that property;

1.5.3 the benefit of any covenants for title given or entered into by any predecessor in title of the Borrower in respect of that property or any monies paid or payable in respect of those covenants; and

1.5.4 all rights under any licence, agreement for sale or agreement for lease in respect of that property.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the terms of the Agreement and of any side letters between any parties in relation to the Agreement are incorporated in this deed.

1.7 Insolvency Act 1986

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

1.8 Further advances

This deed secures further advances.

1.9 Gross-up

All Secured Liabilities shall be paid in full without any deduction or withholding whether on account of any taxes duties levies or charges or otherwise unless the Borrower shall be required by law to make such deduction or withholding in which case the amount so payable shall be increased to the extent necessary so that the amount receivable after deduction or withholding is equal to the amount which would have been receivable had no such deduction or withholding been required.

1.10 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.

2 COVENANT TO PAY

The Borrower hereby covenants with the Lender that it shall on demand pay and discharge the Secured Liabilities to the Lender when they become due.

3 CHARGE

3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee:

3.1.1 charges to the Lender, by way of legal mortgage, all the Properties listed in Schedule 1;

3.1.2 charges to the Lender, by way of fixed charge (each one a separate fixed charge) whether owned now or in the future:

3.1.2.1 all Properties acquired by the Borrower in the future;

3.1.2.2 all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in or over freehold or leasehold property;

3.1.2.3 all fixtures and fittings attached to any Property;

3.1.2.4 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each of the Properties;

3.1.2.5 all rents receivable from any lease granted out of any Property;

3.1.2.6 all Equipment, including any associated warranties and maintenance contracts;

3.1.2.7 all licences, consents and authorisations, statutory or otherwise held or required in connection with the Borrower's business or the use of any Charged Property and all rights in connection with them;

3.1.2.8 all the present and future goodwill of the Borrower;

3.1.2.9 any uncalled capital for the time being in the Borrower;

3.1.2.10 all Securities;

3.1.2.11 all the Borrower's rights in all Intellectual Property, licences, claims, and any other legal rights; and

3.1.2.12 the benefit of any hedging arrangements, futures transactions or treasury instruments; and

3.1.3 assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all its rights in each Insurance Policy including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy;

3.1.4 charges to the Lender, by way of [first] floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.1, clause 3.1.2 and clause 3.1.3.

4 NEGATIVE PLEDGE AND RESTRICTIONS

4.1 The Borrower will not at any time, without the prior written consent of the Lender:

4.1.1 permit to subsist or create or purport to create, any Encumbrance on or in relation to, any of the Charged Property other than the Encumbrances created by this deed;

4.1.2 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 Charged Property charged by Clause 3.1.1 to 3.1.3 inclusive;

4.1.3 dispose of the Charged Property charged by Clause 3.1.4 (floating charge), other than in the ordinary course of business for so long as such Charged Property remains subject to an uncrystallised floating charge;

4.1.4 call on, or accept payment of, any uncalled capital;

4.1.5 deal with its book and other debts, except by collecting them in the ordinary course of its business. In particular, the Borrower will not realise its book and other debts by means of invoice discounting or factoring arrangements;

4.1.6 grant, or accept a surrender of, any lease or licence of any Property or consent to any assignment or sub-letting or other dealing by a tenant;

4.1.7 part with or share possession or occupation of any Property;

4.1.8 create or grant (or purport to create or grant) any interest in any Charged Property in favour of a third party; or

4.1.9 do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed.

5 UNDERTAKINGS

5.1 The Borrower shall:

5.1.1 permit the Lender and any Receiver and any person appointed by either of them to enter upon and inspect any Charged Property during normal business hours upon reasonable prior notice;

5.1.2 insure and keep all Charged Property of an insurable nature comprehensively insured (including if requested by the Lender, terrorism cover) to the Lender's reasonable satisfaction for its full reinstatement cost. In default, the Lender may arrange insurance at the Borrower's expense;

5.1.3 hold on trust for the Lender all proceeds of any insurance of the Charged Property. At the Lender's option, the Borrower will apply the proceeds in making good the relevant loss or damage, or to reduce the Secured Liabilities. The Borrower shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy;

5.1.4 where required by the Lender, deposit with the Lender all insurance policies (or copies where the Lender agrees), and all deeds and documents of title relating to the Charged Property, and the Lender shall, for the duration of this deed be entitled to hold them;

5.1.5 if requested by the Lender, procure that a note of the Lender's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 5.1.2 and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender;

5.1.6 at all times keep in good and substantial repair and condition all the Charged Property including, without limitation, all buildings, erections, structures and

fixtures and fittings on and in the Property and keep all Equipment in good repair, working order and condition and fit for its purpose; and where it is uneconomic to repair any part of the Charged Property, replace such part by another similar asset of equal or greater quality and value and otherwise keep the Charged Property in good condition;

5.1.7 not, without the Lender's consent, carry out any development or make any alterations to any Property which require planning permission or approval under building regulations;

5.1.8 carry on its trade and business (and pay all outgoings of the business) in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are, or may be, used for the purposes of trade or business; and not do, or permit to be done, any act or thing, which will or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed;

5.1.9 comply with all statutes, byelaws and regulations relating to its trade or business and the whole or any part of the Charged Property and obtain, and promptly renew from time to time, and comply with all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property and promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation in connection with the Charged Property;

5.1.10 promptly provide to the Lender whatever information, documents or papers relating to the Charged Property as the Lender may from time to time request; and inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in Property;

5.1.11 promptly upon becoming aware of the same give the Lender notice in writing of any breach of (a)any representation or warranty set out in Clause 22; and/or (b) any covenant set out in this clause 5;

5.1.12 following the conversion of the floating charge created under this deed into a fixed charge over the book and other debts of the Borrower (and any proceeds thereof), the Borrower shall thereafter pay all the money the Borrower receives in respect of book and other debts into an account designated by the Lender; and

5.1.13 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Lender may require from time to time.

Securities Covenants

5.2 Deposit of title documents

5.2.1 The Borrower shall:

5.2.1.1 on the execution of this deed, deposit with the Lender all stock or share certificates and other documents of title or evidence of

ownership relating to any Securities owned by the Borrower at that time; and

5.2.1.2 on the purchase or acquisition by it of Securities after the date of this deed, deposit with the Lender all stock or share certificates and other documents of title or evidence of ownership relating to those Securities.

5.2.2 At the same time as depositing documents with the Lender in accordance with clause 5.2, the Borrower shall also deposit with the Lender:

5.2.2.1 all stock transfers forms relating to the relevant Securities duly completed and executed by or on behalf of the Borrower, but with the name of the transferee, the consideration and the date left blank; and

5.2.2.2 any other documents (in each case duly completed and executed by or on behalf of the Borrower) that the Lender may request in order to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Securities,

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

5.3 Nominations

5.3.1 The Borrower shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Securities and, pending that termination, procure that any person so nominated:

5.3.1.1 does not exercise any rights in respect of any Securities without the prior written approval of the Lender; and

5.3.1.2 immediately on receipt by it, forward to the Lender all communications or other information received by it in respect of any Securities for which it has been so nominated.

5.3.2 The Borrower shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Securities.

5.4 Additional registration obligations

5.4.1 The Borrower shall:

5.4.1.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association of any issuer that is not a public company or otherwise, for the transfer of the Securities to the Lender or its nominee, or to a purchaser on enforcement of this deed; and

5.4.1.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) of the articles of association of each issuer that is not a public company in any manner that the Lender may require in order to permit such a transfer.

5.5 Dividends and voting rights before enforcement

5.5.1 Before the security constituted by this deed becomes enforceable, the Borrower may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Securities and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Borrower and will pay them to the Borrower promptly on request; and

5.5.2 Before the security constituted by this deed becomes enforceable, the Borrower may exercise all voting and other rights and powers in respect of the Securities or, if any of the same are exercisable by the Lender of any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:

5.5.2.1 it shall not do so in any way that would breach any provision of the Agreement or this deed or for any purpose inconsistent with the Agreement or this deed; and

5.5.2.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Securities or otherwise prejudice the Lender's security under this deed.

5.5.3 The Borrower shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Securities at the direction of the Borrower.

5.5.4 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Securities that the Lender considers prejudicial to, or impairing the value of, the security created by this deed.

5.6 Dividends and voting rights after enforcement

5.6.1 After the security constituted by this deed has become enforceable:

5.6.1.1 all dividends and other distributions paid in respect of the Securities and received by the Borrower shall be held by the Borrower on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and

5.6.1.2 all voting and other rights and powers attaching to the Securities shall be exercised by, or at the direction of, the Lender and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

5.7 Calls on Securities

The Borrower shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Securities. The Borrower acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments.

5.8 No alteration of constitutional documents or rights attaching to the Securities

5.8.1 The Borrower shall not, without the prior written consent of the Lender, amend, or agree to the amendment of:

5.8.1.1 the memorandum or articles of association, or any other constitutional documents, of any issuer that is not a public company; or

5.8.1.2 the rights or liabilities attaching to any of the Securities.

5.9 Preservation of Securities

5.9.1 The Borrower shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer that is not a public company shall not:

5.9.1.1 consolidate or subdivide any of its Securities, or reduce or re-organise its share capital in any way;

5.9.1.2 issue any new shares or stock; or

5.9.1.3 refuse to register any transfer of any of its Securities that may be lodged for registration by, or on behalf of, the Lender or the Borrower in accordance with this deed.

5.10 Securities information

The Borrower shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Securities.

Property Covenants

5.11 Maintenance

The Borrower shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

5.12 Preservation of Property, fixtures and Equipment

5.12.1 Without prejudice to clause 5.10, the Borrower shall not, without the prior written consent of the Lender:

5.12.1.1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;

5.12.1.2 make or permit any [material] alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures; or

5.12.1.3 remove or make any [material] alterations to any of the Equipment belonging to, or in use by, the Borrower on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

5.13 Conduct of business on Properties

The Borrower shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

5.14 Planning information

5.14.1 The Borrower shall:

5.14.1.1 give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (Planning Notice) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and

5.14.1.2 (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, any objections or representations in respect of that Planning Notice that the Lender may desire.

5.15 Compliance with covenants and payment of rent

5.15.1 The Borrower shall:

5.15.1.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed;

5.15.1.2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive release or vary any of the same; and

5.15.1.3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

5.16 Payment of rent and outgoings

5.16.1 The Borrower shall:

5.16.1.1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and

5.16.1.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

5.17 Maintenance of interests in Properties

5.17.1 Without prejudice to clause 4.1.6, the Borrower shall not, without the prior written consent of the Lender:

5.17.1.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or

5.17.1.2 in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property.

5.18 Registration restrictions

If the title to any Property is not registered at the Land Registry, the Borrower 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 Lender. The Borrower shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

5.19 Development restrictions

5.19.1 The Borrower shall not, without the prior written consent of the Lender:

5.19.1.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

5.19.1.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property.

5.20 Environment

5.20.1 The Borrower shall:

5.20.1.1 comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and

5.20.1.2 obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

5.21 No restrictive obligations

The Borrower shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

5.22 Proprietary rights

The Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Lender.

5.23 Inspection

The Borrower shall permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

5.24 Property information

The Borrower shall inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in any property.

5.25 VAT option to tax

5.25.1 The Borrower shall not, without the prior written consent of the Lender:

5.25.1.1 exercise any VAT option to tax in relation to any Property; or

5.25.1.2 revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this deed.

5.26 Registration at the Land Registry

The Borrower consents to an application being made by the Lender 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 [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of South West Investment Group (Capital) Limited referred to in the charges register [or [their conveyancer or specify appropriate details]]."

Equipment Covenants

5.27 Maintenance of Equipment

5.27.1 The Borrower shall:

5.27.1.1 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;

5.27.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

5.27.1.3 not permit any Equipment to be:

5.27.1.3.1 used or handled other than by properly qualified and trained persons; or

5.27.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable

5.28 Payment of Equipment taxes

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

5.29 Notice of charge

5.29.1 The Borrower:

5.29.1.1 shall, if so requested by the Lender, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [LENDER]."

shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 5.29.1.1.

Information

5.30 The Borrower shall:

5.30.1 give the Lender such information concerning the location, condition, use and operation of the Charged Property as the Lender may require;

5.30.2 permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Charged Property, and the records relating to that Charged Property, at all reasonable times and on reasonable prior notice; and

5.30.3 promptly notify the Lender in writing of any action, claim or demand made by or against it in connection with any Charged Property or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense.

5.31 Payment of outgoings

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

5.32 Appointment of accountants

5.32.1 The Borrower shall:

5.32.1.1 at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Borrower and those of its subsidiaries and report to the Lender; and

5.32.1.2 co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.

5.32.2 The Borrower authorises the Lender to make an appointment as it shall think fit at any time, without further authority from the Borrower. In every case, the Borrower shall pay, or reimburse the Lender for, the fees and expenses of those accountants.

6 CONVERSION OF FLOATING CHARGE TO FIXED CHARGE

6.1 Automatic conversion of floating charge

6.1.1 If:

6.1.1.1 the Borrower creates or attempts to create an Encumbrance or any trust in favour of another person over all or any part of the Charged Property or disposes or attempts to dispose of all or any part of the Charged Property (other than property subject only to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business); or

6.1.1.2 any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property; or

6.1.1.3 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or

6.1.1.4 a resolution is passed or an order is made for the winding up, dissolution, administration or reorganisation of the Borrower; or

6.1.1.5 the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower;

then the floating charge created under this deed will automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property.

6.2 Conversion of floating charge by notice

Notwithstanding the provisions of Clause 6.1 (and without prejudice to any other circumstances in which such floating charge may crystallise), the Lender may at any time and from time to time by written notice to the Borrower convert the floating charge created under this deed into a fixed charge as regards any part of the Charged Property as specified in such notice.

6.3 Assets acquired after any floating charge crystallisation

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

6.4 Reconversion of fixed charge assets into floating charge assets

The Lender may by notice in writing to the Borrower, at any time after any conversion of the floating charge over any Charged Property into a fixed charge in accordance with Clauses 6.1 or 6.2 reconvert such fixed charge into a floating charge.

7 POSSESSION AND EXERCISE OF POWERS

7.1 The Lender does not have an immediate right to possession of the Charged Property or its income (and will not be considered to be taking possession if it enters the Property to inspect the Charged Property). The Borrower will continue in possession until the Lender makes a demand.

7.2 If the Lender makes a demand, the Lender may then take possession and exercise any of its other powers.

7.3 Any purchaser or third party dealing with the Lender or a Receiver may assume that the Lender's powers have arisen and are exercisable without proof that demand has been made.

7.4 The Lender will not be liable to account to the Borrower for any money not actually received by the Lender.

8 ENFORCEMENT

8.1 The security constituted by this Deed shall become immediately enforceable:

8.1.1 if any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand or at scheduled maturity or by acceleration or otherwise as the case may be); or

8.1.2 if the Borrower shall be in breach of any of the obligations binding on the Borrower under this deed or under any other agreement between the Borrower and the Lender and such breach (if capable of remedy) has not been remedied to the satisfaction of the Lender before the expiry of 14 days after notice calling upon the Borrower to do so has been given by the Lender; or

8.1.3 if the Borrower becomes unable to pay its debts as they fall due (and/or the value of the Borrower's assets is less than the amount of its liabilities, taking into account the Borrower's contingent and prospective liabilities); or

8.1.4 commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or

8.1.5 makes a general assignment for the benefit of or a composition with its creditors; or

8.1.6 if the Borrower passes any resolution or takes any corporate action or a petition is presented or proceedings are commenced or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a Receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues and assets; or

8.1.7 if a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any part of the assets of the Borrower and remains undischarged for 7 days; or

8.1.8 if there is any breach of the Agreement by any party to it (other than the Lender) and such breach (if capable of remedy) has not been remedied to the satisfaction of the Lender before the expiry of 14 days after notice calling upon the party in breach to do so has been given by the Lender; or

8.1.9 if any event or circumstance occurs or arises on or after the date hereof which has a Material Adverse Effect; or

8.1.10 an Event of Default (as defined in the Agreement) occurs; or

8.1.11 any representation, warranty or statement made or deemed to be made by the Borrower under this deed is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

8.1.12 if the Borrower, in the sole opinion of the Lender, ceases (whether by action or inaction), or threatens to cease, to carry on its business or substantially the whole or a material part of its business; or

8.1.13 if any mortgagee, chargee, or other encumbrancer takes possession of or a Receiver and/or manager or similar officer is appointed of any part of the assets of the Borrower; or

8.1.14 if the Borrower breaches its Memorandum and Articles of Association for the time being in force, and thereupon and at any time thereafter (whether or not any of the above events is continuing), without prejudice to any other rights of the Lender, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may in its absolute discretion enforce all or any part of the security created by this deed as it sees fit.

8.2 The powers of sale conferred upon mortgagees under the Law of Property Act 1925 shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale until the security constituted by this deed has become enforceable under clause 8.1. Section 103 of the Law of Property Act 1925 shall not apply to the security constituted by this deed.

8.3 To the extent that the Charged Property constitutes Financial Collateral and this deed and the obligations of the Borrower hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of that Charged Property in

or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation). The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

8.4 The statutory powers of sale, leasing and accepting surrenders conferred upon mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Lender under this deed and are extended so as to authorise the Lender whether in its own name or in that of the Borrower to make any lease or agreement for lease, accept surrenders of leases or grant any option of the whole or any part or parts of the freehold and leasehold property of the Borrower with whatever rights relating to other parts of it and containing whatever covenants on the part of the Borrower and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Lender thinks fit.

9 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

9.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Lender may without further notice:

9.1.1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Property; and

9.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may in like manner appoint another in his place.

9.2 Where more than one person is appointed Receiver, they will have power to act separately (unless the appointment by the Lender specifies to the contrary).

9.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this deed which shall be due and payable immediately upon its being paid by the Lender.

9.4 Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this deed.

9.5 The Lender may without notice to the Borrower appoint any one or more persons to be an administrator of the Borrower pursuant to paragraph 14 Schedule B1 of the Insolvency Act 1986 if this deed becomes enforceable.

9.6 Any appointment under clause 9.5 shall:

9.6.1 be in writing signed by a duly authorised signatory of the Lender, and

9.6.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

9.7 The Lender may (subject to any necessary approval from the court) end the appointment of an administrator by notice in writing in accordance with clause 9.5 and appoint under that clause a replacement for any administrator whose appointment ends for any reason

9.8 Any Receiver will be the Borrower's agent and the Borrower (and not the Lender) will be responsible for the acts, defaults and remuneration of the Receiver.

10 POWERS OF THE LENDER AND RECEIVERS

10.1 The powers of sale and appointing a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise.

10.2 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be and remain exercisable by the Lender notwithstanding any prior appointment in respect of all or any part of the Charged Property.

10.3 The Lender or any Receiver appointed by the Lender may, whether or not they are an "administrative receiver" pursuant to the Insolvency Act 1986, exercise all powers listed at Schedule 1 to the Insolvency Act 1986 and, in addition to the powers conferred on receivers by statute:

10.3.1 carry on the Borrower's business;

10.3.2 enter, take possession of, and/or generally manage the Charged Property;

10.3.3 collect and get in the Charged Property (in the case of the Receiver, in respect of which he is appointed) or any part thereof and for that purpose make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights;

10.3.4 complete any unfinished works or carry out any new works of building, reconstruction, maintenance or repair on any Property;

10.3.5 purchase any Property or other assets and purchase, grant or release any interest in or right over Property or the benefit of any covenants affecting any Property. References to "**Property**" or "**Charged Property**" shall include Property or assets purchased by the Lender or a Receiver under this power;

10.3.6 sell, lease, surrender or accept surrenders of leases, charge or deal with the Charged Property without restriction, including disposing of any fixtures separately from the Property;

10.3.7 complete any transactions by executing any deeds or documents in the name of the Borrower;

10.3.8 take, continue or defend any proceedings and enter into any arrangement or compromise and make any arrangement, settlement or compromise between the Borrower and any other person which he may think expedient;

10.3.9 insure the Charged Property and any works, arrange indemnity and other similar insurance, and obtain bonds and give counter-indemnities and other security in connection with this;

10.3.10 call up any uncalled capital with all the powers conferred by the Borrower's articles of association;

10.3.11 employ advisers, consultants, managers, agents, workmen and other personnel and professional advisors on such terms as he deems expedient;

10.3.12 make such elections for value added tax purposes as he thinks fit;

10.3.13 a Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him;

10.3.14 a Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986;

10.3.15 a Receiver may for any of the purposes authorised by this clause 10.3 raise money by borrowing from the Lender or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including if the Lender shall consent to terms under which such security ranks in priority to this debenture) as he shall think fit;

10.3.16 a Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower and the monies so paid will be deemed to be an expense properly incurred by him;

10.3.17 purchase or acquire materials, tools, equipment, furnishing, goods or supplies; or

10.3.18 do any acts which the Lender or a Receiver considers to be incidental or beneficial to the exercise of their powers.

10.4 A Receiver may borrow and secure the repayment of any money, in priority to the Secured Liabilities.

10.5 Joint Receivers may exercise their powers jointly or separately.

10.6 A Receiver will first apply any money received from the Charged Property towards the repayment of all money that the Receiver has borrowed and secondly in payment of the Receiver's fees and expenses. The Receiver will then apply any remaining money received as required by law.

10.7 The Lender shall be entitled (but shall not be bound) to remedy a breach at any time by the Borrower of any of its obligations contained in this deed and the Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose.

10.8 The rights of the Lender under clause 10.7 are without prejudice to any other rights of the Lender under this deed and the exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

10.9 At any time after the security constituted by this deed shall have become enforceable, the Lender or any Receiver:

10.9.1 may dispose of any chattels or produce found on any Property as agent for the Borrower; and

10.9.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal.

10.10 The Lender may exercise any of its powers even if a Receiver has been appointed.

10.11 The Lender may exercise any rights attached to charged stock, shares and other securities as it considers necessary to preserve the value of, or realise, that Charged Property.

10.12 The Lender may set off any amount due from the Borrower against any amount owed by the Lender to the Borrower. The Lender may exercise this right, without prior notice, both before and after demand. The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this deed).

10.13 For the purpose of or pending the discharge of any of the Secured Liabilities the Lender may convert any monies received, recovered or realised by the Lender under this deed (including the proceeds of any previous conversion under this clause 10.13) from their existing currencies of denomination into such other currencies of denomination as the Lender may think fit and any such conversion shall be effected at the then prevailing spot selling rate of exchange for such other currency against the existing currency as determined by a major high street bank selected by the Lender. Each previous reference in this clause 10.13 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

10.14 The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 14).

11 APPLICATION OF PAYMENTS

11.1 All monies received by the Lender or a Receiver in the exercise of any enforcement powers conferred by this debenture shall be applied:

11.1.1 first in paying all unpaid fees, costs and other liability incurred by or on behalf of the Lender (and any Receiver, attorney or agent appointed by it);

11.1.2 second in paying the remuneration of any Receiver (as agreed between him and the Lender);

11.1.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender shall determine; and

11.1.4 finally in paying any surplus to the Borrower or any other person entitled to it.

11.2 Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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 as between any of the Secured Liabilities.

11.3 If the Lender receives notice of any charge or other interest affecting the Charged Property, the Lender may suspend the Borrower's account(s) and open a new account or accounts. Regardless of whether the Lender suspends the account(s), any payments received by the Lender after the date of the notice will be applied first to repay any of the Secured Liabilities arising after that date.

12 PRESERVATION OF OTHER SECURITY AND RIGHTS AND FURTHER ASSURANCE

12.1 This deed is in addition to and independent of any other security for the Secured Liabilities held by the Lender now or in the future. The Lender may consolidate this deed with any other security so that they have to be redeemed together, but it will not merge with or prejudice any other security or the Lender's other rights.

12.2 On request, the Borrower will execute any deed or document, or take any other action required by the Lender, to perfect or enhance the Lender's security under this deed or to otherwise give full effect to the terms of this deed including without limitation its enforcement (in whole or in part).

12.3 The Borrower, at its own cost, shall prepare and execute such further legal or other mortgages, charges, assignments or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender shall in its absolute discretion from time to time require over all or any part of the Charged Property and give all notices, orders, consents and directions and make any applications which the Lender may require in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

13 CONDITIONAL RELEASE

13.1 Any release, discharge or settlement between the Borrower and the Lender shall deemed conditional upon no payment or security received by the Lender in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding up, administration or receivership and, notwithstanding any such release, discharge or settlement:

13.1.1 the Lender or its nominee shall be at liberty to retain this deed and the security created by, or pursuant to this deed, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Lender shall deem necessary to provide the Lender with security against any such avoidance or reduction or order for refund; and

13.1.2 the Lender shall be entitled to recover the value or amount of such security or payment from the Borrower subsequently as if such settlement, discharge or release had not occurred and the Borrower agrees with the Lender accordingly and charges the Charged Property and the proceeds of any sale of it with any liability under this paragraph.

14 POWER OF ATTORNEY

14.1 By way of security, and to give effect to this deed and secure the exercise of any of its powers, the Borrower irrevocably appoints the Lender, and separately any Receiver, to be the Borrower's attorney (with full power of substitution and delegation), in the Borrower's name, on its behalf and as its deed, to sign or execute any documents, deeds and other instruments, or to take, continue or defend any proceedings and do any acts and things which the Borrower is required to execute and do under this deed; and/or any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this deed or by law on the Lender or any Receiver.

14.2 The Borrower ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 14.1.

15 INDULGENCE

The Lender may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not party hereto (whether or not such person or persons are jointly liable with the Borrower) in respect of any of the Secured Liabilities or of any other security therefore without prejudice either to this deed or to the liability of the Borrower for the Secured Liabilities.

16 COSTS

16.1 The Borrower shall pay or reimburse to the Lender and any administrator or Receiver on demand, on a full indemnity basis, all costs, charges and expenses (including legal fees) in any way incurred by the Lender and/or the administrator and/or the Receiver in relation to this deed or the Charged Property or in protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's rights under this deed or in suing for or recovering any of the Secured Liabilities (including, without limitation, interest on the amount due and the costs of any proceedings in relation to this deed or the Secured Liabilities).

16.2 The Lender and any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and costs and expenses incurred or suffered in or as a result of:

16.2.1 the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this deed; or

16.2.2 any matter or thing done or omitted to be done in relation to the Charged Property under those powers; or

16.2.3 any default or delay by the Borrower in performing any of its obligations under this deed.

17 CONSENTS, NOTICES AND DEMANDS

17.1 All consents, notices and demands must be in writing.

17.2 The Lender may deliver a notice or demand to the Borrower at its registered office.

17.3 A notice or demand by the Lender will be effective at the time of personal delivery; on the business day after posting; or, if by fax, at the time of sending, if sent before 5.00 pm on a Business Day, or otherwise on the next Business Day.

17.4 A notice from the Borrower to the Lender must be addressed to the Lender's Investment Manager and will be effective on receipt.

17.5 Notice given under this deed shall not be validly served if sent by e-mail.

18 ASSIGNMENT AND TRANSFER

18.1 The Lender may at any time, without the consent of the Borrower, assign or transfer the whole or any part of the Lender's rights and/or obligations under this deed to any person.

18.2 The Borrower may not assign any of its rights or transfer any of its obligations under this Deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

19 DISCLOSURE

19.1 The Borrower hereby consents to the disclosure by the Lender of any information about the Borrower, this deed, the Charged Property and the Secured Liabilities:

19.1.1 to any person to whom the Lender has assigned or transferred or proposes or may propose to assign or transfer all or any of its rights and benefits under this deed or the Secured Liabilities; or

19.1.2 to any person with whom the Lender has entered or proposes or may propose to enter into any contractual arrangements in connection with this deed or the Secured Liabilities; or

19.1.3 to any subsidiary or agent of the Lender; or

19.1.4 to any other person if required or permitted by law to do so.

20 SEVERABILITY

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

21 LIABILITY OF THE BORROWER

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

21.1.1 any security, guarantee, indemnity, remedy or other right held by or available to the Lender being or becoming wholly or partially illegal, void or unenforceable on any ground; or

21.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or

21.1.3 any other act or omission which but for this provision might have discharged or otherwise prejudiced or affected the liability of the Borrower.

21.2 The Borrower waives any right it may have of requiring the Lender to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this deed against the Borrower.

22 REPRESENTATIONS AND WARRANTIES

22.1 The Borrower represents and warrants to the Lender that each of the provisions set out in clause 22.1.1 to 22.1.11 are true, accurate and not misleading on the date of this deed:

22.1.1 The Borrower is the legal and beneficial owner of the Charged Property free from any Encumbrance other than as created by this deed.

22.1.2 The Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

22.1.3 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property.

22.1.4 There is no breach of any law or regulation, which materially adversely affects the Charged Property.

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

22.1.6 Nothing has arisen or has been created or is subsisting [so far as the Borrower is aware], which would be an overriding interest in any Property.

22.1.7 No Encumbrance expressed to be created by this deed is liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise.

22.1.8 The Borrower has at all times complied in all material respects with all applicable Environmental Law.

22.1.9 There has been no Material Adverse Effect on the business, assets or financial condition, trading position or prospects of the Borrower and/or any of its subsidiaries since the date of the financial information provided to the Fund Manager/Lender with the Application (as defined in the Agreement).

22.1.10 There is no prohibition on assignment in any Insurance Policy and the entry into this deed by the Borrower does not, and will not, constitute a breach of any Insurance Policy.

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

22.2 The representations and warranties contained in clauses 22.1shall be deemed to be repeated on each day of the Security Period with reference to the facts and circumstances then existing.

23 FURTHER PROVISIONS

23.1 This deed shall be in addition to and independent of every other security or guarantee which the Lender may at any time hold for any of the Secured Liabilities and no prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this deed.

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

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

23.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

23.5 The rights and powers of the Lender conferred by this deed are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law.

23.6 Any waiver or variation of any right by the Lender (whether arising under this deed or under the general law) shall only be effective if it is in writing and signed by the Lender and applies only in the circumstances for which it was given and shall not prevent the Lender from subsequently relying on the relevant provision.

23.7 No act or course of conduct or negotiation by or on behalf of the Lender shall in any way preclude the Lender from exercising any right or power under this deed or constitute a suspension or variation of any such right or power.

23.8 No delay or failure to exercise any right or power under this deed shall operate as a waiver.

23.9 No single or partial exercise of any right under this deed shall prevent any other or further exercise of that or any other such right.

23.10 The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this deed.

23.11 This deed may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

23.12 Except as otherwise provided under this deed, a third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this deed.

23.13 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).

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

23.14.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

23.14.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or

23.14.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.

24 SUSPENSE ACCOUNT

24.1 All monies received by the Lender or a Receiver under this deed may, at the discretion of the Lender or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender

and the Borrower and may be held in such account for so long as the Lender or Receiver thinks fit.

25 RELEASE

25.1 Subject to clause 13, upon the expiry of the Security Period (but not otherwise) the Borrower shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this deed.

26 LAW AND JURISDICTION

26.1 This deed is governed by English law and the English courts have exclusive jurisdiction.

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 PROPERTY

Part 1. Registered property

None

Part 2. Unregistered property

None

Part 3. Commonhold Property

None

EXECUTED as a deed by **ABSOLUTE SOFTWARE**)
LIMITED acting by **PAUL GEOFFREY MASSEY**)
in the presence of:)

.....
Director

.....
SIGNATURE OF WITNESS:

NAME OF WITNESS (BLOCK CAPITALS): STEVE FORTH

ADDRESS: WANCARROW
TREGOTHNAN
TRURO
TR2 4AL

OCCUPATION: GENERAL MANAGER