



**Registration of a Charge**

Company name: **C. T. HOLDINGS LIMITED**

Company number: **05669045**



XA0H216Y

Received for Electronic Filing: **17/03/2021**

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**Details of Charge**

Date of creation: **17/03/2021**

Charge code: **0566 9045 0005**

Persons entitled: **SIEMENS FINANCIAL SERVICES 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.**

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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:

**SIEMENS FINANCIAL SERVICES LTD**



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

Company number: 5669045

Charge code: 0566 9045 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th March 2021 and created by C. T. HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th March 2021 .

Given at Companies House, Cardiff on 18th March 2021

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** 17/03/2021  
.....

**(1) THE COMPANIES LISTED IN THIS DEED AS CHARGORS**

**- and -**

**(2) SIEMENS FINANCIAL SERVICES LIMITED**

## **THIRD PARTY DEBENTURE**

**THIS IS AN IMPORTANT DOCUMENT. WE RECOMMEND THAT YOU SHOULD READ IT CAREFULLY BEFORE SIGNING AND SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND BY ITS TERMS. IF YOU ARE UNSURE ABOUT THE TERMS AND EFFECT OF THIS DEBENTURE, WE RECOMMEND THAT YOU TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING.**

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THIS DEBENTURE is made on 17th day of March 2021

**BETWEEN:**

- (1) THE COMPANIES LISTED IN SCHEDULE 1 TO THIS DEED (the "**Chargors**"); and
- (2) Siemens Financial Services Limited, a company incorporated and registered under the laws of England and Wales with number 00646166 with its registered office at Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS ("**SFS**").

**IT IS AGREED:**

**1. VARIABLE TERMS**

In this Deed the following terms shall have the following meaning:

<b>Client</b>	<b>Chadwick Textiles Limited</b> , registered number <b>05669057</b> , of <b>92 George Richards Way, Broadheath, Altrincham, WA14 5ZR</b>
<b>Invoice Finance Agreement</b>	Any invoice finance agreement entered into by the Client in favour of SFS, from time to time

**2. DEFINITIONS AND INTERPRETATION**

2.1 In this Deed at all times the following terms have the following meanings:

<b>Act</b>	The Law of Property Act 1925
<b>Assigned Assets</b>	The Security Assets expressed to be assigned pursuant to clause 5.2
<b>Associate</b>	(a) Any subsidiary, subsidiary undertaking, holding company, parent undertaking or parent company of a Chargor (as defined in section 1152 Companies Act 2006) (b) Any director (including a shadow director), shareholder, member, partner or employee of a Chargor's business (c) Any husband, wife, civil partner, parent, brother, sister, uncle, aunt, cousin, nephew or niece and, where applicable, any of their generational equivalents (and in all cases whether the association is as a result of birth, marriage, civil partnership or adoption) of a director, shareholder, member, partner or employee of a Chargor's business (d) Any company, LLP, partnership or business which is controlled by a Chargor or an Associate or in which a Chargor or an Associate beneficially owns directly or indirectly 5% (five per cent) or more of any class of voting shares
<b>Authorisation</b>	An authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration
<b>Charged Investments</b>	The Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities
<b>Charged Securities</b>	(a) The securities specified in part 4 of Schedule 2 to this Deed (b) All stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a Chargor, held by a nominee, trustee, fiduciary or clearance system on its behalf or in which a Chargor has an interest at any time
<b>Debenture Security</b>	The Security created or evidenced by or pursuant to this Deed or any accession deed

<b>Debt</b>	Any present, future or contingent obligation of a person to make payment under a contract for the supply or hire of goods or provision of services to such person, made between the Chargor and such person, including interest and VAT
<b>Default</b>	An Enforcement Event or any event or circumstance specified in clause 13 ( <i>WHEN THIS DEBENTURE SECURITY BECOMES ENFORCEABLE</i> ) which would with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing be an Enforcement Event
<b>Default Rate</b>	The rate of interest payable in accordance with the terms of any agreements or letters setting out the terms of or constituting the relevant Secured Obligations in relation to any amount which is not paid on the due date for payment or if none, or SFS is unable to determine which rate otherwise applies at the relevant time, the rate which is 5% (five per cent) above the published base rate from time to time of the clearing bank used by SFS
<b>Delegate</b>	Any delegate, sub-delegate, agent, attorney or co-trustee appointed by SFS or by a Receiver
<b>Enforcement Event</b>	Each of the events listed in clause 13.1 ( <i>WHEN THIS DEBENTURE SECURITY BECOMES ENFORCEABLE</i> )
<b>Equipment</b>	All of the fixed and moveable plant and machinery now or in the future belonging to the Chargors or in which the Chargors have an interest as specified in part 2 of Schedule 2 to this Deed
<b>Insurances</b>	All policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor or in which a Chargor from time to time has an interest
<b>Intellectual Property</b>	<p>All legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of a Chargor in, or relating to:</p> <ul style="list-style-type: none"> <li>(a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and</li> <li>(b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist)</li> </ul>
<b>Party</b>	A party to this Deed
<b>Permitted Disposal</b>	Any disposal with the prior written consent of SFS
<b>Permitted Security</b>	<p>Any Security or Quasi-Security:</p> <ul style="list-style-type: none"> <li>(a) created with the prior written consent of SFS; or</li> <li>(b) created by this Deed</li> </ul>
<b>Planning Acts</b>	(a) The Town and Country Planning Act 1990; (b) the Planning (Listed Buildings and Conservation Areas) Act 1990; (c) the Planning (Hazardous Substances) Act 1990; (d) the Planning (Consequential Provisions) Act 1990; (e) the Planning and Compensation Act 1991; (f) any regulations made pursuant to any of the foregoing; and (g) any other legislation of a similar nature
<b>Quasi-Security</b>	<p>An arrangement or transaction to:</p> <ul style="list-style-type: none"> <li>(a) sell, transfer or otherwise dispose of any of its Receivables on recourse terms;</li> </ul>

	<ul style="list-style-type: none"> <li>(b) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or</li> <li>(c) enter into any other preferential arrangement having a similar effect</li> </ul>
<b>Real Property</b>	<p>All estates and interests in freehold, leasehold and other immovable property (excluding short term leases) (wherever situated) now or in future belonging to the Chargors or in which the Chargors has an interest at any time, together with:</p> <ul style="list-style-type: none"> <li>(a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;</li> <li>(b) all easements, rights and agreements in respect thereof; and</li> <li>(c) the benefit of all covenants given in respect thereof</li> </ul>
<b>Receivables</b>	<p>All present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Chargors (whether actual or contingent and whether arising under contract or in any other manner whatsoever) (but excluding Debts assigned by any Chargor to SFS at any time which vest absolutely and effectively in SFS and Related Rights of such Debts) together with:</p> <ul style="list-style-type: none"> <li>(a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and</li> <li>(b) all proceeds of any of the foregoing</li> </ul>
<b>Receiver</b>	A receiver, or receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by SFS under this Deed
<b>Related Rights</b>	<p>In relation to any Security Assets:</p> <ul style="list-style-type: none"> <li>(a) all dividends, distributions and other income paid or payable on the relevant Security Assets or on any asset referred to in paragraph (b) of this definition; and</li> <li>(b) all rights, monies or property accruing or offered at any time in relation to such Security Assets whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise</li> </ul>
<b>Relevant Contract</b>	Each agreement specified in part 3 of Schedule 2 to this Deed, together with each other agreement supplementing or amending or novating or replacing the same
<b>Remittance</b>	Any form of payment which is tendered in or towards the discharge of a Receivable including monies recovered under any insurances, a refund of the VAT element of a Receivable or dividend payable in respect of a Receivable
<b>Secured Obligations</b>	All or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to SFS by the Client, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor or cautioner), including any money and liabilities of the Client to a third party which have been assigned or novated to or otherwise vested in SFS and including interest, discount, commission and other lawful charges or expenses which SFS may in the course of its business charge or incur in respect of any of those matters or for keeping the Client's account, and so that interest shall



be computed and compounded according to the usual rates and practice (or otherwise agreed in writing) after as well as before any demand made or judgment or decree contained under or in relation to this Deed

**Security**

A mortgage, charge, pledge, lien, assignment by way of security, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

**Security Assets**

All property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed

**Security Period**

The period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) SFS has no further commitment, obligation or liability to the Client (including to make any finance, credit or other accommodation available to the Client)

**UK**

England, Wales, Scotland and Northern Ireland

- 2.2 Unless a contrary indication appears, any reference in this Deed to:
- 2.2.1 the **"Chargors"**, **"Client"**, **"SFS"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - 2.2.2 **"this Deed"** is a reference to this Deed as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of the Chargors or provides for further advances);
  - 2.2.3 **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Chargors;
  - 2.2.4 **"includes"** means includes or including without limitation; and
  - 2.2.5 **"the Chargors"** shall, save where it is a reference to "all the Chargors", be construed as a reference to "the Chargors or any of them".
- 2.3 A Default (other than an Enforcement Event) is "continuing" if it has not been remedied or waived to the satisfaction of SFS and an Enforcement Event is "continuing" if it has not been waived.
- 2.4 Each undertaking of the Chargors (other than a payment obligation) contained in this Deed:
- 2.4.1 must be complied with at all times during the Security Period; and
  - 2.4.2 is given by the Chargors for the benefit of SFS.
- 2.5 The terms of any side letters between any of the parties are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 2.6 If SFS reasonably considers that an amount paid by the Chargors to it under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargors, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- 2.7 The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.
- 2.8 A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- 3. COVENANT TO PAY**
- 3.1 The Chargors, as principal obligor and not merely as surety, covenants in favour of SFS that it will pay and discharge the Secured Obligations from time to time when due, or if there is no due date, on demand.

- 3.2 Every payment by the Chargors of a Secured Obligation which is made to or for the benefit of SFS to which that Secured Obligation is due and payable, shall operate in satisfaction to the same extent of the covenant contained in clause 3.1.
- 3.3 The Chargors shall pay, on any amount which is not paid under this Deed when due, interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full, at the Default Rate from time to time.
- 3.4 Default interest will accrue from day to day on a year of 365 days and will be compounded at such intervals as SFS states are appropriate.
- 3.5 The liabilities and obligations of each Chargor under this Deed are joint and several. Each Chargor agrees to be bound by this Deed notwithstanding that any other Chargor which is intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

#### **4. GRANT OF SECURITY**

- 4.1 All Security and dispositions created or made by or pursuant to this Deed are created or made:
- 4.1.1 in favour of SFS;
  - 4.1.2 with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
  - 4.1.3 as continuing security for payment of the Secured Obligations and all amounts covenanted to be paid under this Deed.
- 4.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

#### **5. FIXED SECURITY**

- 5.1 Each Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by such Chargor, or in which it from time to time has an interest:
- 5.1.1 By way of first legal mortgage:
    - 5.1.1.1 the Real Property (if any) specified in part 1 of Schedule 2 to this Deed; and
    - 5.1.1.2 all Real Property (if any) not charged by clause 5.1.1.1 at the date of this Deed vested in, or charged to, such Chargor.
  - 5.1.2 By way of first fixed charge:
    - 5.1.2.1 all Real Property and all interests in Real Property not charged by clause 5.1.1;
    - 5.1.2.2 all licences to enter upon or use land and the benefit of all other agreements relating to land; and
    - 5.1.2.3 the proceeds of sale of all Real Property.
  - 5.1.3 By way of first fixed charge:
    - 5.1.3.1 all Equipment (if any) specified in part 2 of Schedule 2 to this Deed; and
    - 5.1.3.2 all plant and machinery (not charged by clauses 5.1.1, 5.1.2 or 5.1.3) and the benefit of all contracts, licences and warranties relating to the same.
  - 5.1.4 By way of first fixed charge:
    - 5.1.4.1 all computers, vehicles, office equipment and other equipment (not charged by clause 5.1.3); and
    - 5.1.4.2 the benefit of all contracts, licences and warranties relating to the same, other than any which are for the time being part of such Chargor's stock-in-trade or work-in-progress.
  - 5.1.5 By way of first fixed charge the Charged Securities together with:
    - 5.1.5.1 all Related Rights from time to time accruing to those Charged Securities; and

- 5.1.5.2 all rights which such Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments.
- 5.1.6 By way of first fixed charge all accounts of such Chargor with any bank or financial institution at any time and all monies at any time standing to the credit of such accounts, together with all interest from time to time accrued or accruing on such monies and all rights to repayment of any of the foregoing.
- 5.1.7 By way of first fixed charge the Intellectual Property.
- 5.1.8 By way of first fixed charge (to the extent not otherwise charged or assigned in this Deed):
  - 5.1.8.1 the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of each Chargor or the use of any of its assets; and
  - 5.1.8.2 any letter of credit issued in favour of a Chargor and all bills of exchange and other negotiable instruments held by it.
- 5.1.9 By way of first fixed charge all of the goodwill and uncalled capital of each Chargor.
- 5.1.10 To the extent that any Assigned Asset is not effectively assigned under clause 5.2, by way of first fixed charge such Assigned Asset.
- 5.2 Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:
  - 5.2.1 in respect of the Relevant Contracts:
    - 5.2.1.1 the Relevant Contracts themselves and all rights and remedies in connection with the Relevant Contracts; and
    - 5.2.1.2 all proceeds and claims arising from them;
  - 5.2.2 the Insurances and all claims under the Insurances and all proceeds of the Insurances; and
  - 5.2.3 all Receivables.
- 5.3 To the extent that any Assigned Asset described in clause 5.2 is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of each Chargor to the proceeds of any policies of insurance which are at any time held by or written in favour of each Chargor or which each Chargor from time to time has an interest in, without limitation, in respect of the Receivables.
- 5.4 Immediately upon request by SFS each Chargor shall:
  - 5.4.1 in respect of each of its accounts purported to be charged pursuant to clause 5.1.6, deliver a duly completed notice of charge to the bank or financial institution with which such account is maintained and shall use its reasonable endeavours to procure that each such bank or financial institution executes and delivers to SFS an acknowledgment, in form and substance satisfactory to SFS;
  - 5.4.2 in respect of each of its Insurances, deliver a duly completed notice of assignment to each other party to that Insurance, and shall use its reasonable endeavours to procure that each such party executes and delivers to SFS an acknowledgement, in each case in such form as SFS shall require; and
  - 5.4.3 in respect of each Relevant Contract, deliver a duly completed notice of assignment to each other party to that Relevant Contract and shall use its reasonable endeavours to procure that each such party executes and delivers to SFS an acknowledgment, in form and substance satisfactory to SFS.
- 5.5 SFS is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

## **6. FLOATING CHARGE**

- 6.1 Each Chargor charges and agrees to charge by way of first floating charge all of its present and future:
- 6.1.1 assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge pursuant to clause 5.1 or assigned pursuant to clause 5.2 or any other provision of this Deed; and
  - 6.1.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## **7. CONVERSION OF FLOATING CHARGE**

- 7.1 SFS may, by written notice to the Chargors, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of the Chargors specified in the notice if:
- 7.1.1 an Enforcement Event has occurred and is continuing; or
  - 7.1.2 SFS considers any Security Assets to be in danger of being seized or sold under any form of distress, commercial rent arrears recovery, attachment, execution or other legal process or to be otherwise in jeopardy.
- 7.2 The floating charge created under this Deed by each Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargors.
- 7.3 The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:
- 7.3.1 in relation to any Security Asset which is subject to a floating charge if:
    - 7.3.1.1 any Chargor creates (or attempts or purports to create) any Security (other than Permitted Security) on or over the relevant Security Asset without the prior written consent of SFS; or
    - 7.3.1.2 any third party levies or attempts to levy any distress, commercial rent arrears recovery, execution, attachment or other legal process against any such Security Asset; and
  - 7.3.2 over all Security Assets of the Chargors which are subject to a floating charge if an administrator is appointed in respect of the Chargors or SFS receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).
- 7.4 Clause 7.3 will not apply to any Security Assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.
- 7.5 The giving of a notice by SFS pursuant to clause 7.1 in relation to any asset or class of assets of the Chargors shall not be construed as a waiver or abandonment of the rights of SFS to serve similar notices in respect of any other asset or class of assets or of any other right of SFS.

## **8. CONTINUING SECURITY**

- 8.1 The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.
- 8.2 This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which SFS may at any time hold for any Secured Obligation.
- 8.3 This Deed may be enforced against the Chargors without SFS first having recourse to any other right, remedy, guarantee or Security held by or available to it.

## **9. LIABILITY OF THE CHARGORS RELATING TO THE SECURITY ASSETS**

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. SFS is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

## **10. REPRESENTATIONS**

- 10.1 Each Chargor makes the representations and warranties set out in this clause 10 to SFS.
- 10.2 No Security or Quasi-Security exists over all or any of the present or future Security Assets of a Chargor other than Permitted Security.
- 10.3 The Debenture Security has or will have first ranking priority and is not subject to any prior ranking or pari passu ranking Security.
- 10.4 Each Chargor is the sole legal and beneficial owner of all of the Security Assets identified against its name in part 2 of Schedule 2 to this Deed, except in respect of those Charged Securities (if any) which are stated to be held by a nominee of a Chargor, in which case the relevant Chargor is the beneficial owner only of such Charged Securities.
- 10.5 Schedule 2 to this Deed identifies all freehold and leasehold Real Property which is beneficially owned by each Chargor at the date of this Deed.
- 10.6 The Charged Securities listed in part 4 of Schedule 2 to this Deed are fully paid and constitute the entire share capital owned by the relevant Chargor in the relevant company.
- 10.7 Each Chargor hereby warrants that it is the absolute beneficial owner of the Equipment identified against its name in Schedule 2 to this Deed, free from any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance whatsoever.
- 10.8 All the representations and warranties in this clause 10 are made by each Chargor on the date of this Deed and (except for those in clause 10.5 and clause 10.6) are also deemed to be made by each Chargor every three months after the date of this Deed.
- 10.9 Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

## **11. UNDERTAKINGS BY THE CHARGORS**

- 11.1 No Chargor shall do or agree to do any of the following:
  - 11.1.1 create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed and except for a Permitted Security; or
  - 11.1.2 sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset other than a Permitted Disposal.
- 11.2 If an Enforcement Event is continuing or SFS reasonably suspects an Enforcement Event is continuing or may occur, the Chargors shall permit SFS and/or accountants or other professional advisers and contractors of SFS free access at all reasonable times and on reasonable notice at the risk and cost of the Chargors to (a) the premises, assets, books, accounts and records of the Chargors and (b) meet and discuss matters with those members of the senior management team of the Chargors as SFS may feel appropriate.
- 11.3 Each Chargor shall:
  - 11.3.1 notify SFS within 14 days of receipt of every notice, order, application, requirement or proposal given or made in relation to, the Security Assets by any competent authority, and (if required by SFS):
    - 11.3.1.1 immediately provide SFS with a copy of the same; and
    - 11.3.1.2 either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as SFS may require or approve;
  - 11.3.2 preserve and maintain the Intellectual Property;
  - 11.3.3 pay all rates, rents, and other outgoings owed by it in respect of the Security Assets;
  - 11.3.4 comply with:
    - 11.3.4.1 all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
    - 11.3.4.2 all covenants and obligations affecting any Security Asset (or its manner of use);

- 11.3.5 not, except with the prior written consent of SFS, enter into any onerous or restrictive obligation affecting any Security Asset;
- 11.3.6 provide SFS with all information which it may reasonably request in relation to the Security Assets; and
- 11.3.7 not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).
- 11.4 Each Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and supply certified copies to SFS of any Authorisation required under any law or regulation to enable it to perform its obligations under this Deed.
- 11.5 Each Chargor shall:
  - 11.5.1 unless SFS otherwise confirms in writing, deposit with SFS:
    - 11.5.1.1 all deeds and documents of title relating to the Security Assets; and
    - 11.5.1.2 all local land charges, land charges and the Land Registry search certificates and similar documents received by or on behalf of each Chargor,
 

(each of which SFS may hold throughout the Security Period);
  - 11.5.2 execute and deliver to SFS instruments of transfer in respect of the Charged Securities (executed in blank and left undated) and/or such other documents as SFS shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser); and
  - 11.5.3 immediately on request by SFS, affix to any plant, machinery, fixtures, fittings, computers, vehicles, office equipment, other equipment and other asset for the time being owned by each Chargor (in a prominent position) a durable notice of this Deed (in any form required by SFS).
- 11.6 Each Chargor shall notify SFS immediately upon the acquisition of any estate or interest in any freehold or leasehold property.
- 11.7 Each Chargor shall, in respect of any freehold or leasehold Real Property which is acquired by it after the date of this Deed, the title which is registered at the Land Registry or the title to which is required to be so registered:
  - 11.7.1 give the Land Registry written notice of this Deed; and
  - 11.7.2 procure that notice of this Deed is clearly noted in the Register to each such title.
- 11.8 Each Chargor shall maintain all buildings and erections forming part of the Security Assets in a good state of repair.
- 11.9 Each Chargor shall not, except with the prior written consent of SFS:
  - 11.9.1 confer on any person any lease or tenancy of any of the Real Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
  - 11.9.2 confer on any person any right or licence to occupy any land or buildings forming part of the Real Property; or
  - 11.9.3 grant any licence to assign or sub-let any part of the Real Property.
- 11.10 Each Chargor shall not carry out any development within the meaning of the Planning Acts in or upon any part of the Real Property without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure of, or a change of use of, any part of the Real Property, without first obtaining the written consent of SFS.
- 11.11 Each Chargor shall not do, or permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.
- 11.12 Each Chargor shall permit SFS and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it.
- 11.13 Each Chargor shall grant SFS on request all reasonable facilities within the power of such Chargor to enable SFS (or its lawyers) to carry out investigations of title to the Real Property and to make all enquiries in relation

to any part of the Real Property which a prudent mortgagee might carry out. Those investigations shall be carried out at the expense of such Chargor.

- 11.14 As soon as reasonably possible upon demand by SFS, each Chargor shall at its own expense provide SFS with a report as to title of such Chargor to its Real Property (concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature).
- 11.15 No Chargor shall, except with the prior written consent of SFS, amend or waive any term of any Relevant Contract, terminate any Relevant Contract or release any other party from its obligations under any Relevant Contract.
- 11.16 Each Chargor shall duly perform its obligations under each Relevant Contract, shall notify SFS of any material default by it or any other party under any Relevant Contract and shall not take any action which will reduce or impede recoveries in respect of any Assigned Asset.
- 11.17 Each Chargor shall provide to SFS, as soon as practicable upon receipt, copies of all notices and information received by it from any other party to any Relevant Contract.
- 11.18 After this Debenture Security has become enforceable, SFS may complete the instrument(s) of transfer for all or any Charged Securities on behalf of a Chargor in favour of itself or such other person as it may select.
- 11.19 At any time when any Charged Security is registered in the name of SFS or its nominee, SFS shall be under no duty to:
  - 11.19.1 ensure that any dividends, distributions or other monies payable in respect of such Charged Security are duly and promptly paid or received by it or its nominee; or
  - 11.19.2 verify that the correct amounts are paid or received; or
  - 11.19.3 take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Security.
- 11.20 During the continuance of this Debenture Security, each Chargor shall:
  - 11.20.1 at all times pay the rents, rates, assessments, charges, impositions, outgoings and taxes in respect of the Real Property and shall punctually pay all licence fees, duties, registration charges and all outgoings of whatsoever nature in respect of the Equipment and shall keep or cause the Equipment to be kept from being distrained for recovery of the same or from being taken under any execution, commercial rent arrears recovery, liens or other legal process and shall at all times promptly following demand procedure to SFS or its authorised agents the receipt for such payments and in default thereof it shall be lawful (but not obligatory) for SFS to pay and discharge such sums which at any time may be or become due, assessed or payable in respect of the Real Property or the Equipment and each Chargor shall repay the same to SFS on demand;
  - 11.20.2 except as may be agreed in writing by SFS, keep the Equipment in its sole and exclusive possession and at the location specified in Schedule 2 to this Deed and shall not in any event take the Equipment out of England and Wales and shall not use nor permit the Equipment to be used for any purpose for which the Equipment is not designed or reasonably suitable;
  - 11.20.3 before removing any of the Equipment from the Real Property, provide written notice to SFS:
    - 11.20.3.1 specifying the Equipment which the relevant Chargor intends to remove from the Real Property; and
    - 11.20.3.2 specifying the new location to which the Equipment is to be moved, including a full postal address and postcode;
  - 11.20.4 not use nor permit the Equipment to be used in any way contrary to law and shall comply with the requirements of any law so far as the same relate to or affect the Equipment or the user thereof and shall forthwith execute or cause to be executed all works that are thereby required by any law to be executed upon or in connection with the Equipment;
  - 11.20.5 promptly on demand supply SFS with any information in connection with the Equipment which SFS may reasonably require and forthwith produce to SFS the original of any order, direction, requisition, permission, notice or any matter whatsoever affecting or likely to affect the Equipment and served upon such Chargor by any third party and shall forthwith at such Chargor's own cost comply with the same and shall if so required by SFS at such Chargor's own

cost make or join in making such objections or representations against or in respect of the contents of any such document as SFS shall deem expedient;

- 11.20.6 indemnify SFS and any Receiver appointed by SFS hereunder against all claims, demands, liabilities and costs made or incurred or proceedings brought in respect of any loss, damage or injury whatsoever arising out of or in connection with the Equipment, its manufacture, selection, delivery, possession, use or operation;
- 11.20.7 keep the Equipment and any part thereof in good repair and in good working order and condition (fair wear and tear excepted) and permit SFS or any person nominated by SFS at all reasonable times and on reasonable notice to enter upon the Real Property and view the state of the Equipment and each Chargor shall carry out such modifications thereto as SFS shall consider necessary;
- 11.20.8 insure and keep insured the Equipment with an acceptable to SFS to its full replacement value against all usual comprehensive risks of loss or damage to the Equipment and on such other terms as SFS may from time to time direct. Each Chargor shall (at the option of SFS) insure the Equipment in the joint names of such Chargor and SFS or cause notice of the interest of SFS to be noted on the policies. All moneys which may at any time hereafter be received or receivable under any insurance in respect of the Equipment, whether or not effected pursuant to the foregoing provision, shall be applied in replacing, restoring or reinstating the Equipment destroyed or damaged or in such other manner SFS shall direct;
- 11.20.9 effect a policy or policies of insurance in the joint names of each Chargor and SFS as their respective interests may appear for such amount and in such form as SFS may require against (inter alia) legal liability to third parties (including governments or other authorities) and their respective dependants who may suffer damage or injury to or loss of life or property arising out of or in connection with the use of the Equipment by a Chargor or any other person for the time being having possession or control of the same and against such risks as may be required by any law;
- 11.20.10 deliver to SFS all policies referred to in clauses 11.20.8 and 11.20.9 if requested by SFS;
- 11.20.11 duly pay the premiums and other sums of money payable in respect of any insurance referred to in clauses 11.20.8 and 11.20.9 and promptly after every such payment produce to SFS the receipt for the same;
- 11.20.12 not in any manner or by any means cause any insurance referred to in clauses 11.20.8 and 11.20.9 to be avoided or lessen or suffer to be lessened the value of the Equipment fair wear and tear excepted;
- 11.20.13 not make any alterations to the Equipment if as a result of such alterations the value of the Equipment is reduced;
- 11.20.14 forthwith notify SFS of the loss or destruction of or any damage to the Equipment; and
- 11.20.15 in the event of a notice being served affecting the Real Property or any part thereof or in the event of any proceedings being commenced affecting the same immediately give full particulars thereof to SFS.

11.21 In respect of the realisation of Receivables, each Chargor shall:

- 11.21.1 without prejudice to clause 11.1 (but in addition to the restrictions in that clause), not, without the prior written consent of SFS, sell, assign, charge, factor or discount or in any other manner deal with any Receivable (in each case other than as agreed with SFS in writing);
- 11.21.2 collect all Receivables promptly in the ordinary course of trading as agent for SFS; and
- 11.21.3 immediately upon receipt pay all Remittances which it receives in respect of the Receivables into:
  - 11.21.3.1 such specially designated account(s) with SFS as SFS may from time to time direct; or
  - 11.21.3.2 such other account(s) with such other bank as SFS may from time to time direct;
- 11.21.4 pending such payment, hold all Remittances so received upon trust for SFS.



- 11.22 Each Chargor shall deal with the Receivables (both collected and uncollected) and Remittances in accordance with any directions given in writing from time to time by SFS and, in default of and subject to such directions, in accordance with this Deed.
- 11.23 Each Chargor shall deliver to SFS such information as to the amount and nature of its Receivables as SFS may from time to time reasonably require.

## **12. POWER TO REMEDY**

- 12.1 If at any time a Chargor does not comply with any of its obligations under this Deed, SFS (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises SFS and its employees and agents by way of security to do all such things (including entering the property of such Chargor) which are necessary or desirable to rectify the default.
- 12.2 The exercise of the powers of SFS under this clause 12 shall not render it liable as a mortgagee in possession.
- 12.3 The relevant Chargor shall pay to SFS on demand any monies which are expended by SFS in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by SFS (both before and after judgment) and otherwise in accordance with clauses 3.3 and 3.4.

## **13. WHEN THIS DEBENTURE SECURITY BECOMES ENFORCEABLE**

- 13.1 This Debenture Security shall become immediately enforceable upon the occurrence of an event of default (howsoever defined) in any financing agreement between SFS and the Client (including but not limited to a Default Event under the Invoice Finance Agreement) and at any time following the occurrence of any of the following events and shall remain so for so long as such event is continuing:
- 13.1.1 If a Chargor has failed to pay all or any of the Secured Obligations or any other amount covenanted to be paid under this Deed, following a demand for payment by SFS.
  - 13.1.2 Any step is taken (including, without limitation, the making of an application or the giving of any notice) by a Chargor or by any other person to appoint an administrator in respect of a Chargor.
  - 13.1.3 Any step is taken (including, without limitation, the making of an application or the giving of any notice) by a Chargor or by any other person to wind up or dissolve a Chargor or to appoint a liquidator, trustee, receiver, administrative receiver or similar officer of the relevant Chargor or any part of its undertaking or assets.
  - 13.1.4 The making of a request by a Chargor for the appointment of a Receiver or administrator.
  - 13.1.5 Any other indebtedness of a Chargor is:
    - 13.1.5.1 not paid when due nor within any applicable grace period;
    - 13.1.5.2 is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
    - 13.1.5.3 any commitment for indebtedness is cancelled or suspended as a result of an event of default (however described).
  - 13.1.6 If a Chargor breaches any of the provisions of this Deed.
  - 13.1.7 A Chargor rescinds or purports to rescind or repudiate or evidences an intention to rescind or repudiate this Deed.
- 13.2 The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Enforcement Event and for so long as such Enforcement Event is continuing.
- 13.3 After this Debenture Security has become enforceable, SFS may in its absolute discretion enforce all or any part of the Debenture Security in such manner as it sees fit.

## **14. ENFORCEMENT OF THIS DEBENTURE SECURITY**

- 14.1 For the purposes of all rights and powers implied by statute, the Secured Obligations and all other amounts covenanted to be paid under this Deed are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

- 14.2 The statutory powers of leasing conferred on SFS are extended so as to authorise SFS to lease, make agreements for leases, accept surrenders of leases and grant options as SFS may think fit and without the need to comply with sections 99 or 100 of the Act.
- 14.3 At any time after the Debenture Security becomes enforceable (or if so requested by a Chargor by written notice at any time), SFS may without further notice (unless required by law):
- 14.3.1 appoint any person (or persons) to be a Receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
  - 14.3.2 appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargors (or if requested to do so by a Chargor, the relevant Chargor); and/or
  - 14.3.3 exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
  - 14.3.4 exercise (in the name of a Chargor and without any further consent or authority of that Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them; and/or
  - 14.3.5 may complete any instrument(s) of transfer for all or any Charged Securities on behalf of a Chargor in favour of itself or such other person as it may select.
- 14.4 SFS is not entitled to appoint a Receiver in respect of any Security Assets which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.
- 14.5 At any time after the Debenture Security has become enforceable, SFS may:
- 14.5.1 redeem any prior Security against any Security Asset; and/or
  - 14.5.2 procure the transfer of that Security to itself; and/or
  - 14.5.3 settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on each Chargor.
- 14.6 All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargors to SFS on demand.
- 14.7 Each Receiver and SFS is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- 14.8 To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargors under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)), each Receiver and SFS shall have the right after this Debenture Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- 14.9 For the purpose of clause 14.8, the value of the financial collateral appropriated shall be such amount as the Receiver or SFS reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.
- 14.10 Neither SFS nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- 14.11 Without prejudice to the generality of clause 14.10, neither SFS nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.
- 14.12 No person (including a purchaser) dealing with SFS or any Receiver or Delegate will be concerned to enquire:
- 14.12.1 whether the Secured Obligations have become payable; or

- 14.12.2 whether any power which SFS or the Receiver is purporting to exercise has become exercisable;  
or
- 14.12.3 how any money paid to SFS or to the Receiver is to be applied.

## **15. RECEIVER**

- 15.1 SFS may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.
- 15.2 If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).
- 15.3 Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and SFS (or, failing such agreement, to be fixed by SFS).
- 15.4 Only monies actually paid by a Receiver to SFS in relation to the Secured Obligations shall be capable of being applied by SFS in discharge of the Secured Obligations.
- 15.5 Any Receiver shall be the agent of the Chargor in respect of which it is appointed. Such Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. SFS shall incur no liability (either to such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

## **16. POWERS OF RECEIVER**

- 16.1 Any Receiver shall have:
  - 16.1.1 all the powers which are conferred on SFS by clause 14.3;
  - 16.1.2 all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
  - 16.1.3 (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
  - 16.1.4 all powers which are conferred by any other law conferring power on receivers.
- 16.2 In addition to the powers referred to in clause 16.1, a Receiver shall have the following powers:
  - 16.2.1 to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
  - 16.2.2 to manage the Security Assets and the business of any Chargor as he thinks fit;
  - 16.2.3 to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
  - 16.2.4 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act and without limitation:
    - 16.2.4.1 fixtures may be severed and sold separately from the Real Property containing them, without the consent of any Chargor;
    - 16.2.4.2 the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
    - 16.2.4.3 any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
  - 16.2.5 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which any Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);

- 16.2.6 to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Chargor or Chargors and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor or Chargors;
- 16.2.7 to take any such proceedings (in the name of any of the relevant Chargors or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- 16.2.8 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- 16.2.9 to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as SFS shall direct);
- 16.2.10 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- 16.2.11 to form one or more subsidiaries of any Chargor, and to transfer to any such subsidiary all or any part of the Security Assets;
- 16.2.12 to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease; and
- 16.2.13 to:
  - 16.2.13.1 give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
  - 16.2.13.2 exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
  - 16.2.13.3 use the name of any Chargor for any of the above purposes.

## 17. APPLICATION OF PROCEEDS

- 17.1 All monies received by SFS or any Receiver after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a Security ranking in priority to the Debenture Security) be applied in the following order:
  - 17.1.1 **First**, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made by SFS or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets.
  - 17.1.2 **Secondly**, in or towards satisfaction of the remaining Secured Obligations in accordance with clause 17.3.
  - 17.1.3 **Thirdly**, in payment of any surplus to any Chargor or other person entitled to it.
- 17.2 If the Debenture Security is enforced at a time when no Secured Obligations or other amounts covenanted to be paid under this Deed are due, SFS or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as SFS may determine).
- 17.3 Subject to clause 17.1, SFS shall apply all payments received in respect of the Secured Obligations or other amounts covenanted to be paid under this Deed, in reduction of any part of the Secured Obligations and/or such amounts in any order or manner which it may determine.
- 17.4 Any such appropriation in accordance with clause 17.3 shall override any appropriation by any Chargor.
- 17.5 All monies received, recovered or realised by SFS under or in connection with this Deed may at the discretion of SFS be credited to a separate interest-bearing suspense account for so long as SFS determines (with interest accruing thereon at such rate (if any) as SFS may determine) without SFS having any obligation to apply such monies and interest or any part of the monies and interest in or towards the discharge of any of the Secured Obligations or other amounts covenanted to be paid under this Deed unless such monies would clear all Secured Obligations and such amounts in full.

## **18. SET-OFF**

- 18.1 Each Chargor agrees that any money from time to time standing to its credit on any account (whether current, deposit, loan or of any other nature whatsoever) with SFS may be retained as cover for and/or applied by SFS at any time and without notice to such Chargor (whether on or before or after the expiry of any fixed or minimum period for which such money may have been deposited) in or towards payment or discharge of the Secured Obligations or other amounts covenanted to be paid under this Deed or, in each case, such part of them as SFS may select.
- 18.2 If SFS exercises any rights in respect of any money as referred to in clause 18.1 (including, without limitation, any rights of set-off, accounting or retention or similar rights) in relation to any liability owed by a Chargor and that liability or any part of it is in a different currency from any credit balance against which SFS seeks to exercise its rights, SFS may use the currency of the credit balance to purchase an amount in the currency of the liability at Siemens Financial Services GmbH mid-market rate of exchange ruling in London on the relevant date and to pay out of the credit balance all costs, charges and expenses incurred by SFS in connection with that purchase.
- 18.3 SFS shall not be liable for any loss of interest caused by the determination before maturity of any deposits or any loss caused by the fluctuation in any exchange rate at which any currency may be bought or sold by SFS.
- 18.4 Without prejudice to clauses 18.1, 18.2 and 18.3, if any time deposit matures on any account which any Chargor has with SFS at a time within the Security Period when:
- 18.4.1 this Debenture Security has become enforceable; and
  - 18.4.2 no Secured Obligation or other amounts covenanted to be paid under this Deed is due and payable,
- such time deposit shall automatically be renewed for such further maturity as SFS in its absolute discretion considers appropriate unless SFS otherwise agrees in writing.

## **19. DELEGATION**

Each of SFS and any Receiver may delegate, by power of attorney or in any other manner, to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither SFS nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## **20. FURTHER ASSURANCES**

- 20.1 Each Chargor shall, at its own expense, immediately do all acts and execute all documents as SFS or a Receiver may reasonably specify (and in such form as SFS or a Receiver may reasonably require) for:
- 20.1.1 creating, perfecting or protecting the Security intended to be created by this Deed;
  - 20.1.2 facilitating the realisation of any Security Asset; and
  - 20.1.3 facilitating the exercise of any rights, powers and remedies exercisable by SFS or any Receiver or any Delegate in respect of any Security Asset; or
  - 20.1.4 creating and perfecting Security in favour of SFS over any property and assets of such Chargor located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to this Deed.
- This includes:
- 20.1.4.1 the re-execution of this Deed;
  - 20.1.4.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to SFS or to its nominee; and
  - 20.1.4.3 the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, SFS may think expedient.
- 20.2 Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on SFS.

- 20.3 Without prejudice to the generality of clause 20.1, each Chargor will immediately upon request by SFS execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 7 (*CONVERSION OF FLOATING CHARGE*)).

## **21. POWER OF ATTORNEY**

Each Chargor, by way of security, irrevocably and severally appoints SFS, each Receiver and any Delegate to be its attorney to take any action which such Chargor is obliged to take under this Deed, including under clause 20 (*FURTHER ASSURANCES*), which such Chargor has failed to take. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

## **22. PAYMENTS**

- 22.1 Subject to clause 22.2, all payments to be made by each Chargor in respect of this Deed shall be made:
- 22.1.1 in immediately available funds to the credit of such account as SFS may designate; and
  - 22.1.2 without (and free and clear of, and without any deduction for, or on account of):
  - 22.1.3 any set-off or counterclaim; or
  - 22.1.4 except to the extent compelled by law, any deduction or withholding for or on account of tax.
- 22.2 If a Chargor is compelled by law to make any deduction or withholding from any sum payable under this Deed to SFS, the sum so payable by the relevant Chargor shall be increased so as to result in the receipt by SFS of a net amount equal to the full amount expressed to be payable under this Deed.

## **23. CURRENCY CONVERSION**

All monies received or held by SFS or any Receiver under this Deed may be converted from their existing currency into such other currency as SFS or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at Siemens Financial Services GmbH mid-market rate of exchange ruling in London on the relevant date. The Chargors shall indemnify SFS against all costs, charges and expenses incurred in relation to such conversion. Neither SFS nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

## **24. CHANGES TO THE PARTIES**

- 24.1 No Chargor may assign any of its rights or obligations under this Deed.
- 24.2 SFS may assign or transfer all or any part of its rights under this Deed. Each Chargor shall, immediately upon being requested to do so by SFS, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

## **25. MISCELLANEOUS**

- 25.1 If SFS receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee ceases to continue in force and/or the proceeds of sale of any Security Asset, it may open a new account or accounts for any Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- 25.2 As from that time all payments made to SFS will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.
- 25.3 This Deed secures advances already made and further advances to be made.
- 25.4 Each Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of SFS) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] 20[ ] in favour of [ ] referred to in the charges register or their conveyancer."*

- 25.5 Each Chargor:
- 25.5.1 authorises SFS to make any application which SFS deems appropriate for the designation of this Deed as an exempt information document under rule 136 of the Land Registration Rules 2003;
  - 25.5.2 shall use its best endeavours to assist with any such application made by or on behalf of SFS; and
  - 25.5.3 shall notify SFS in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed following its designation as an exempt information document.
- 25.6 Each Chargor shall not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- 25.7 Each Chargor shall promptly make all applications to and filings with Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.
- 25.8 The obligations of each Chargor under this Deed shall not be discharged, impaired or otherwise affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of his obligations, or the Security intended to be granted, under this Deed (without limitation and whether or not known to any Chargor or SFS) including:
- 25.8.1 any time, waiver or consent granted to, or composition with, the Client or other person;
  - 25.8.2 the release of the Client, any other surety or any other person under the terms of any composition or arrangement with any creditor of the Client or such other surety or other person;
  - 25.8.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, the Client, any other surety or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
  - 25.8.4 any incapacity, limitation, death, disability or lack of power, authority or legal personality of or dissolution or change in the members, name or status or constitution of any Chargor, the Client, SFS or any other person;
  - 25.8.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of an Invoice Finance Agreement or any other document or Security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Invoice Finance Agreement or other document or Security;
  - 25.8.6 any unenforceability, illegality or invalidity of any obligation of any person under any Invoice Finance Agreement or any other document or Security; or
  - 25.8.7 any bankruptcy, insolvency, administration, bankruptcy or similar proceedings.
- 25.9 Without prejudice to the generality of clause 25.8, each Chargor expressly confirms that he intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any Invoice Finance Agreement and/or any facility or amount made available by SFS to the Client and any other variations or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.
- 25.10 Each Chargor waives any right he may have of first requiring SFS (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before exercising any right under this Deed. This waiver applies irrespective of any law or any provision of an Invoice Finance Agreement to the contrary.
- 25.11 Until the Secured Obligations have been irrevocably paid in full, SFS may refrain from applying or enforcing any other monies, Security or rights held or received by SFS (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as he sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same.
- 25.12 Until the end of the Security Period and unless SFS otherwise directs, no Chargor shall exercise any rights which he may have by reason of performance by him of its obligations under this Deed:
- 25.12.1 to be indemnified by the Client;

- 25.12.2 to claim any contribution from any other Chargor, any guarantor of the Client's obligations under the Invoice Finance Agreement or any other person giving Security for the Secured Obligations under the Invoice Finance Agreement;
  - 25.12.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of SFS under the Invoice Finance Agreement or of any other guarantee or Security taken pursuant to, or in connection with, the Invoice Finance Agreement by SFS;
  - 25.12.4 to bring legal or other proceedings for an order requiring the Client to make any payment, or perform any obligation, in respect of which the Chargor has given Security under this Deed;
  - 25.12.5 to exercise any right of set-off against the Client; and/or
  - 25.12.6 to claim or prove as a creditor of the Client in competition with SFS.
- 25.13 If any Chargor receives any benefit, payment or distribution in relation to such rights he shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to SFS by the Client under or in connection with the Invoice Finance Agreement to be repaid in full on trust for SFS and shall promptly pay or transfer the same to SFS or as SFS may direct for application in accordance with this Deed.

## **26. NOTICES**

- 26.1 All notices, demands and consents must be in writing.
- 26.2 Any notice or demand served by SFS on a Chargor may be delivered in person, by post, email or facsimile to the relevant Chargors' registered office or principal place of business or the address at which the relevant Chargor was last known to have carried on business. A notice or demand will be treated as served:
  - 26.2.1 if delivered in person, at the time of delivery;
  - 26.2.2 if sent by post, 48 hours after the time of posting;
  - 26.2.3 if sent by email or facsimile, at the time of sending.
- 26.3 Any notice served by a Chargor on SFS will be treated as served when it is received by SFS at its registered office or such other address as SFS notifies the Chargors.
- 26.4 All other documents provided under or in connection with this Debenture must be in English.

## **27. CALCULATIONS AND CERTIFICATES**

Any certificate of or determination by SFS specifying the cause, existence or amount of any Secured Obligation due from any Chargor (including details of any relevant calculation thereof) is in the absence of manifest error, conclusive evidence against such Chargor of the matters to which it relates.

## **28. PARTIAL INVALIDITY**

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **29. REMEDIES AND WAIVERS**

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

## **30. AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended only if SFS so agrees in writing and any breach of this Deed may be waived before or after it occurs only if SFS so agrees in writing. A waiver given or consent granted by SFS under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

## **31. COUNTERPARTS**

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



## **32. RELEASE**

- 32.1 Upon the expiry of the Security Period (but not otherwise) SFS shall, at the request and cost of the Chargors, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.
- 32.2 Where any discharge (whether in respect of the obligations of each Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of any Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. SFS may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

## **33. GOVERNING LAW**

- 33.1 This Deed is governed by the laws of England and Wales and the courts of England and Wales will have exclusive jurisdiction to determine any disputes or claims relating to this Deed or its formation (including non-contractual disputes and claims).
- 33.2 For SFS' benefit each Chargor irrevocably submits to the jurisdiction of the relevant courts and agrees that a judgment in any proceedings relating to this Deed by those courts will be conclusive and binding on each Chargor and may be enforced against each Chargor in the courts of any other jurisdiction.

**IN WITNESS** of which this Deed has been duly executed by each Chargor as a deed and duly executed by SFS and has been delivered by each Chargor on the first date specified on page 1 of this Deed.

**SCHEDULE 1: CHARGORS**

<b>Company name</b>	<b>Company number and jurisdiction</b>
C. T. Holdings Limited	05669045, England & Wales
Team Edge Limited	09582960, England & Wales

## SCHEDULE 2: DETAILS OF SECURITY ASSETS

### Part 1: Real property

Registered land				
Chargor Name	Address	Administrative area	Title number	
[ ]	[ ]	[ ]	[ ]	
Unregistered land				
Chargor Name	Address	Document describing the Real Property		
		Date	Document	Parties
[ ]	[ ]	[ ]	[ ]	[ ]

### Part 2: Equipment

Chargor Name	Description	Location	Identification number(s)
	[ ]	[ ]	[ ]

### Part 3: Relevant Contracts

Chargor Name	Date of Relevant Contract	Parties	Details of Relevant Contract
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]

### Part 4: Charged Securities

Chargor Name	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
[ ]	[ ]	[ ]	[ ]	[ ]

EXECUTION PAGE[S]

**Signed** and delivered as a deed on the date )  
stated on page one by **C. T. HOLDINGS** )  
**LIMITED** acting by a director in the presence )  
of a witness: )

Director

JOEL DAVID CHADWICK

Name (Block capitals)

Witness' signature:

Witness' name:

Jane Wilmott

Witness' address:

1 Byrons Drive Timperley Altrincham WA15 6JF

**Signed** and delivered as a deed on the date )  
stated on page one by **TEAM EDGE LIMITED** )  
acting by a director in the presence of a )  
witness: )

Director

JOEL DAVID CHADWICK

Name (Block capitals)

Witness' signature:

Witness' name:

Jane Wilmott

Witness' address:

1 Byrons Drive Timperley Altrincham WA15 6JF

**EXECUTION BY SIEMENS FINANCIAL SERVICES LIMITED**

**Signed** and delivered as a deed on the date )  
stated on page one by **SIEMENS FINANCIAL** )  
**SERVICES LIMITED** acting by two attorneys )  
in the presence of a witness )

Attorney<sup>1</sup>

ANDREW CLARKE

Name (Block capitals)

Attorney<sup>2</sup>

CHRISTOPHER HILLIER

Name (Block capitals)

<sup>1</sup> Attorney Witness' signature:

Attorney Witness' name:

Claire Clarke

Attorney Witness' address:

*c/o Siemens Financial Services Limited, Sefton Park, Bells Hill, Stoke Poges*

*Buckinghamshire, SL2 4JS*

<sup>2</sup> Attorney Witness' signature:

Attorney Witness' name:

Samantha Hillier

Attorney Witness' address:

*c/o Siemens Financial Services Limited, Sefton Park, Bells Hill, Stoke Poges*

*Buckinghamshire, SL2 4JS*