



**Registration of a Charge**

Company name: **ABILITY SERVICES LIMITED**

Company number: **05984762**



X664ISXU

Received for Electronic Filing: **10/05/2017**

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**Details of Charge**

Date of creation: **25/04/2017**

Charge code: **0598 4762 0002**

Persons entitled: **CLYDESDALE BANK PLC**

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 THE ELECTRONIC COPY INSTRUMENT  
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION  
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **OSBORNE CLARKE LLP**



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

Company number: 5984762

Charge code: 0598 4762 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th April 2017 and created by ABILITY SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th May 2017 .

Given at Companies House, Cardiff on 11th May 2017

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

**EXECUTION VERSION**

**DEBENTURE**

dated 25 April 2017

**ABILITY SERVICES LIMITED**

as Chargor

and

**CLYDESDALE BANK PLC**

**OSBORNE CLARKE LLP**

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This Debenture is made as a deed on

25 April

2017

Between:

- (1) **Ability Services Limited** (Company Number: 05984762) whose registered office is at 13 Portland Road, Edgbaston, Birmingham B16 9HN (the "Chargor"); and
- (2) **CLYDESDALE BANK PLC** (the "Bank").

It is agreed as follows:

1. Definitions and interpretation

1.1 **Definitions**

Unless otherwise defined in this Debenture, terms defined in the Credit Agreement shall have the same meanings when used in this Debenture and the following expressions shall have the following meanings:

"**2003 Rules**" mean the Land Registration Rules to the Land Registration Act 2002.

"**Assets**" mean the whole of the property or undertaking (including uncalled share capital) which is or may from time to time be comprised in the property and undertaking of the Chargor.

"**Assigned Asset**" means an asset for the time being comprised within an assignment created by Clause 4 (*Security*), or (with effect from the date of its creation) any assignment created pursuant to a Supplemental Debenture or pursuant to Clause 7 (*Further assurance*).

"**Assigned Contract**" means each contract specified in Part 4 of Schedule 1, and (with effect from the date of the relevant Supplemental Debenture) each contract specified as an Assigned Contract in a Supplemental Debenture.

"**Authorities**" mean all national and local governments, government departments, supranational bodies, local or public authorities, statutory undertakings, states or agencies.

"**Book Debts**" mean:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions), both present and future, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Chargor; and
- (b) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets).

"**Book Debts Account**" means such separate and denominated account or accounts with the Bank as may be specified in writing by the Bank for the purpose of receiving payment of the proceeds of realisation and collection of Book Debts.

"**Cash Collateral Accounts**" means the accounts specified as such in Part 3 of Schedule 1 to this Debenture, and (with effect from the date of the relevant Supplemental Debenture) any accounts specified as Cash Collateral Accounts in a Supplemental Debenture.

"**Charged Property**" means the whole or any part of the property, assets, income and undertaking of the Chargor from time to time mortgaged, charged or assigned, or purported to

be mortgaged, charged or assigned to the Bank pursuant to this Debenture, including, where the context permits, the proceeds of sale or realisation thereof.

**"Contracts"** mean all of the Chargor's rights, title, interest and benefit in and to any licence, consent, agreement or contract in respect of the whole or any part of the Charged Property to which the Chargor is a party from time to time.

**"Credit Agreement"** means the Credit Agreement made between, amongst others, the Chargor and the Bank on or about the date of this Debenture.

**"Debenture Security"** means the Security constituted by this Debenture and any Supplemental Debenture.

**"Default Rate"** means the default rate of interest set out in clause 10.3 (*Default interest*) of the Credit Agreement.

**"Derivative Assets"** mean all stocks, shares, warrants or other securities, rights, dividends, interest or other property accruing, offered, issued or deriving at any time by way of dividend, bonus, redemption, exchange, purchase, substitution, conversion, consolidation, subdivision, preference, option or otherwise attributable to any Securities or any Derivative Assets previously described.

**"Exclusion"** means a legal, valid and binding restriction in respect of any asset held by the Chargor which either precludes absolutely the creation of Security over that asset or requires the prior consent of any third party (other than any member of the Group) to the creation of Security over that asset breach of which restriction would materially impair or destroy property or other rights of the Chargor in relation to or in connection with that asset.

**"FCA"** means the Financial Conduct Authority.

**"Financial Collateral"** shall have the meaning given to that expression in the Financial Collateral Regulations.

**"Financial Collateral Regulations"** mean the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003 No. 3226).

**"Fixed Charge Asset"** means an asset for the time being comprised within a mortgage, fixed charge or assignment by way of security created by Clause 4 (*Security*), or (with effect from the date of its creation) pursuant to a Supplemental Debenture or pursuant to Clause 7 (*Further assurance*).

**"Fixtures"** mean all assets of whatsoever nature, apart from land and buildings, forming part of any freehold or leasehold property owned by the Chargor and deemed by law to be immovable property other than tenant's fixtures.

**"Group"** means the Chargor and its Subsidiaries (if any) from time to time.

**"Hedging Agreement"** means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by the Chargor for the purpose of hedging liabilities and/or risks.

**"Insolvency Act"** means the Insolvency Act 1986 unless otherwise stated.

**"Intellectual Property Rights"** means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Chargor now or in the future in, or relating to:

- (a) any patents, trademarks, 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

- (b) the benefit of all applications and rights to use such assets of each Chargor (which may now or in the future subsist).

**"LPA"** means the Law of Property Act 1925.

**"Nominees"** mean any of the Bank, its agents, nominees and any other person holding the Securities and the Derivative Assets on behalf of the Bank from time to time.

**"Plant and Machinery"** means all plant and machinery, equipment, fittings, installations and apparatus, tools, motor vehicles and all other similar assets (other than Fixtures), wherever they are situated, which are now, or at any time after the date of this Debenture become, the property of the Chargor.

**"Property"** means all estates and other interests in any freehold, leasehold or other immovable property (including, without limitation, all buildings and Fixtures on such property, and the benefit of all covenants given in respect of such property) which are now, or at any time after the date of this Debenture become, the property of the Chargor, but excluding any interest in land in Scotland, and **"Properties"** shall be construed accordingly.

**"Receiver"** means any receiver appointed pursuant to this Debenture, including, for the avoidance of doubt, a receiver and manager, a manager or an administrative receiver.

**"Rights"** mean all of the Chargor's rights, title and interest from time to time in any lease, licence or occupational right whatsoever together with the entire benefit of the Chargor's rights, title and interest from time to time in any renewal of, replacement of or variation to any such lease, licence or occupational right.

**"Satisfied"** means, in relation to an Exclusion, the legal, valid and binding satisfaction or removal of that Exclusion as a result of the granting of consent by, or the agreement of, all relevant third parties.

**"Secured Liabilities"** mean all money, debts, obligations and liabilities from time to time due, owing or incurred by the Obligors or any of them to the Bank or its assignee or successor on any current or other account whatever or otherwise in any manner whatever. In each case under each Finance Document or otherwise (whether present or future, whether alone or jointly with any other person, whether actual or contingent, whether as principal or as surety, whether express or implied, in whatever name, form or style, in whatever currency it is denominated, whether originally owing to the Bank or purchased or otherwise acquired by the Bank, its assignee or successor, or otherwise).

**"Securities"** means all stocks, shares, loan notes, bonds, certificates of deposit, depositary receipts, loan capital indebtedness, debentures or other securities from time to time legally or beneficially owned by or on behalf of the Chargor, together with all property and rights of the Chargor in respect of any account held by or for it as participant, or as beneficiary of a nominee or trustee participant, with any clearance or settlement system or depository or custodian or sub-custodian or broker in the United Kingdom or elsewhere.

**"Security Financial Collateral Arrangement"** shall have the meaning given to that expression in the Financial Collateral Regulations.

**"Supplemental Debenture"** means a supplemental debenture to this Debenture (in form and substance satisfactory to the Bank) creating further assignments, mortgages or charges over the Assets of the Chargor.

## 1.2 **Construction**

- (a) Unless a contrary intention appears, Clause 1.2 (*Construction*) of the Credit Agreement applies to this Debenture, and shall be deemed to be incorporated into this Debenture, *mutatis mutandis*, as though set out in full in this Debenture, with any reference to "this Agreement" being deemed to be a reference to "this Debenture", subject to any other necessary changes.
- (b) Unless a contrary indication appears, any reference in this Debenture to:
  - (i) "administrators" are references to administrators appointed under the Insolvency Act, and include administrators appointed under the out-of-court procedure under the Insolvency Act;
  - (ii) the "Bank", "Chargor" or "Receiver" shall be construed so as to include its successors in title, permitted assigns, permitted transferees and any delegate of any such person;
  - (iii) "costs" means all costs, fees, charges or expenses of whatsoever nature (including, without limitation, legal fees) including, without limitation, disbursements and any VAT to be charged on such costs, charges, expenses and disbursements;
  - (iv) the term "Finance Document" includes all restatements, amendments, modifications, variations and supplements including those providing for further advances. The terms of the other Finance Documents and of any side letters between the Bank and any of the Obligors are incorporated into this Debenture to the extent required to ensure that any purported disposition of any freehold or leasehold property contained in this Debenture is a valid disposition in accordance with Section 2(i) of the Law of Property (Miscellaneous Provisions) Act 1989;
  - (v) the term the "Bank" includes any subsidiary or group company or assignee of the Bank granting or continuing to grant facilities or accommodation to the Chargor;
  - (vi) "receivers" are references to receivers of whatsoever nature including, without limitation, receivers and managers and administrative receivers; and

### 1.3 **Trust**

The perpetuity period for any trusts in this Debenture is 125 years.

### 1.4 **Third Party Rights**

- (a) Unless expressly provided in this Debenture, no express term of this Debenture nor any term implied under it is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it. Notwithstanding any term of any Finance Document, the consent is not required to rescind or vary this Debenture at any time of any person who is not a party to it.
- (b) For the avoidance of doubt, the terms of this Debenture are intended to be enforceable by any Receiver.

## 2. **Covenant to pay**

The Chargor irrevocably and unconditionally covenants with the Bank to pay to the Bank or discharge on demand all the Secured Liabilities when the Secured Liabilities become due.



### 3. Interest

The Chargor shall pay to the Bank interest on the Secured Liabilities to the extent unpaid when due (after as well as before any demand made or judgment obtained or the liquidation or administration of the Chargor) at the Default Rate upon such days as the Bank from time to time may determine, and such interest shall be compounded in the event of it not being paid punctually with quarterly rests in accordance with the usual practice of the Bank but without prejudice to the right to require payment of such interest when due.

### 4. Security

#### 4.1 **General provisions**

All Security created under this Debenture:

- (a) is made with full title guarantee in accordance with the Law of Property Act (Miscellaneous Provisions) Act 1994;
- (b) is continuing security for the payment and discharge of the Secured Liabilities;
- (c) is created in favour of the Bank; and
- (d) is over the Assets other than any subject to an Exclusion unless and until such Exclusion is Satisfied.

#### 4.2 **Mortgaged Property**

The Chargor charges by way of first legal mortgage, the Property specified in respect of the Chargor in Part 1 of Schedule 1 to this Debenture, and all Rights relating to such Property.

#### 4.3 **Other Property**

The Chargor charges, by way of first fixed charge:

- (a) all Property not validly charged in Clause 4.2 (*Mortgaged Property*) and all Rights relating to such Property;
- (b) all easements, rights and agreements in respect of all Property; and
- (c) all proceeds of sale derived from all Property.

#### 4.4 **Contracts**

The Chargor charges, by way of first fixed charge, the Contracts.

#### 4.5 **Book Debts**

The Chargor charges, by way of first fixed charge, the Book Debts.

#### 4.6 **Intellectual Property**

The Chargor charges, by way of first fixed charge, all its Intellectual Property Rights.

#### 4.7 **Plant and Machinery**

The Chargor charges, by way of first fixed charge, the Plant and Machinery.

#### 4.8 **Securities and Derivative Assets**

- (a) The Chargor charges by way of first fixed charge, the Securities specified in Part 2 of Schedule 1 to this Debenture.
- (b) The Chargor charges by way of first fixed charge, all its Securities not charged by Clause 4.8(a).
- (c) The Chargor charges by way of first fixed charge, all Derivative Assets of a capital nature.
- (d) The Chargor charges by way of first fixed charge, all Derivative Assets of an income nature.

#### **4.9 Bank Accounts**

- (a) The Chargor charges by way of first fixed charge each Cash Collateral Account, and all monies standing to the credit of each such account.
- (b) The Chargor charges by way of first fixed charge each Book Debt Account, and all monies standing to the credit of each such account.
- (c) The Chargor charges by way of first fixed charge all present and future bank accounts, cash at bank and credit balances of the Chargor not charged by Clause 4.9(a) or Clause 4.9(b) (excluding those arising on fluctuating accounts) with any bank or other person and all rights relating to or attaching to them (including the right to interest).

#### **4.10 Goodwill**

The Chargor charges by way of first fixed charge, all of its goodwill and uncalled capital for the time being.

#### **4.11 Security Assignments**

- (a) The Chargor assigns absolutely to the Bank all present and future insurances and the proceeds of such insurances.
- (b) The Chargor assigns absolutely to the Bank the benefit of the Assigned Contracts.
- (c) The Chargor assigns absolutely to the Bank the benefit of the Hedging Agreements and any letters of credit issued to it.
- (d) The assignments set out in this Clause 4.11 (*Security Assignments*) and Clause 4.12 (*Accruals etc*) are absolute assignments for the purposes of section 136 LPA and are not made by way of charge only.
- (e) Any Assigned Assets which are not effectively assigned pursuant to this Clause 4.11 (*Security Assignments*) and Clause 4.12 (*Accruals etc*) will instead be charged by way of first fixed charge.

#### **4.12 Accruals etc**

- (a) The Chargor assigns absolutely all rights, money or property accruing or payable to the Chargor now or in the future under or by virtue of a Fixed Charge Asset, except to the extent such rights, money or property are for the time being effectively charged under the provisions of Clauses 4.2 (*Mortgaged Property*) to 4.11 (*Security Assignments*) (inclusive).
- (b) The Chargor charges by way of first fixed charge, its rights now or hereafter to recover any VAT on any supplies made to it relating to the Assets any tax refund, rebate or repayment, and any sums so recovered.

#### 4.13 ***Floating Charge***

- (a) The Chargor charges by way of first floating charge, all of its undertaking and assets whatsoever, wherever situate, whether movable, immovable, present or future, including, without limitation, its uncalled capital for the time being and all of its undertaking and assets referred to above which are, for any reason, not validly charged or assigned pursuant to Clauses 4.2 (*Mortgaged Property*) to 4.12 (*Accruals etc*) (inclusive) of this Debenture.
- (b) The floating charge created by this Debenture is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act.

#### 4.14 ***Exclusion***

The assets subject to the charges and assignments constituted or created pursuant to Clause 4 (*Security*) shall not include any asset from time to time required by the Chargor in order to comply with the relevant appropriate resources requirements applicable to it under COND 2.4 or any other rules or regulations of the FCA.

### 5. Conversion of floating charge

#### 5.1 ***Conversion by notice***

The Bank may by notice to the Chargor convert the floating charge contained in this Debenture into a fixed charge as regards such Charged Property as the Bank may specify (whether generally or specifically) in that notice if: (i) the Bank considers that it would be desirable to do so in order to protect, preserve or supplement the charges over the Charged Property or the priority of those charges, or (ii) the Bank reasonably considers the Charged Property to be in jeopardy in any respect, or (iii) an Event of Default has occurred and is continuing, or both.

#### 5.2 ***Automatic conversion***

If, without the prior written consent of the Bank: (i) the Chargor creates any Security (other than Permitted Security) over any of the Charged Property not expressed to be subject to a fixed charge under this Debenture, or attempts to do so, or (ii) any person levies or attempts to levy any distress, attachment, execution or other legal process against any of such Charged Property, or (iii) any steps are taken for the appointment of, or notice is given of intention to appoint, or a petition is filed or application is made, or a competent court makes an order for the appointment of an administrator, in relation to the Chargor, then the floating charge created by this Debenture over the Charged Property which is the subject of such Security, process, steps or order will automatically, without notice, be converted into a fixed charge as soon as such event occurs.

#### 5.3 ***No conversion as a result of Moratorium***

Notwithstanding any other provision of this Debenture, the floating charge contained in this Debenture may not be converted into a fixed charge solely by reason of the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, as a preliminary to a creditors voluntary arrangement, by an eligible company (as determined by Schedule A1 of the Insolvency Act) under the Insolvency Act.

### 6. Notices of Assignment and Charge

#### 6.1 ***Notices of Assignment***

The Chargor shall promptly give notice (in the case of (a) and (b) below, in the form set out in Schedule 2 to this Debenture, and in the case of (c) and (d) below in such form as the Bank may require) of:

- (a) the assignment of the Assigned Contracts under this Debenture to each counterparty to an Assigned Contract;
- (b) if the Bank so requires, the assignment of its insurance policies under this Debenture to its insurers;
- (c) if the Bank so requires, the charge over its bank accounts with any bank other than the Bank under this Debenture to its account bank; and
- (d) if the Bank so requires, the assignment of any other Assigned Asset to a relevant third party as required by the Bank,

and in each case shall use its reasonable endeavours to procure that each such person executes and delivers to the Bank an acknowledgement of such notice in form and substance satisfactory to the Bank.

## 6.2 ***Notice of Charge***

The Chargor shall, at the request of the Bank and at the Chargor's expense, promptly affix to, or register, endorse or cause to be registered or endorsed on such register and/or documents of title of, such of the Charged Property as the Bank reasonably requires, identifying thereby the charge constituted by or pursuant to this Debenture.

## 6.3 ***Notices to Third Parties***

The Chargor shall, at the request of the Bank and at the Chargor's expense, promptly deliver any notices to any third party having rights or liabilities in or to all or any of the Charged Property as the Bank reasonably requires, notifying thereby the charge constituted by or pursuant to this Debenture, and shall use all reasonable endeavours to procure that each such person executes and delivers to the Bank an acknowledgement of such notice in form and substance satisfactory to the Bank.

## 7. ***Further assurance***

The Chargor shall at any time if required by the Bank and at the Chargor's own expense:

- (a) execute and deliver to the Bank, or carry out, such further Supplemental Debentures, legal or other mortgages, charges, assignments, securities, authorities, documents, acts and things as the Bank in its discretion may require of or in respect of the whole or such part of the Assets as the Bank may specify, in such form as the Bank in its discretion may require, to secure the payment or discharge of the Secured Liabilities or to vest the whole or such part of the Assets in the Bank, its nominee, a Receiver, or in any purchaser from the Bank or a Receiver or to perfect or protect the security created by this Debenture; and
- (b) pending the execution and delivery of any such further Security, hold such Assets upon trust for the Bank or in any other manner required by the Bank subject to the provisions of this Debenture.

## 8. ***Deposit of documents and title deeds***

### 8.1 While the Debenture Security subsists, the Chargor shall deposit with the Bank:

- (a) all deeds and documents of title relating to the Property;
- (b) all stock and share certificates or other documents of title to or representing the Securities (including without limitation the Securities listed in Part 2 of Schedule 1 to this Debenture) and the Derivative Assets (together with duly executed blank transfers) but excluding, unless otherwise requested by the Bank, such certificates or documents in respect of a Dormant Subsidiary; and



10. Dividends, voting rights and Nominees

10.1 ***Dividends and voting rights***

For so long as no Event of Default has occurred and is continuing, the Chargor may:

- (a) subject to Clause 8 (*Deposit of document and title deeds*), receive and retain all dividends, interest and other income deriving from and received by it in respect of the Securities and the Derivative Assets; and
- (b) exercise all voting and other rights and powers attached to the Securities and the Derivative Assets provided that such exercise does not adversely affect the Securities and the Derivative Assets and is not otherwise inconsistent with this Debenture.

10.2 ***Bank's powers of enforcement over the Securities and the Derivative Assets***

- (a) Following the occurrence of an Event of Default which is continuing:
  - (i) the Bank may in its discretion (in the name of the Chargor or otherwise and without any consent or authority on the part of the Chargor) exercise all the powers given to trustees by Section 10(3) and (4) of the Trustee Act 1925 (as amended by Section 9 of the Trustee Investments Act 1961) in respect of those Securities and Derivative Assets subject to a trust;
  - (ii) all dividends, interest and other income forming part of the Securities and Derivative Assets shall, unless otherwise agreed between the Bank and the Chargor, be paid without any set-off or deduction whatsoever to an interest bearing suspense account in the name of the Bank and shall be retained by the Bank until applied as provided in this Debenture as part of the Securities and the Derivative Assets, and any such monies which may be received by the Chargor shall, pending such payment, be held in trust for the Bank;
  - (iii) all voting rights in respect of all Securities and Derivative Assets charged by Clause 4.8 (*Securities and Derivative Assets*) may be exercised (without obligation to do so) by the Bank (or its nominee) in such a manner as it shall (in its absolute discretion) see fit;
  - (iv) (if directed to do so in writing by the Bank) the Chargor shall procure the registration in its books of the transfer of the Securities and the Derivative Assets to the Bank (or its Nominees), the entry of the Bank (or its Nominees) in the register of members of the company or companies which has/have issued the Securities as the holder or holders of the Securities and the Derivative Assets and the issue of new share certificates in respect of the Securities and the Derivative Assets to the Bank (or its Nominees); and
  - (v) upon the accrual, offer, issue or receipt of any Derivative Assets, the Chargor shall deliver or pay to the Bank or procure the delivery or payment to the Bank of all such Derivative Assets or the stock or share certificates or other documents of title to or representing them together with duly executed blank transfers.
- (b) The Bank shall not have any duty as to any Securities or Derivative Assets and shall not incur liability for:
  - (i) ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters in relation to any Securities or Derivative Assets or the nature or sufficiency of any payment whether or not the Bank has or is deemed to have knowledge of such matters; or



The representations and warranties set out in this Clause 12 (*Representations and warranties*) and clause 20 (*Representations*) of the Credit Agreement are given and made on and as of the date of this Debenture, shall survive the execution of this Debenture and are continuing representations and warranties which are deemed to be repeated during the continuance of the security constituted by this Debenture.

**13. General undertakings**

The Chargor gives each of the undertakings contained in this Clause 13 (*General undertakings*) to the Bank and each of the undertakings shall remain in force while the Debenture Security subsists.

**13.1 Negative pledge and Restriction on dealing**

The Chargor shall not do any of the following without the prior written consent of the Bank:

- (a) create or allow to create any Security over any of its Assets;
- (b) sell, lease, licence, transfer, loan or otherwise dispose of any of its Assets (whether by a voluntary or involuntary single transaction or series of transactions); or
- (c) permit or agree to any variation of the rights attaching to the whole or any part of the Charged property,

unless permitted by the Credit Agreement.

**13.2 Compliance with laws**

- (a) The Chargor shall comply in all respects with all laws to which it may be subject.
- (b) In addition to the obligations set out in paragraph (a) above, the Chargor shall comply with all covenants, undertakings, laws and regulations in relation to the maintenance of capital resources and such other matters as may be set out under MIPRU (Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries) and threshold condition 4 of the FCA Handbook ("Chapter 4") and provide to the Bank certified copies of all the Retail and Mediation Activity Returns as provided by the Chargor to the FCA in accordance with its capital resource requirements under Chapter 4 or any other of the FCA's regulations and a report of the measures adopted by the Chargor to ensure it complies with the capital resources requirements applicable to it under Chapter 4 or any other of the FCA's regulation relating to compliance with the capital resources requirements.

**13.3 Insurance**

The Chargor shall:

- (a) supply on request copies of each of its policies of insurance together with the current premium receipts relating to each such policy;
- (b) ensure that the interest of the Bank is noted on all its insurance policies in respect of its Charged Property from time to time;
- (c) duly and punctually pay all premiums and any other moneys necessary for maintaining its insurance policies in full force and effect. If the Chargor at any time fails to pay any such premiums or other moneys, the Bank may pay such premiums and other moneys and the Chargor shall reimburse the Bank for the amount of such premiums and other moneys within three Business Days of demand; and



- (d) not, without the prior written consent of the Bank, do any act or commit any default which might prejudice the insurance policies, including, without limitation, any act or default whereby the insurance policies might become void or voidable.

#### **13.4 Insurance monies**

- (a) Any monies received by virtue of any insurance relating to the whole or any part of the Charged Property (whether effected pursuant to this Debenture or otherwise) shall be deemed to be part of the Charged Property. The Chargor shall apply all such monies in accordance with the terms of the Finance Documents or, if the Bank in its discretion so requires, towards discharge of the Secured Liabilities.
- (b) The Chargor shall ensure that all such monies referred to in Clause 13.4(a) (*Insurance monies*) which are not paid directly by the insurers to the Bank shall be held by the recipient upon trust for the Bank and be applied by the Chargor in accordance with Clause 13.4(a) (*Insurance monies*).
- (c) This Clause applies whether or not the Debenture Security has become enforceable.

#### **13.5 To repair**

The Chargor shall:

- (a) at all times keep in good and substantial repair and condition (fair wear and tear excepted) all the Charged Property including, without limitation, all buildings, erections and structures on and in the Property;
- (b) keep all Plant and Machinery in good repair, working order and condition (fair wear and tear excepted) and fit for its purpose; and
- (c) where it is uneconomic to repair any part of the Charged Property, replace such property by another similar asset of equal or greater quality and value.

#### **13.6 VAT**

The Chargor shall not, without the express prior written consent of the Bank, exercise any option to waive exemption from VAT in relation to the Charged Property or any part thereof and will provide to the Bank, on demand, such details of the Chargor's registration for VAT purposes as the Bank requires.

#### **13.7 Notices relating to a Chargor**

The Chargor shall immediately notify the Bank in the event of any creditor executing diligence against it or if any distress or execution is levied or enforced against it or any third party debt order or freezing order is made and served on it or any steps are taken (including, without limitation, the making of any application or the giving of any notice) by any person (including, without limitation, the Chargor or its directors or members, or any of them) in relation to potential or actual administration, receivership, winding-up or dissolution.

#### **13.8 To provide information**

The Chargor shall supply to the Bank on demand such information, documents or papers relating to the Charged Property from time to time as the Bank in its discretion may require.

#### **13.9 Intellectual Property Rights**

The Chargor shall, unless it has the prior written consent of the Bank, take prudent steps to preserve the Intellectual Property Rights necessary for the conduct of its business, use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property Rights and not use nor permit the Intellectual Property Rights to be used in a way or

take any step or omit to take any step in respect of the Intellectual Property Rights which may materially and adversely affect the existence or value of the Intellectual Property Rights.

**13.10 Miscellaneous undertakings**

The Chargor shall, unless it has the prior written consent of the Bank:

- (a) punctually pay or cause to be paid all rents, rates, taxes, duties, assessments and other outgoings payable in respect of the Charged Property or any part thereof; and
- (b) not do, cause or permit to be done anything which would cause the value or marketability of any Charged Property to depreciate or be jeopardised or prejudiced (or make any omission which has such an effect).

**14. Costs**

The Chargor shall, within three Business Days of demand, pay to the Bank or the Receiver, or discharge (as the case may be), all costs and expenses (including legal fees) reasonably incurred by any of them in connection with:

- (a) the negotiation, preparation, printing and execution of; and
- (b) any amendment, variation or release (in whole or in part), including the negotiation, preparation, printing and execution of any amendment, variation or release, of; and
- (c) the enforcement of, or preservation of rights under,

this Debenture, on a full and unlimited indemnity basis, together with interest at the Default Rate from the date the relevant cost was expended, incurred or suffered (whichever is the earlier) by the Bank or the Receiver (as the case may be) until full payment or discharge of such cost and such cost shall form part of the Secured Liabilities.

**15. Default**

**15.1 Enforcement**

The Debenture Security shall become enforceable without further notice immediately:

- (a) on the occurrence of an Event of Default which is continuing; or
- (b) if the Chargor requests the Bank to appoint an administrator or a receiver over the whole or any part of its undertaking or assets.

**15.2 Enforcement**

- (a) On and at any time after the Debenture Security becomes enforceable, the Bank will be entitled to enforce all or any part of the Debenture Security in any manner it sees fit, including without limitation by exercising all or any of the powers conferred on a mortgagee by the LPA (as varied or extended by this Debenture), all or any of the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act) and all or any of the rights and powers conferred by this Debenture.
- (b) Without limiting the generality of sub-clause (a) above, on and at any time after the occurrence of an Event of Default which is continuing, the Bank in its absolute discretion may by written notice to the Chargor appropriate (for the purposes of the Financial Collateral Regulations and subject to Clause 15.3 (Financial Collateral) below) any part or the whole of the Financial Collateral secured by this Debenture.

**15.3 Financial Collateral**

- (a) To the extent that any of the Charged Property constitutes Financial Collateral and is subject to a Security Financial Collateral Arrangement created by or pursuant to this Debenture, the Bank shall have the right, at any time to appropriate all or any part of those Assets in or towards the payment or discharge of the Secured Liabilities.
- (b) The value of any Assets appropriated in accordance with this Clause 15.3 (*Financial Collateral*) shall be determined by such method as the Bank may reasonably select (including independent valuation), at the time the right of appropriation is exercised. The Chargor agrees that the methods of valuation provided for in this Clause 15.3 (*Financial Collateral*) are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations.
- (c) To the extent that the Assets constitute Financial Collateral, the Chargor agrees that such Assets shall be held or designated so as to be under the control of the Bank for all purposes of the Financial Collateral Regulations.

#### 16. Statutory power of sale

- 16.1 For the purposes of all powers under this Debenture and implied by statute, and in particular the power of sale under Section 101 of the LPA (Powers incident to estate or interest in a mortgage), the Secured Liabilities will be deemed to have become due immediately on the date of this Debenture and Section 103 of the LPA (Regulation of exercise of power of sale) and Section 93 of the LPA (Restriction on consolidation of mortgages) will not apply.
- 16.2 The statutory powers of leasing conferred on the Bank are extended so as to authorise the Bank to lease, make arrangements for leases, accept surrender of leases and grant options on such terms and conditions as the Bank may in its discretion think fit. The Bank is not obliged to comply with any of the provisions of Section 99 (Leasing powers of mortgagor and mortgagee in possession) and Section 100 (Powers of mortgagor and mortgagee in possession to accept surrenders of leases) of the LPA.
- 16.3 Each of the Bank and the Receiver may exercise the statutory power of sale and the statutory powers of leasing, as amended and varied in the foregoing clauses, and all other statutory powers, in respect of the whole or any part of the Property.

#### 17. Regulatory compliance

Each Party to this Debenture and each administrator or Receiver appointed pursuant to this Debenture undertakes to cooperate with each other in order to comply with any guidance or requirement issued by the FCA after the date of this Debenture in relation to the application or segregation of the proceeds of any enforcement in relation to the Charged Property which the Chargor is required to implement in order for the Chargor to meet its capital resource requirements under MIPRU (Prudential sourcebook for Mortgage and Home Finance Firms and Insurance Intermediaries) and threshold condition 4 of the FCA Handbook.

#### 18. Administrator

At the time that, or at any time after, the Debenture Security becomes enforceable, whether or not the Bank has entered into or taken possession of the whole or any part of the Charged Property pursuant to this Debenture, the Bank may, insofar as permitted by law, at its option and in addition to any right to appoint a Receiver, by writing under the hand of any authorised officer of the Bank, appoint, petition the relevant court to appoint or apply to the court for the appointment of any person to be an administrator of the Chargor under the Insolvency Act and such person shall, from the effective date of such appointment, be an administrator.

19. Receiver

19.1 *Appointment of Receiver*

- (a) At any time that, or at any time after, the Debenture Security becomes enforceable, whether or not the Bank has entered into or taken possession of the whole or any part of the Charged Property pursuant to this Debenture:
  - (i) the Bank may, insofar as permitted by law, at its option, by writing under the hand of any authorised officer of the Bank, appoint any person to be a receiver of the Charged Property and such person shall, with effect from the effective date of such appointment, be a Receiver provided that this provision shall not apply solely by reason of the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, as a preliminary to a creditors voluntary arrangement, by an eligible company (as defined in Schedule A1 of the Insolvency Act) under the Insolvency Act;
  - (ii) the Bank may, from time to time, in similar manner, remove the Receiver and appoint another in his place;
  - (iii) the Bank may, either at the time of appointment or at any time thereafter, fix the remuneration of the Receiver (excluding for the purposes of this Clause the limitation set out in Section 109(6) LPA (Appointment, powers, remuneration and duties of receivers));
  - (iv) the Bank and any Nominee wherever situate may, without further notice and without the restrictions contained in Section 103 of the LPA (Regulation of exercise of power of sale), exercise in respect of all or any part of the Securities and the Derivative Assets all the powers and rights exercisable by the registered holder of the Securities and the Derivative Assets and all other powers conferred on mortgagees by the LPA as varied or extended by this Debenture; and
  - (v) the Bank and any Nominee wherever situate may apply any dividends, interest or other payments received or receivable by the Bank or by such Nominee in respect of the Securities and the Derivative Assets as if they were proceeds of sale.
- (b) None of the restrictions imposed by the LPA in relation to the appointment of receivers, the giving of notice or otherwise shall apply.
- (c) The Receiver may from time to time delegate, by power of attorney or otherwise, to any person any of his powers and discretions, whether arising by statute, the provisions of this Debenture or otherwise, upon such terms and for such periods of time as he may in his discretion think fit and may from time to time terminate any such delegation. Neither the Bank nor any Receiver shall be liable to the Chargor for any loss or damage arising from any such delegate's act, default, neglect or misconduct of any nature whatsoever.

19.2 *Powers of Receiver*

The Receiver has all the powers to do or abstain from doing anything which the Bank or the Chargor could do or abstain from doing in relation to the Charged Property including, without limitation the powers conferred by Section 109 of the LPA (Appointment, powers, remuneration and duties of receivers) and, in the case of a Receiver who is an administrative receiver, the powers conferred by Section 29 of the Insolvency Act (Definitions) and Schedule 1 to the Insolvency Act (Powers of administrator or administrative receiver), and in particular the Receiver may:

(a) *Possession*

take immediate possession of, get in and collect the Charged Property or any part thereof;

(b) *Carry on business*

carry on, manage or concur in carrying on or managing the whole or any part of the business of the Chargor as he in his discretion may think fit;

(c) *Protection of assets*

(i) manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Charged Property or concur in so doing;

(ii) commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on the Property;

(iii) apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences,

in each case as he in his discretion may think fit;

(d) *Realisation of assets*

sell, exchange, convert into money and realise the Charged Property or concur in so doing by public auction or private contract and generally in such manner and on such terms as he in his discretion may think fit. Without prejudice to the generality of the foregoing, he may do any of these things for any valuable consideration, whether full market value or otherwise, including, without limitation, cash, shares, stock, debentures or other obligations. Any such consideration may be payable in a lump sum or by instalments spread over such period as he in his discretion may think fit;

(e) *Let, hire or lease*

(i) let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;

(ii) grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Charged Property;

(iii) exchange or concur in exchanging the Charged Property;

in each such case in such manner and generally on such terms as he may in his discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of the relevant Chargor or otherwise;

(f) *Registration*

use the Chargor's name to effect any registration or election for tax or other purposes;

(g) *Insurances*

effect, review or vary insurances;

(h) *Borrowing*

for the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Debenture or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, raise and borrow money or incur any other liability either unsecured or secured on the Charged Property, either in priority to the Debenture Security or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed;

(i) *Lending*

lend money to any person;

(j) *Advance credit*

advance credit, in the ordinary course of the Chargor's business, to any person;

(k) *Make calls*

make, or require the directors of the Chargor to make, such calls upon the shareholders of the Chargor in respect of any uncalled capital of the Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of the Chargor or the Receiver as the Receiver in his direction may think fit) or otherwise;

(l) *Compromise*

- (i) settle or compromise any claim by, adjust any account with, refer to arbitration any dispute with, and deal with any question or demand from, any person who is, or claims to be, a creditor of the Chargor, as he may in his discretion think fit; and
- (ii) settle or compromise any claim, adjust any account, refer to arbitration any dispute and deal with any question or demand relating in any way to the Charged Property, as he in his discretion may think fit;

(m) *Proceedings*

in the name of the Chargor, bring, prosecute, enforce, defend or abandon all such actions, suits and proceedings in relation to the Charged Property as he in his discretion may think fit;

(n) *Subsidiaries*

- (i) promote the formation of any subsidiary of the Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Charged Property;
- (ii) arrange for the purchase, lease, licence or acquisition of an interest in the Charged Property by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and

- (iii) arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit;
- (o) *Employees*

appoint and discharge any manager, officer, agent, professional adviser, employee and any other person, upon such terms as he in his discretion may think fit;
- (p) *Receipts*

give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Charged Property;
- (q) *Environment*

conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions, whether required under Environmental Law or by the Bank or otherwise and comply with all lawful orders and directives of all Authorities regarding Environmental Law;
- (r) *Delegation*

delegate any or all of his powers in accordance with this Debenture; and
- (s) *General powers*

do all such other acts and things as the Receiver in his discretion may consider to be incidental or conducive to any of the matters or powers set out in this Debenture or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property.

### **19.3 *Receiver as agent of the Chargor***

The Receiver is at all times and for all purposes the agent of the Chargor over which, or over the assets of which, he is appointed. Subject to the provisions of the Insolvency Act, the Chargor is solely responsible for all the Receiver's and the Receiver's delegates' acts, defaults, neglect and misconduct of any nature whatsoever and for his remuneration and costs, to the exclusion of liability on the part of the Bank.

### **19.4 *No obligation***

The Receiver is not obliged to exercise any nor all of the powers set out in this Clause 19.

### **19.5 *Several power***

Where more than one Receiver is appointed, each Receiver has the power to act severally unless the Bank specifies otherwise in the appointment of such Receiver.

### **19.6 *Powers exercisable by the Bank***

- (a) The Bank may exercise all powers granted to the Receiver by this Debenture, whether as attorney of the Chargor or otherwise.
- (b) The powers of the Receiver set out above are in addition to, and without prejudice to, all statutory and other powers of the Bank as provided in Clause 16 (*Statutory power of sale*) or otherwise and so that, inter alia, such powers are and remain exercisable by the Bank in respect of that part of the Charged Property in respect of which no appointment of a Receiver by the Bank is from time to time subsisting.

### **19.7 *Application of proceeds***

The provisions of Sections 99 to 109 inclusive of the LPA are varied and extended to the extent that all monies received by the Receiver shall be applied (subject to the provisions of the Insolvency Act, in so far as applicable to this Debenture) in the following order:

- (a) in full payment of his remuneration and the costs of realisation including, without limitation, all costs of, or incidental to, any exercise of any power referred to in this Debenture, including, without limitation, all outgoings paid by the Receiver;
- (b) providing for the matters specified in paragraphs (i) to (iii) inclusive of Section 109 (8) of the LPA (Appointment, powers, remuneration and duties of receiver);
- (c) in or towards satisfaction of any debts or other imposts which are by statute made payable in preference to the Secured Liabilities to the extent to which such debts or imposts are made so payable;
- (d) if so required by the Bank in its discretion, in or towards satisfaction of the Secured Liabilities; and
- (e) to the person or persons entitled to any surplus.

20. Protection of third parties

20.1 Any person (including, without limitation, any purchaser, mortgagor or mortgagee) (in this Clause 20 (*Protection of third parties*) a "purchaser") dealing with the Bank or the Receiver may assume without inquiry that:

- (a) some part of the Secured Liabilities has become due;
- (b) a demand for such Secured Liabilities has been duly made, if required; and
- (c) such Secured Liabilities have become due within the meaning of Section 101 of the LPA (Powers incident to estate or interest in a mortgage).

20.2 No purchaser dealing with the Receiver or the Bank is to be concerned to enquire whether any power exercised or purported to be exercised by the Receiver or the Bank has become exercisable, or as to the propriety or regularity of any sale by, or other dealing with, the Receiver or the Bank. Any such sale or dealing is deemed to be within the powers conferred by this Debenture and to be valid and effective accordingly. All the protection to purchasers contained in Section 104 (Conveyance on sale) and Section 107 (Mortgagee's receipt, discharges etc.) of the LPA and Section 42(3) of the Insolvency Act (Prohibition upon enquiry into administrative receiver's powers) apply to any purchaser.

21. No liability as mortgagee in possession

21.1 ***Mortgagee's liability***

Neither the Bank nor the Receiver is:

- (a) liable to account as mortgagee in possession in respect of the Charged Property; nor
- (b) liable for any loss upon realisation or exercise of any power, authority or right of the Bank or the Receiver arising under this Debenture, nor for any act, default, neglect or misconduct of any nature whatsoever.

21.2 ***Possession***

If the Bank or the Receiver enters into possession of the Charged Property, such person may at any time go out of possession at their own discretion.



22. Delegation

22.1 *Power of Attorney*

The Bank or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Debenture.

22.2 *Terms*

Any delegation under Clause 23 (*Power of Attorney*) may be made upon any terms (including power to sub-delegate) which the Bank or any Receiver may think fit.

22.3 *Liability*

Neither the Bank nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

23. Power of attorney

23.1 The Chargor irrevocably and by way of security appoints the Bank, each person deriving title from the Bank and the Receiver, jointly and severally to be its attorney (with full power to appoint substitutes and to delegate) for it, in its name, on its behalf and as its act and deed or otherwise following the occurrence of an Event of Default which is continuing, to sign or execute any deed or document or do any act or thing which the Chargor is, or may become, obliged to sign, execute or do pursuant to this Debenture or which the Bank, the Receiver or any person deriving title from the Bank or the Receiver in the absolute discretion of such person may think fit in connection with the exercise of any of the powers of such person or the realisation of any of the Debenture Security.

23.2 Without prejudice to the generality of the foregoing, the Chargor unconditionally undertakes to the Bank, and separately to the Receiver and to each person deriving title from the Bank or the Receiver, that it shall ratify and confirm anything done or purported to be done by any attorney appointed pursuant to this Clause 23.

24. Cumulative and continuing security

24.1 The Debenture Security constitutes a continuing security to the Bank regardless of the intermediate payment or discharge of the whole or any part of the Secured Liabilities and will not be prejudiced or affected by any act, omission or circumstance which, but for this Clause 24, might affect or diminish their effectiveness.

24.2 The Debenture Security is in addition to, are not in substitution for, are without prejudice to, and do not merge with, any rights whatsoever which the Bank may have, whether in respect of the Secured Liabilities or otherwise, including, without limitation, any rights arising under any other Security, any bill, note, guarantee, contract or applicable rule of law.

24.3 The obligations of the Chargor under this Charge will not be affected by any amendment, variation, restatement or supplement of or to, or any novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by the Bank (in its absolute discretion) of its rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Chargor or any other person.

24.4 Any receipt, release or discharge of the Debenture Security, or of any liability arising under, this Debenture shall not release or discharge the Chargor from any liability which may exist independently of this Debenture to the Bank.

24.5 Where the Debenture Security initially take effect as collateral or further security to any other Security held by the Bank then, notwithstanding any receipt, release or discharge given in

respect of such other Security, this Debenture shall take effect as an independent security for any monies, liabilities or other sums secured by such other Security.

25. Avoidance of payments

25.1 No assurance, security or payment which may be avoided under the law or subject to an order of the court made under any law relating to bankruptcy, insolvency, administration or winding-up, including, without limitation, the Insolvency Act, and no release, settlement or discharge given or made by the Bank on the faith of any such assurance, security or payment, prejudices or affects the right of the Bank:

(a) to recover any monies from the Chargor (including, without limitation, any monies which it is compelled to refund under the Insolvency Act and any costs payable by it incurred in connection with such process); or

(b) to enforce the Debenture Security to the full extent of the Secured Liabilities, and

where any payment has been so received it will not be considered to have been paid for the purposes of this Debenture or for reduction or discharge of the Secured Liabilities.

25.2 The Bank, at its discretion, may retain the Debenture Security as security for the Secured Liabilities for a period of one month plus any statutory period within which any such assurance, security or payment can be avoided or invalidated, notwithstanding any release, settlement, discharge or arrangement given or made by it.

25.3 If at any time within the period referred to in Clause 25.2 (*Avoidance of Payments*) any person takes any step whatsoever relating to (i) the winding-up or administration of the Chargor or (ii) any arrangement with the creditors of the Chargor, then the Bank may retain the whole or any part of the Debenture Security for such further period as the Bank may in its discretion think fit. Such Security will be deemed to have been held and to have remained held by the Bank as security for the payment of the Secured Liabilities.

26. Prior charges

26.1 If there subsists any prior Security against the Charged Property and either any step is taken to exercise any power or remedy conferred by such Security or the Bank or the Receiver exercises any power of sale pursuant to this Debenture, then the Bank may redeem such prior Security or procure the transfer of such Security to itself and may settle and pass the accounts of the person entitled to such Security. Any accounts so settled and passed are conclusive and binding on the Chargor.

26.2 The Chargor shall reimburse the Bank for any costs incurred by the Bank in exercise of its rights under this Clause 26 (*Prior charges*).

27. Opening a new account

27.1 If the Bank receives notice of any subsequent Security affecting the Charged Property, then it may open a new account for the Chargor in its books.

27.2 If the Bank does not open such new account, then, unless it gives express written notice to the contrary to the Chargor, all payments by or on behalf of the Chargor to the Bank will be treated as from time of receipt of notice of such subsequent Security by the Bank as having been credited to a new account of the Chargor and not as having been applied in reduction of the amount of the Secured Liabilities as at the time when the notice was received.

28. Suspense account

The Bank may, in its discretion, credit to any suspense or impersonal account and hold in such account, on such terms as the Bank in its discretion may think fit, all monies received, recovered or realised by the Bank pursuant to this Debenture (including, without limitation, the

proceeds of any conversion of currency) pending the application from time to time (as the Bank may effect in its discretion) of such monies and accrued interest, if any, in or towards satisfaction of the Secured Liabilities.

29. Changes to the Parties

29.1 The Chargor shall not be entitled to assign, transfer, novate or dispose of all or any part of, or any interest in, its rights, benefit or obligations under this Debenture.

29.2 The Bank may assign, transfer, novate or dispose of all or any part of, or any interest in, its rights and obligations under this Debenture to any person to whom it assigns, transfers, novates or disposes of all or any part of the Secured Liabilities. The Chargor will enter into such documentation as the Bank may reasonably require to give effect to any assignment, transfer, novation or disposal permitted by this Clause 29.

30. Currency

30.1 All monies received or held by the Bank or any Receiver in respect of the Secured Liabilities may be converted from time to time after demand has been made, into such other currency as the Bank in its absolute discretion considers necessary or desirable to cover the obligations and liabilities actual or contingent of the Chargor in that other currency at the Bank's prevailing exchange rate for purchasing that other currency with the existing currency.

30.2 Neither the Bank nor any Receiver shall be liable to the Chargor for any loss resulting from any fluctuation in exchange rates before or after the exercise of any of its or their powers or rights under this Debenture.

30.3 No payment to the Bank (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Bank shall have received payment in full in the currency in which such obligation or liability was incurred and, to the extent that the amount of any such payment, on actual conversion into such currency, shall fall short of such obligation or liability actual or contingent expressed in that currency, the Bank shall have a further separate cause of action against the Chargor and shall be entitled to enforce the security constituted by this Debenture to recover the amount of the shortfall and such amount will bear interest at the Default Rate from the date of payment by the Bank until the date of reimbursement.

31. Set-off

The Bank may set off any matured obligation due from the Chargor to it under the Finance Documents (to the extent beneficially owned by the Bank) against any matured obligation owed by it to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. Notices

Clause 30 (*Notices*) of the Credit Agreement is incorporated into this Debenture as if fully set out in this Debenture.

33. Miscellaneous

33.1 Every provision contained in this Debenture shall be severable and distinct from every other provision and if, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

- 33.2 Clause 32 (*Partial Invalidity*), Clause 33 (*Remedies and Waivers*), and Clause 36 (*Counterparts*) of the Credit Agreement apply to this Debenture as though set out in this Debenture in full.
- 33.3 Failure by one or more parties ("**Non-Signatories**") to execute this Debenture on the date of this Debenture will not invalidate the provisions of this Debenture as between the other parties who do execute this Debenture. Any Non-Signatories may execute this Debenture (or a counterpart of this Debenture) on a subsequent date and will thereupon become bound by its provisions.
34. HM Land Registry
- 34.1 The Chargor shall apply in the manner specified by the 2003 Rules to the Land Registry (or will use all reasonable endeavours to assist the Bank in its application to the Land Registry, and in any event will not object to such registration), at the same time as applying to register this Debenture, for registration against the title to the Property of the following restriction:
- "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                      in favour of Clydesdale Bank PLC referred to in the charges register".
- 34.2 The Chargor shall apply in the manner specified by the 2003 Rules to the Land Registry (or will use all reasonable endeavours to assist the Bank in its application to the Land Registry, and in any event will not object to such registration), at the same time as applying to register this Debenture, for registration against the title to the Property of a notice of the obligation of the Bank to make further advances under the terms of the Finance Documents (which obligation is deemed to be incorporated into this Debenture).
35. Release
- 35.1 Subject to Clause 25.2 (*Avoidance of payments*), upon irrevocable discharge in full of the Secured Liabilities the Bank shall, at the request and the cost of the Chargor, release from the Debenture Security and reassign to the Chargor all the Chargor's rights, title, interest and benefit in and to the Charged Property.
- 35.2 Where the Chargor sells or otherwise disposes of an asset to a purchaser which is not a member of the Group, and such sale or disposal is permitted by the terms of the Credit Agreement, the Bank shall, at the request and cost of the Chargor, release from the Debenture Security all the Chargor's rights, title, interest and benefit in and to the asset the subject of the sale or disposal.
36. Governing law
- (a) This Debenture and any dispute, controversy, proceedings, claim or obligation of whatever nature arising out of or in any way relating to it, its subject matter or formation (whether contractual or non-contractual) is governed by and shall be construed in accordance with English law.
- (b) Clause 38 (*Enforcement*) of the Credit Agreement is incorporated into this Debenture as if fully set out in this Debenture, and as though each reference to "this Agreement" was a reference to this Debenture.

In witness whereof this Debenture has been entered into on the date written at the beginning of this Debenture and has been executed and delivered as a deed by the Chargor on the date written at the beginning of this Debenture.

**Schedules**

**Schedule 1**

**The Secured Assets**

**Part 1**

**Property**

Not applicable.

**Part 2**

**Securities**

**Securities**

Name of company in which Securities are held	Securities held

**Part 3**

**Cash Collateral Accounts**

Not applicable.

**Part 4**

**Assigned Contracts**

Not applicable.

**Schedule 2**  
**Notice of Assignment**

To      •[Insurer/Counterparty]  
         •[Address]

Attention: •

2017]

Dear Sirs

**Notice of assignment**

- 1      We refer to the following [insurance policy]/[contract] (the "[Policy]/[Contract]"):   
  
         •[insert details]
- 2      We hereby give you notice that by a debenture dated • 2015 granted by us, [•] (the "Chargor") to Clydesdale Bank PLC (the "Bank") we have assigned absolutely to the Bank all of our rights, title, interest and benefits in and to the [Policy]/[Contract].
- 3      Please note that we are not entitled to agree or cancel or modify the [Policy]/[Contract]\* in any way, except with the Bank's prior written consent; however you may continue to deal directly with us in relation to the [Policy]/[Contract]\* until such time as the Bank gives you written notice that the Debenture has become enforceable in accordance with its terms (an "Enforcement Notice").
- 4      You are hereby authorised and directed:
  - (a)      to comply with all requests (for information or otherwise) and instructions received by you from the Bank without reference to or further authority from us;
  - (b)      [to note on the Policy the interest of the Bank pursuant to the assignment referred to above;]\*\* and
  - (c)      following receipt of notice an Enforcement Notice, to pay all sums payable to us pursuant to the [Policy]/[Contract]\* to such bank account as the Bank may instruct you from time to time and to hold the benefit of the [Policy]/[Contract]\* to the order of the Bank.
- 5      This notice may only be revoked or amended with the prior written consent of the Bank.
- 6      Please confirm by completing the acknowledgement on the enclosed copy of this notice and returning it to the Bank (with a copy to us) that you agree to the above and that:
  - (a)      that up to the date of your acknowledgement of this notice, you have not received any notice of any prior assignments, charges, or other security or third party interests in or to the [Policy]/[Contract]\*, you are not aware of any breach of the terms of the [Policy]/[Contract]\*, and you will notify the Bank promptly if you should do so in the future;
  - (b)      following a receipt of an Enforcement Notice:

- (i) the Bank shall be entitled immediately or at any time thereafter to exercise all our rights, powers and discretions in respect of the [Policy]/[Contract]\*; and
- (ii) you will not permit any sums to be paid to us or to any person pursuant to the [Policy]/[Contract]\* without the prior written consent of the Bank; and
- (c) if you make any attempt to amend, terminate or cancel the [Policy]/[Contract], you will liaise with and notify the Bank and not us.

7 This notice shall be governed by and construed in accordance with English law.

Yours faithfully

For and on behalf of  
•[Chargor]

[On copy]

To •[Bank]  
•[Address]

Attention: •

Dear Sirs,

We acknowledge receipt of the above notice (the "Notice") and confirm that we agree with, and undertake to comply with, its terms, including without limitation the matters set out in Clause 6 of the notice.

For and on behalf of  
•

Dated:

**NOTES:**

\* Delete as appropriate

\*\* Include in notices for insurance policies only

**Signatures**

**The Chargor**

**Executed and Delivered as a Deed**  
for and on behalf of  
**Ability Services Limited**  
by:

)  
)  
)  
)

*NWalt*

\_\_\_\_\_  
Director

*[Signature]*  
\_\_\_\_\_  
Director/Secretary

IN THE PRESENCE OF -  
CHRISTIAN PARKER  
17 CHAFFE CLOSE  
CHILMONDESTON

*[Signature]*

**The Bank**

**Signed for and on behalf of**  
**Clydesdale Bank PLC**  
by its duly authorised signatory

)  
)  
)

\_\_\_\_\_  
Authorised signatory



## Signatures

### The Chargor

**Executed and Delivered as a Deed**  
for and on behalf of  
**Ability Services Limited**  
by:

)  
)  
)  
)

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

### The Bank

**Signed** for and on behalf of  
**Clydesdale Bank PLC**  
by its duly authorised signatory

)  
)  
)



\_\_\_\_\_  
Authorised signatory