



**Registration of a Charge**

Company name: **DISCOVERY SHIPYARD LIMITED**

Company number: **05299971**



X79D5UYX

Received for Electronic Filing: **02/07/2018**

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**Details of Charge**

Date of creation: **29/06/2018**

Charge code: **0529 9971 0002**

Persons entitled: **KEITH WATSON**

Brief description: **ALL THE LAND, INTELLECTUAL PROPERTY, ASSETS, GOODWILL AND UNDERTAKINGS OF THE OBLIGOR AND GROUP PRESENT OR FUTURE FOR THE TIME BEING SUBJECT TO THE SECURITY INTERESTS CREATED BY THIS DEBENTURE**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **CHARLOTTE STOJAK - SOLICITOR - KNIGHTS PLC**



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

Company number: 5299971

Charge code: 0529 9971 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th June 2018 and created by DISCOVERY SHIPYARD LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd July 2018 .

Given at Companies House, Cardiff on 4th July 2018

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



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

DATED

29 June

2018

(1) KEITH WATSON

and

(2) DISCOVERY SHIPYARD LTD

**DEBENTURE**

Knights Professional Services Limited  
The Brampton  
Newcastle-under-Lyme  
Staffordshire ST5 0QW

{Insert Document name}

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THIS DEBENTURE is made as a deed on 29 June 2018

## **PARTIES**

- (1) **KEITH WATSON** of 3 Railway Cottages, Station Approach, Horsley, Surrey KT24 6QX ( the Lender); and
- (2) **DISCOVERY SHIPYARD LTD** a company incorporated in England and Wales under number 05299971 whose registered office is at Harbour Close, Marchwood, Southampton, SO40 4AF (the Obligor);

(each of the **Lender** and the **Obligor** being a **Party** and together the **Lender** and the **Obligor** are the **Parties**).

## **BACKGROUND**

- (A) The Lender has agreed to provide Discovery Yachts Group Limited (Company Number: 09347816) with the loan on the terms of a Facility Agreement.
- (B) It is a condition precedent to the provision of the loan that Discovery Yachts Group Limited provide security over the Group to the Lender to secure the payment and discharge of the Secured Liabilities.
- (C) The Obligor has agreed to create the security required by entering into this Deed.

## **AGREED TERMS**

### **1. DEFINITIONS AND INTERPRETATION**

- 1.1 Words and expressions defined in the Facility Agreement (defined below) will have the same meanings in this Deed unless they are expressly defined in this Deed.

- 1.2 In this Deed, unless otherwise provided:

**Charged Assets:** means all the Land, assets, goodwill and undertakings of the Obligor and Group present or future for the time being subject to the security interests created by this Deed (including those listed in Schedules 1 and 2);

**Default Rate:** the rate of interest provide in clause 6.2 of the Facility Agreement;

**Encumbrance:** means any mortgage, charge, pledge, lien or other security interest of any kind, and any right of set off, assignment, trust, flawed asset or other agreement or arrangement whatsoever for the purpose of providing security or having similar effect to the provision of security, other than liens arising by operation of law in the ordinary course of the Obligor's business;

**Facility Agreement:** means the facility agreement dated the same date as this Deed between Discovery Yachts Group Limited and the Lender;

<b>Guarantee:</b>	means the guarantee entered into, dated the same date as this Deed between the Obligor and each of the Group
<b>Group:</b>	Discovery Yacht Group Limited, any subsidiary or any holding company from time to time of Discovery Yacht Group Limited, and any subsidiary from time to time of a holding company of that company. Each company in the Group is a <b>member of the Group</b>
<b>insurance:</b>	means each contract or policy of insurance to which the Obligor is a party or in which it has an interest
<b>Intellectual Property:</b>	means copyright, patents, know-how, trade secrets, trade marks, trade names, the right to sue in passing off, design right, get-up, database right, customer lists, chip topography rights, mask works, utility models, domain names and all similar rights and, in each case: (i) whether registered or not, (ii) including any applications to protect or register such rights, (iii) including all renewals and extensions of such rights or applications, (iv) whether vested, contingent or future, (v) to which the Obligor is or may be entitled and (vi) wherever existing and the benefit of any agreement or any licence for the use of any such right;
<b>Land:</b>	means any right or interest in or over land wherever situated, including without limitation any buildings and fixtures on land, and the benefit of any covenants or rights owed to any person or enforceable by such person by virtue of the ownership, possession or occupation of land and/or all freehold and leasehold properties (whether registered or unregistered) and all common hold properties, now or in the future (and from time to time) owned by the Obligor or in which the Obligor holds an interest (including (but not limited to) the properties briefly described in Schedule 1
<b>Receiver:</b>	means a receiver appointed pursuant to this Deed or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and an administrative receiver (if the Lender is permitted to appoint such administrative receiver);
<b>Secured Liabilities:</b>	all money, liabilities and obligations now or in the future owed or incurred by the Obligor to the Lender (including those under the Facility Agreement, Guarantee or this Deed) whether actual or contingent;

sole or joint, as principal or as surety, including (without limitation) any liability of the Obligor to a third party which subsequently becomes payable to the Lender by assignment or otherwise and any interest, commission, costs, charges and expenses of the Lender;

**Securities:**

means all right, title and interest of the Obligor, now or in the future, in any:

- (a) stocks,
- (b) shares,
- (c) instruments creating, or
- (d) acknowledging any debt or other securities issued by any person.

**1.3 Unless the context otherwise requires:**

- (a) each gender includes the others;
- (b) the singular and the plural are interchangeable;
- (c) references to clauses, Schedules or Appendices mean to clauses or Schedules of and Appendices to this Deed;
- (d) references to this Deed include its Schedules, as amended;
- (e) references to persons include individuals, unincorporated bodies, government entities, companies and corporations;
- (f) including means including without limitation and general words are not limited by example;
- (g) clause headings do not affect their interpretation; and
- (h) references to legislation include any modification or re-enactment thereof before the date of this Deed

**1.4 Writing includes manuscript, facsimiles, emails and communications in Braille.**

**2. OBLIGOR'S OBLIGATION TO PAY**

**2.1** The Obligor covenants with the Lender that it will pay and discharge to the Lender the Secured Liabilities on written demand when due.

**2.2** The making of one demand under this Deed will not stop the Lender making any further demands.

**2.3** The Lender will not make any demand unless it is entitled to do so.



### **3. CREATION OF SECURITY**

- 3.1 As continuing security for the payment and discharge of the Secured Liabilities the Obligor charges to the Lender with full title guarantee:
- (a) by way of first legal mortgage all Land now owned by the Obligor;
  - (b) by way of first fixed charge:
    - (i) any right, title or interest which the Obligor has now or acquires in the future to any Land; and
    - (ii) the assets set out in Schedule 2; and
  - (c) by way of first floating charge the Obligor's bank accounts and other assets not otherwise effectively charged by clauses 3.1 (a) and 3.1 (c).
- 3.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.1 (c).

### **4. CRYSTALLISATION**

- 4.1 The floating charge created by clause 3.1 (c) will crystallise into a fixed charge:
- (a) by notice in writing given by the Lender to the Obligor at any time after the security constituted by this Deed becomes enforceable, specifying the Charged Assets over which the crystallisation will take effect and if no Charged Assets are specified, the notice shall take effect over all the Charged Assets of the Obligor; or
  - (b) automatically and instantly without notice if the Obligor resolves, without the Lender's prior written consent, to take or takes any step to:
    - (i) create an Encumbrance over any or all of the Charged Assets;
    - (ii) create a trust over any or all of the Charged Assets;
    - (iii) dispose of any or all of the Charged Assets, except if such disposal is in the ordinary course of the Obligor's business;
  - (c) automatically and instantly without notice if any person resolves, without the Lender's prior written consent, to take or takes any step to levy any distress, execution, sequestration or other process against any or all of the Charged Assets; or
  - (d) automatically and instantly without notice if an Event of Default occurs.
- 4.2 Any charge by the Obligor that has crystallised under clause 4.1 may, by notice in writing given at any time by the Lender to the Obligor, be reconverted into a floating charge in relation to the Charged Assets specified in the notice and if no Charged Assets are specified, the notice shall take effect over all the Charged Assets of the Obligor.

## 5. OBLIGOR'S REPRESENTATION AND WARRANTIES

5.1 The Obligor represents and warrants to the Lender as follows:

- (a) **Ownership:** The Obligor is the legal and beneficial owner of the Charged Assets free from any Encumbrance other than the Encumbrances created by this Deed.
- (b) **Adverse claims and covenants:** The Obligor has not received or acknowledged notice of any material adverse claim by any person in respect of the Charged Assets and there are no covenants, agreements, conditions, interests rights or other matters which may materially adversely affect the Charged Assets.
- (c) **Breach of law or regulation:** The Obligor has at all times complied in all material respects with all applicable laws and regulations and has not breached any law or regulation which would materially adversely affect the Charged Assets.
- (d) **Third Party Rights:** The Charged Assets are not subject to terms entitling a third party to terminate or limit the use of any facility necessary for the enjoyment and use of the Charged Assets.
- (e) **Overriding interests:** Nothing has arisen, has been created or is subsisting, which would be an overriding interest in any Land.
- (f) **Liquidation or administration:** 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 Obligor or otherwise.

## 6. OBLIGOR'S UNDERTAKINGS AND COVENANTS

6.1 The Obligor covenants not, without the prior written consent of the Lender, to:

- (a) (except in the case of assets charged by way of floating charge only which the Obligor may deal with in the ordinary course of its business) part with possession of, or transfer, sell, lease, assign or otherwise dispose of all or any of the Charged Assets, or attempt or agree to do so;
- (b) create, attempt to create, allow to subsist any mortgage, debenture, charge or pledge, increase the amount secured by the Deed, permit any lien (except a lien arising by operation of law in the ordinary course of trading) or other encumbrance to arise on or affect all or any of the Charged Assets;
- (c) permit any person to be registered as proprietor of any of the Charged Assets under the Land Registration Act 2002 or create or permit to arise any unregistered interest which overrides first registration affecting such property within Schedule 1 to that Act, to become entitled to any proprietary right or interest which might affect the value of any land fixtures or fixed plant and machinery charged by this Deed;
- (d) redeem or purchase its own shares or pay dividends of an unusual amount;
- (e) cancel, assign or allow to lapse its interest under any credit sale, hire purchase, leasing, rental, licence or similar agreement and to produce proof of payments due under such agreements on request from the Lender;

- (f) do or allow any act or omission which may prejudice the value to the Lender of the Charged Assets; or
- (g) create any subsidiaries.

6.2 The Obligor covenants that it will, unless, in any case, the Lender has given its written consent otherwise:

- (a) carry on its business properly and efficiently and not materially change how it conducts its business;
- (b) supply to the Lender within the stated periods:
  - (i) a copy of its audited accounts for the last financial period within one week of approval and signature by the board of directors of the Obligor;
  - (ii) a copy of its management accounts within two weeks of the end of each quarter of the Obligor's financial year;
  - (iii) such other information relating to the Obligor's business, assets and liabilities as the Lender may reasonably require;
- (c) notify the Lender in writing of any breach of this Deed or any other Security Document, immediately on it becoming aware of such breach;
- (d) within seven days, give notice to:
  - (i) any contracting party to an agreement to be assigned to the Lender of the Lender's interest in such agreement and procure that such contracting party acknowledge the Lender's interest; and
  - (ii) any bank or financial institution with whom the Obligor holds an account of the Lender's interest in such account and procure that such bank or financial institution acknowledge the Lender's interest.
- (e) get in and realise, in the ordinary course of business, all book and other debts and other assets charged under clause 3.1, on receipt pay all monies received in respect of such assets into the account as the Lender may specify prior to which the Obligor will hold such moneys on trust for the Lender and execute such assignment of any such asset as the Lender may require;
- (f) in relation to the Land part of the Charged Assets observe all covenants, not enter into any onerous or restrictive obligation, effect or allow any development within the Town and Country Planning Acts, do, allow or omit anything infringing any statute or regulation and maintain and keep them in good and substantial repair;
- (g) maintain all plant, machinery, fixtures, fittings, vehicles, computers and office and other equipment part of the Charged Assets in good working order and condition;
- (h) in relation to the Intellectual Property part of the Charged Assets observe all covenants and obligations and maintain and renew all relevant registrations, permits and licences;

- (i) institute, pursue and defend proceedings relating to the Charged Assets as required to protect their value and apply moneys from such proceedings in discharge of sums due to the Lender;
- (j) at its own expense, keep insured any of the Charged Assets to their full replacement value including professional fees with reputable insurers in the name of the Obligor or, at the Lender's request, the joint names of the Obligor and the Lender;
- (k) punctually pay all insurance premiums, have the Lender's interest noted on the policy, or produce the insurance documents including any receipt on request of the Lender. If the Obligor does not maintain insurance, the Lender may do so at the Obligor's expense;
- (l) punctually pay, and indemnify the Lender against, all moneys due in respect of the Charged Assets;
- (m) comply with all statutory, regulatory and other requirements applying to the Charged Assets except where actually or potentially adverse to the Lender's interest, when the Obligor will immediately consult the Lender and make or join the Lender in making such representations as the Lender may request;
- (n) deposit with the Lender or its nominee all deeds and documents of title relating to all land, buildings and other real property belonging to the Obligor and insurance policies relating thereto, all certificates and documents of title relating to the Securities and all other documents relating to the Charged Assets as the Lender may request; or
- (o) if requested by the Lender, ensure that each subsidiary of the Obligor guarantees to the Lender payment of all monies covenanted to be paid under this Deed and charge its undertaking, property and assets to secure such payment in such manner as the Lender may request.

## **7. LIABILITY OF OBLIGOR**

7.1 The Obligor's liability in respect of the Secured Liabilities shall not be discharged or prejudiced by:

- (a) the renewal, determination, variation or increase of the loan under the Facility Agreement or the acceptance or variation of any compromise, arrangement or settlement or the omission to claim or enforcement of payment from any other person by the Lender; or
- (b) 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
- (c) any other act or omission (except where such act or omission is the Lender's act or omission) which but for this provision might have discharged or otherwise prejudiced the liability of the Obligor.

7.2 The Obligor may not require the Lender to:

- (a) enforce any security or other right; or
- (b) claim any payment from; or
- (c) otherwise proceed;

against any other person before enforcing this Deed against the Obligor.

## **8. ENFORCEMENT**

8.1 The Lender may enforce this Deed at any time after:

- (a) the occurrence of an Event of Default;
- (b) the floating charge has crystallised under clause 4;
- (c) there has occurred any event which in the Lender's opinion is actually or potentially adverse to the Obligor; or
- (d) there has occurred any other event which in the Lender's opinion actually or potentially jeopardises the security created by this Deed.

## **9. APPOINTMENT, POWERS AND REMOVAL OF RECEIVERS**

9.1 At any time after the security created by this Deed becomes enforceable the Lender may without further notice appoint in writing any one or more persons to be a receiver or a receiver and manager. Where more than one Receiver is appointed they will have the power to act separately (unless the appointment specifies otherwise).

9.2 The Lender may determine the remuneration of the Receiver.

9.3 The appointment of a Receiver will not preclude the Lender from appointing a subsequent Receiver over all or any of the Charged Assets whether the previously appointed receiver continues to act or not.

9.4 The Receiver will be the agent of the Obligor and the Obligor will be solely liable for the acts, defaults, and remuneration of the Receiver unless and until the Obligor goes into liquidation after which the receiver shall act as principal. In no event will the Receiver become the agent of the Lender.

9.5 The Receiver will have and be entitled to exercise all the powers set out in Schedule 1 and Schedule 2 to the Insolvency Act 1986 and the Law of Property Act 1925 and will also have the power, either in his name or in the name of the Obligor:

- (a) in connection with any sale or other disposition of the Charged Assets, to receive the consideration in a lump sum or in instalments and to receive shares and loan notes by way of consideration;
- (b) to grant options, licences or any other whatsoever in the Charged Assets;
- (c) to sever fixtures from and to repair, improve and make any alterations to, the Charged Assets;

- (d) to exercise any voting rights appertaining to the Obligor;
- (e) to do all other acts and things which the Receiver may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretion conferred on a Receiver under or by virtue of the Deed; and
- (f) to exercise in relation to any Charged Assets all the powers, authorities and things which he would be capable of exercising if he was absolute beneficial owner of the same;

9.6 Neither the Lender nor the Receiver will be liable to account as mortgagee in possession or otherwise for any money not actually received by the Lender or the Receiver.

9.7 Section 109 of the Law of Property Act 1925 will not apply to this Deed or to any security it creates.

#### **10. POWERS OF SALE, LEASING ETC**

10.1 Section 103 of the Law of Property Act 1925 shall not apply to this Deed but the statutory power of sale will as between the Lender and a purchaser arise on and be exercisable at any time after the execution of this Deed but the Lender will not exercise such power unless the security created by this Deed has become enforceable or after the appointment of a Receiver under clause 9.

10.2 The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender are extended to allow the Lender to grant or surrender leases of any land vested in the Obligor or in which it has an interest on such terms and conditions as the Lender may think fit provided that the security constituted by this Deed has become enforceable.

10.3 The statutory power of sale exercisable by the Lender is extended to allow the Lender to sever any fixtures from the land and sell them separately.

10.4 No person dealing with the Lender or a Receiver, its agents or delegates will be concerned with whether this Deed has become enforceable, whether any power exercised or purported to be exercised has become exercisable, whether any of the Secured Liabilities remain due upon this Deed, as to the necessity or expediency of any stipulations and conditions subject to which the sale of any Charged Asset is made, as to the propriety or regularity of the sale of any Charged Asset or to see to the application of any money paid to the Lender or the Receiver, or its agents or delegates and each dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effectual accordingly.

10.5 Section 93 of the Law of Property Act 1925 will not apply to this Deed or to any security it creates.

## **11. NEW ACCOUNTS**

- 11.1 On receiving notice that the Obligor has encumbered or disposed of any of the Charged Assets the Lender may rule off the Obligor's account and open a new account in the name of the Obligor.
- 11.2 If the Lender does not open a new account on receipt of a notice as from that time all payments made to the Lender will be treated as if they had been credited to a new account and will not reduce the amount owing from the Obligor at the time when the notice was received.

## **12. ATTORNEY**

- 12.1 By way of security the Obligor irrevocably appoints the Lender, whether or not a Receiver has been appointed, and any Receiver separately as Obligor's attorney with full power to appoint substitutes and to delegate in its name and on its own behalf and as its act and deed or otherwise at any time after this security has become enforceable to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, or perform any act that may be required of the Obligor under this Deed, or may be deemed by such attorney necessary or desirable for any purpose of this Deed or to enhance or perfect the security intended to be constituted by such attorney or to convey or transfer legal ownership of any Charged Assets.
- 12.2 The Obligor will ratify and confirm all transactions entered into by the Lender or Receiver in the proper exercise of their powers in accordance with this Deed and all transactions entered into by the Lender or the Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, deed, assurance, document or act as aforesaid.

## **13. APPLICATION OF MONEYS RECEIVED**

- 13.1 Any money received under this Deed will, subject to the discharge of any prior-ranking claims, be paid or applied in the following order of priority:
- (a) in satisfaction of all costs, charges and expenses incurred and payments made by the Lender and/or the Receiver and of the remuneration of the Receiver;
  - (b) in or towards satisfaction of the Secured Liabilities; and
  - (c) as to the surplus, if any, to the person or persons entitled to it.
- 13.2 The Lender may, in its absolute discretion on or at any time or times after demand and pending the payment to the Lender of the whole of the Secured Liabilities, place and keep to the credit of a separate or suspense account any money received, recovered or realised by the Lender by virtue of this Deed for so long and in such manner as the Lender may determine without any intermediate obligation to apply it in or towards the discharge of any of the Secured Liabilities.

## **14. INDEMNITY**

- 14.1 The Obligor will indemnify the Lender against all and any costs, charges and expenses arising:
- (a) out of any of the assets charged or assigned pursuant to clause 3 resulting in the Obligor or the Lender or the Receiver infringing or allegedly infringing any third party rights; and
  - (b) in relation to any proceedings referable to the Obligor brought against the Lender and/or the Receiver or to which the Lender and/or the Receiver may be joined whether as the plaintiff or defendant that relate to any of the Charged Assets.
- 14.2 The Obligor agrees that if it fails to pay any moneys in respect of the Charged Assets or to take (or not take) any action which might diminish the value of the Charged Assets to the Lender, the Lender may pay such monies or take such action and recover the cost from the Obligor.
- 14.3 The Obligor indemnifies the Lender at all times against any claim, liability, loss or expense incurred by the Lender directly or indirectly as a result of any delay or failure of the Obligor in complying with clause 6 or with any law, regulation, directive or code of practice applicable to the Obligor or to its business or the Charged Assets or relating to the protection of the environment or to health and safety matters.
- 14.4 Without prejudice to the generality of this clause the costs recoverable by the Lender and/or any Receiver under this Deed shall include:
- (a) all reasonable costs incurred by the Lender and the beneficiaries in preparing and administering this Deed or perfecting the security created by it;
  - (b) all reasonable costs, whether or not allowable on a taxation by the courts, of all proceedings for the enforcement of this Deed or for the recovery or attempted recovery of the Secured Liabilities;
  - (c) all money expended and all costs arising out of the exercise of any power, right or discretion conferred by this Deed;
  - (d) all costs and losses arising from any default by the Obligor in the payment when due of any of the Secured Liabilities or the performance of its obligations under this Deed; and
  - (e) all administrative charges of the Lender.
- 14.5 Any overdue amounts secured by the Deed will carry interest at the Default Rate. Interest will accrue on a day-to-day basis to the date of repayment in full and, if unpaid, will be compounded with quarterly rates on the Lender's usual quarter days. Interest shall continue to be charged and compounded on this basis after as well as before any demand or judgment.
- 14.6 Money received or held by the Lender pursuant to this debenture may, from time to time after demand of all or any part of the Secured Liabilities has been made, be converted into such



currency as the Lender considers necessary or desirable to discharge the Secured Liabilities in that currency at the Lender's then prevailing spot rate of exchange, as conclusively determined by the Lender, for purchasing the currency to be acquired with the existing currency.

## **15. RELEASE**

15.1 Subject to clause 15.2 below, the Lender will, at the request and cost of the Obligor, execute all documents as the Obligor may reasonably require to release the Charged Assets from the security constituted by this Deed.

15.2 Any release, discharge or settlement between the Lender and the Obligor will be conditional upon no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise and, notwithstanding any such release, discharge or settlement:

- (a) the Lender or its nominee will 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 Assets, for such period as the Lender may deem necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender will be entitled to recover the value or amount of such security or payment from the Obligor subsequently as if such release, discharge or settlement had not occurred.

## **16. CONTINUING SECURITY**

16.1 This Deed will remain as continuing security in favour of the Lender, regardless of the settlement of any account or any other matter whatever and will be without prejudice and in addition to any and all other rights, remedies or security which is or are in place now or in the future in respect of any Charged Assets in favour of the Lender for the payment of an Indebtedness.

## **17. FURTHER SECURITY**

17.1 The Obligor will on the demand of the Lender execute and deliver to the Lender at the cost of the Obligor any document that the Lender reasonably requires further to secure the payment of the Secured Liabilities, or to create, enhance or perfect any fixed security over any of the Charged Assets or to give full effect to this debenture or to vest title to any of the Charged Assets in the Lender or the Lender's nominee or any purchaser.

## **18. MISCELLANEOUS**

18.1 **Survival**

Notwithstanding termination of this Deed, any provisions which have not been fully implemented or performed remain in full force and effect and will continue to bind, and to be enforceable against the relevant party and will not be extinguished or affected by any other event or matter except a specific and duly authorised written waiver or release of the other party to this Deed.

**18.2 Variation**

Variations to this Deed will only have effect when agreed in writing by the parties' authorised representatives.

**18.3 Severability**

The unenforceability of any part of this Deed will not affect the enforceability of any other part.

**18.4 Waiver**

Unless otherwise agreed, no delay, act or omission by either party in exercising any right or remedy will be deemed a waiver of that, or any other, right or remedy.

**18.5 Consent**

Consent by a party, where required, will not prejudice its future right to withhold similar consent.

**18.6 Further assurance**

Each party will, at the cost of the Obligor, do all further acts and execute all further documents necessary to give effect to this Deed.

**18.7 Rights of third parties**

This Deed is not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

**18.8 Assignment and subcontracting**

- (a) The Lender may assign any of its rights under this Deed or transfer all its rights or obligations by novation to another lender, bank or financial institution.
- (b) The Obligor may not assign any of its rights or transfer any rights or obligations under this Deed.

**18.9 Entire agreement**

This Deed and documents referred to in it represent the entire agreement between the parties and supersede all previous agreements, term sheets and understandings relating to the Loan whether written or oral.

#### **18.10 Succession**

This Deed will bind and benefit each party's successors and assignees.

#### **18.11 Counterparts**

This Deed may be signed in any number of separate counterparts. Each, when executed and delivered by a party, will be an original; all counterparts will together constitute one instrument.

### **19. NOTICES**

19.1 Notices under this Deed will be in writing and sent to the persons and addresses in clause 19.2. They may be given, and will be deemed received:

- (a) by first-class post: two Business Days after posting;
- (b) by airmail: seven Business Days after posting;
- (c) by hand: on delivery;
- (d) by facsimile: on receipt of a successful transmission report from the correct number; or
- (e) by email: on receipt of a delivery return mail from the correct address.

19.2 Notices will be sent:

- (a) to the Obligor at: Harbour Close, Marchwood, Southampton, SO40 4AF; and
- (b) to the Lender at: 3 Railway Cottages, Station Approach, Horsley, Surrey KT24 6QX.

### **20. CONFIDENTIAL INFORMATION**

20.1 The Lender may disclose:

- (a) on a confidential basis to a subsidiary and any actual or potential assignee, transferee or sub-participant of its rights or obligations under this agreement in addition to any publicly available information such information about the Obligor as the Lender shall consider appropriate; and
- (b) any information about the Obligor to any person to the extent that it is required to do so by any applicable law, regulation or court order.

20.2 Subject to clause 20.1, neither party will, without the other's prior written consent, disclose:

- (a) the existence or terms of this Deed;
- (b) any information relating to the customers, suppliers, methods, products, plans, finances, trade secrets or otherwise to the business or affairs of the other party which is obviously confidential or has been identified by the other party as such; and

- (c) any information developed by either party in performing its obligations under, or otherwise pursuant to this Deed,

20.2 (a), 20.2 (b) and 20.2 (c) together **Confidential Information**.

20.3 Neither party will use the other's Confidential Information except to perform this Deed.

20.4 Disclosure of Confidential Information may be made to a party's:

- (a) officers;
- (b) employees;
- (c) professional advisers; and
- (d) consultants and other agents,

on condition that the party disclosing is responsible for compliance with the obligations of confidence hereunder.

20.5 Confidential Information does not include information which:

- (a) is or becomes public other than by breach of this Deed;
- (b) was known to the other party before this Deed without breach of confidence;
- (c) is independently developed by or becomes available to the other party without using any information supplied by the first party; or
- (d) is required to be disclosed by law or regulatory authority.

20.6 A reasonable number of copies of Confidential Information may be made and, subject to this clause 20, used for the purposes of this Deed.

20.7 On termination of this Deed all confidential and other information relating to or supplied by a party and which is or should be in the other's possession will be returned by the other or (at the first party's option) destroyed and certified as destroyed.

20.8 This clause 20 will remain in force for a period of five years from the date two years from termination of this Deed.

## **21. GOVERNING LAW AND JURISDICTION**

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

21.2 The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

EXECUTED and DELIVERED  
as a DEED by KEITH WATSON  
in the presence of:

  
K Watson

Witness:

Signature



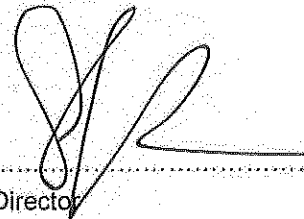
Name

Josh Pegam

Address

2 Queenside Walk Marchwood  
SO40 4AH

EXECUTED and DELIVERED  
as a DEED by DISCOVERY SHIPYARD  
LTD  
acting by director  
in the presence of:

  
Director

Witness:

Signature



Name

Josh Pegam

Address

2 Queenside Walk Marchwood  
SO40 4AH

Occupation

Digital Content Manager

**SCHEDULE 1 - LAND CHARGED BY WAY OF LEGAL MORTGAGE**

**Part 1 - Registered Land**

Description and address	Title number

## **SCHEDULE 2 - ASSETS CHARGED BY WAY OF FIXED CHARGE**

1. All shares held by the Obligor in any other company whether a subsidiary or not.
2. All or any stocks, shares (other than those described in paragraph 1 above), bonds and securities of any kind (marketable or otherwise), negotiable instruments, warrants, loan notes and any other financial instruments held by the Obligor.
3. All dividends, allotments, options, bonuses, rights issues, offers, benefits and advantages accruing, arising or offered in respect of the shares and investments described in paragraphs 1 and 2 above.
4. All fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment of the Obligor and the benefit of any agreements, licences and warranties in respect thereof.
5. All book debts of the Obligor arising in the ordinary course of its business and all benefits, security and rights held in or to secure the payment of the book debts.
6. All debts and moneys due or payable to the Obligor except those referred to in paragraph 5 above including all amount standing credit of the Obligor's bank accounts whether such bank account is with the Lender or a third party.
7. All Intellectual Property belonging to the Obligor.
8. All present and future goodwill in the Obligor.
9. All uncalled capital in the Obligor.
10. All rights under any agreement to which the Obligor is a party which has not been assigned to the Lender.