



Registration of a Charge

Company name: **STILTZ LIMITED**

Company number: **07375515**



X696MX8B

Received for Electronic Filing: **23/06/2017**

Details of Charge

Date of creation: **16/06/2017**

Charge code: **0737 5515 0001**

Persons entitled: **STILTZ HK LIMITED**

Brief description: **BY WAY OF FIXED CHARGE:- (I) ALL FREEHOLD AND LEASEHOLD PROPERTIES NOW OR IN THE FUTURE OWNED BY THE COMPANY OR IN RESPECT OF WHICH THE COMPANY HAS AN INTEREST; (II) THE COMPANY'S PRESENT AND FUTURE INTELLECTUAL PROPERTY RIGHTS WHICH SUBSIST OR WILL SUBSIST NOW OR IN THE FUTURE IN ANY PART OF THE WORLD**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **WE CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **CLIFTON INGRAM LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7375515

Charge code: 0737 5515 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th June 2017 and created by STILTZ LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd June 2017 .

Given at Companies House, Cardiff on 26th June 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**

DATED

16 June

2017

(1) STILTZ HK LIMITED

-and-

(2) STILTZ LIMITED

DEBENTURE

CLIFTON INGRAM
LLP

22-24 Broad Street
Wokingham
Berkshire
RG40 1BA
DX 33500 Wokingham

DEBENTURE

DATED

16 June

2017

BETWEEN:

- (1) **STILTZ HK LIMITED** a company incorporated and registered in Hong-Kong with registration number 2150312 whose registered office is at Suites 1-3, 16th Floor, Kinwick Centre, 32 Hollywood Road Central, Hong-Kong (the "Seller"); and
- (2) **STILTZ LIMITED** a company registered in England and Wales under company number 07375515 whose registered office is at Building 5, Bay 1 First Avenue, Pensnett Trading Estate, Kingswinford, West Midlands, DY6 7TE (the "Guarantor").

RECITALS

- (A) The Seller and the Buyer (defined below) have agreed to enter into the SPA (defined below) to record the terms of the sale of shares in the capital of Stiltz (Holdings) Limited by the Seller to the Buyer.
- (B) The Guarantor has agreed to guarantee the Buyers obligations to the Seller under the SPA and has entered into the Guarantee (as defined below) with the Seller and has agreed to provide this debenture to the Seller as security for its obligations under the Guarantee.

IT IS AGREED as follows:

1. Definitions

- 1.1 In this Deed the following words and expressions shall have the following meanings:

"Book Debts"	all present and future book and other debts and monetary claims due or owing to the Guarantor and the benefit of all security guarantees and other rights of any nature enjoyed or held by the Guarantor in relation to any of them;
"Buyer"	Stiltz Group Holdings Limited a company registered in England and Wales with company number 10778667 whose registered office is at Building 5, Bay 1 First Avenue, Pensnett Estate, Kingswinford, West Midlands, DY6 7TE;
"Business Day"	a day (not being a Saturday Sunday or a public holiday) upon which banks are open for business in London;
"Charged Property"	all the assets, property and undertaking of the Guarantor charged to the Seller by this Deed (and references to the Charged Property include any part of it);

"Encumbrance"	any mortgage, charge (whether fixed floating legal or equitable) pledge, lien, assignment by way of security or other statutory interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
"Enforcement Event"	has the meaning given to it in Clause 9.1;
"Environmental Law"	all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the environment that affects the Charged Property;
"Guarantee"	the guarantee granted by the Guarantor to the Seller on the same date as this Deed guaranteeing the obligations of the Buyer to the Seller under the SPA;
"Intellectual Property Rights"	the Guarantor's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority form, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
"Investments"	the assets listed at clause 3.1.1.7;
"Properties"	all leasehold and/or freehold properties (whether registered or unregistered) and all commonhold properties now or in the future (and from time to time) owned by the Guarantor or in respect of which the Guarantor has an interest and reference to "Property" shall mean any one of them;
"Secured Liabilities"	all monies, debts and liabilities due under the Guarantee, owing or incurred by the Guarantor to the Seller together with all interest (including, without limitation, default interest) accruing in respect of those monies

or liabilities;

"Security Period"	the period starting on the date of this Deed and ending on the date on which all Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;
"SPA"	the sale and purchase agreement made between the Seller, Cameron Gillespie, James Gillespie, Peter Gillespie and the Buyer on the date of this Deed;
"Stock"	means all stock in trade, raw materials, supplies, work in progress, parts and components and finished goods held, used or owned by the Guarantor.

- 1.2 References in this Deed to Clauses are to clauses of this Deed.
- 1.3 Any headings in this Deed are for convenience only and do not affect the construction of this Deed.
- 1.4 References to any statute or statutory provision include a reference to that statute or statutory provision as from time to time amended extended or re-enacted.
- 1.6 Words importing the singular include the plural words importing any gender include every gender and words importing persons include bodies corporate and unincorporate and (in each case) vice versa.
- 1.7 References to writing or written shall include faxes but not emails.

2. Covenant to Pay

The Guarantor shall on demand pay to the Seller and discharge the Secured Liabilities when they become due.

3. The Security

- 3.1 The Guarantor as continuing security for the payment and discharge of the Secured Liabilities charges with full title guarantee:
 - 3.1.1 by way of fixed charge:
 - 3.1.1.1 all Properties;
 - 3.1.1.2 all buildings fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time on or in the Properties;
 - 3.1.1.3 all present and future interests of the Guarantor not effectively mortgaged or charged under the preceding provisions of this Clause 3 in or over freehold or leasehold property;
 - 3.1.1.5 all present and future equipment plant and machinery,

tools, vehicles, furniture, fittings, computers and other tangible property of the Guarantor together with all spare parts, replacements, modifications and additions thereto;

- 3.1.1.6 all Intellectual Property Rights;
- 3.1.1.7 all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable including in any subsidiary of the Guarantor) for the time being owned (at law or in equity) by the Guarantor including all rights accruing or incidental to those investments from time to time;
- 3.1.1.8 all present and future goodwill and uncalled capital for the time being of the Guarantor;
- 3.1.1.9 the benefit of any licences, consents and authorisations, statutory or otherwise, held or required in connection with the Guarantor's business or the use of any Charged Property and all rights in connection with them;
- 3.1.1.10 all rights interest and claims under all policies of insurance and assurance present or future for the benefit of the Guarantor;
- 3.1.1.11 all present and future rights, licences and guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties;
- 3.1.1.12 all present and future or any monies and credit balances standing to the credit of the Guarantor from time to time with any bank or other financial institution, person or organisation;
- 3.1.1.13 all other existing and future property of the Guarantor not charged in Clauses 3.1.1.1 to 3.1.1.13.

3.1.2 by way of first floating charge:

- 3.1.2.1 the Book Debts;
- 3.1.2.2 the Stock;
- 3.1.2.3 the whole of its undertaking and property assets and rights whatsoever and wheresoever situated present and/or future to the extent not effectively mortgaged charged or assigned under Clauses 3.1.1.1 to 3.1.1.13 inclusive.

3.1.3 without prejudice to the other rights of the Seller under this Deed the floating charge created by the Guarantor under this Deed is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act 1986 (as amended). Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as amended) shall apply to this Deed and the floating charge created by Clause 3.1.2.

4. Restrictions on Dealing

- 4.1 Subject always to clauses 9.4 and 9.5 of the SPA, the Guarantor covenants with and undertakes to the Seller that it shall not without the prior written consent of the Seller:
- 4.1.1 (except for charges in favour of the Seller created under or pursuant to this Deed) create or permit to subsist any mortgage charge or lien on the whole or any part of the Charged Property;
 - 4.1.2 sell, assign, transfer, part with possession or otherwise dispose of (or purport so to do) the whole or any part of or any interest in the Charged Property except in the ordinary course of and for the purposes of carrying on its business but shall not sell transfer or otherwise dispose of any of its undertaking or assets subject to a fixed charge under this Deed;
 - 4.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.
- 4.2 The Guarantor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Seller, or materially diminish the value of any Charged Property or the effectiveness of the security created by this Deed.

5. Covenants

- 5.1 The Guarantor covenants with and undertakes to the Seller that subject to the rights of any prior chargee it shall:
- 5.1.1 keep such parts of the Charged Property as are insurable, comprehensively insured to the Seller's satisfaction acting reasonably against loss or damage by fire and other usual risks and such other risks as the Seller may reasonably require to their full replacement value and procure that the Seller's interests are noted on all policies required under this Clause;
 - 5.1.2 duly and promptly pay all premiums and other monies necessary for maintaining the insurances required under Clause 5.1.1 and on demand produce the insurance policies and premium receipts to the Seller;
 - 5.1.3 apply any insurance monies received in making good the loss or damage in respect of which the money is received;
 - 5.1.4 keep all buildings and all plant, machinery, fixtures, fittings and other effects forming part of the Charged Property in good repair and working order (fair wear and tear excepted);
 - 5.1.5 pay the rents reserved by and observe and perform all the covenants on the part of the lessee contained in the respective leases under which the leasehold properties comprised in the Properties are held from time to time;
 - 5.1.6 inform the Seller promptly of any acquisition by the Guarantor of, or a contract made by the Guarantor to acquire, any freehold, leasehold or other interest in any Property;

- 5.1.7 execute and do all such assurances and things as the Seller may reasonably require for perfecting the security constituted by this Deed and after the monies secured by it shall have become payable for facilitating the realisation of the Charged Property or any part thereof and for exercising all powers authorities and discretions conferred by this Deed upon the Seller or any receiver or administrator (as defined in Clause 10) appointed by the Seller;
- 5.1.8 promptly notify the Seller of any meeting to discuss or any proposal or application for the appointment of an administrator receiver liquidator supervisor of a company voluntary arrangement or similar official in respect of the Guarantor or any of its assets and if any such official is appointed of his appointment.

6. Conversion of the Floating Charge

- 6.1 The Seller may at its sole discretion at any time following the occurrence of an Enforcement Event, by written notice to the Guarantor, convert the floating charge created by Clause 3.1.2 into a fixed charge as regards any part of the Charged Property specified by the Seller in that notice.
- 6.2 The floating charge created by Clause 3.1.2 will automatically and immediately (without notice) convert into a fixed charge over the relevant Charged Property if:
 - 6.2.1 the Guarantor creates or, attempts to create, an Encumbrance or any trust in favour of another person over all or any part of the Charged Property without the Seller's prior written consent;
 - 6.2.2 the Guarantor disposes, or attempts to dispose, of all or any part of the Charged Property other than property subject only to the floating charge while it remains uncrystallised in the ordinary course of business; or
 - 6.2.3 any person levies or, attempts to levy, any distress, attachment, execution or other process against all or any part of the Charged Property;
 - 6.2.4 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge;
 - 6.2.5 a resolution is passed or an order is made for the winding-up, dissolution, administration or reorganisation of the Guarantor; or
 - 6.2.6 the Seller receives notice of the appointment of or a proposal or an intention to appoint an administrator of the Guarantor.
- 6.3 Any asset acquired by the Guarantor after any crystallisation of the floating charge created by Clause 3.1.2 which but for such crystallisation would be subject to a floating charge shall, (unless the Seller confirms in writing to the contrary) be charged to the Seller by way of fixed charge.
- 6.4 The Seller may at any time after any conversion of the floating charge over

any Charged Property into a fixed charge in accordance with Clauses 6.1 and 6.2 reconvert such fixed charge into a floating charge.

- 6.5 Any assets acquired by the Guarantor after the crystallisation of the floating charge created under this Deed that, but for, that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Seller confirms otherwise to the Guarantor in writing) be charged to the Seller by way of first fixed charge.

7. Liability not discharged

- 7.1 The Guarantor's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

7.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Seller that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;

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

7.1.3 any other act or omission that, but for this Clause 7.1, might have discharged, or otherwise prejudiced or affected, the liability of the Guarantor.

- 7.2 The Guarantor waives any right it may have to require the Seller to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Guarantor.

8. Rights and Powers of the Seller

- 8.1 If the Guarantor fails to perform any of its obligations under Clauses 5.1.2, 5.1.3 or 5.1.4 the Seller may take out or renew any insurance or effect such repairs and take such other action as it may deem appropriate to remedy such failure (with power to enter upon the property for that purpose) and recover the premiums and other expenses so incurred from the Guarantor on demand without in any such case becoming liable to account as a mortgagee in possession. If the Guarantor fails to produce an insurance policy or premium receipt as specified in Clause 5.1.2 in respect of any part of the Charged Property the Seller shall be entitled to assume that the Guarantor has made default in insuring it as required by Clause 5.1.1.

- 8.2 At any time after the occurrence of an Enforcement Event:

8.2.1 or at the request of the Guarantor the Seller may, without further notice and without the restrictions contained in Section 103 Law of Property Act 1925 and whether or not it shall have appointed a receiver or an administrator exercise all the powers conferred on mortgagees by the Law of Property Act 1925 as hereby varied or extended and the statutory powers of leasing conferred on the Seller shall be extended so as to authorise the Seller to lease and

make agreements for leases at a premium or otherwise and accept surrenders of leases and grant options as the Seller shall think expedient and without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925 and also exercise the powers hereby conferred either expressly or by reference to an administrator or a receiver and manager or joint receiver and managers appointed hereunder;

8.2.2 all dividends and other distributions paid in respect of the Investments and received by the Guarantor shall be held on trust for the Seller and forthwith paid into an account nominated by the Seller or if received by the Seller shall be retained by the Seller and all voting and other rights and powers attaching to such Investments shall be exercised by or at the direction of the Seller and the Guarantor shall and shall procure that its nominees shall comply with any directions the Seller may in its absolute discretion give concerning the exercise of those right and powers.

8.3 Section 93 of the Law of Property Act 1925 shall not apply to this security or to any security given to the Seller pursuant hereto.

9. Enforcement Event

9.1 This Deed shall be immediately enforceable if:

9.1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Guarantor within 15 days of the due date for payment (whether on demand or at scheduled maturity or by acceleration or otherwise as the case may be); or

9.1.2 the Guarantor is in breach of any of its obligations under this Deed, the Guarantee or under any other agreement between the Guarantor and the Seller and that breach (if capable of remedy) has not been remedied to the satisfaction of the Seller within 5 Business Days of notice by the Seller to the Guarantor to remedy the breach; or

9.1.3 the Guarantor:

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

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

9.1.3.3 the Guarantor ceases to carry on its business or substantially the whole of its business or threatens in writing to carry on the same;

9.1.3.4 an Encumbrance over the property, assets or undertaking of the Guarantor becomes enforceable;

9.1.3.5 the holder of an Encumbrance takes possession or a

receiver or administrative receiver or trustee or similar officer is appointed of all or any part of the property and assets of the Guarantor;

- 9.1.3.6 a petition is presented for the winding up of the Guarantor;
- 9.1.3.7 any order is made or effective resolution passed for the liquidation, winding-up or dissolution of the Guarantor (otherwise than for the purpose of reconstruction on terms previously approved in writing by the Seller);
- 9.1.3.8 an application is presented applying for an administration order against the Guarantor or an administration order is granted against the Guarantor;
- 9.1.3.9 an order is made or a resolution passed for winding up the Guarantor (other than for the purposes of an amalgamation or reconstruction previously agreed in writing by the Seller) or a notice is issued convening a meeting for the purpose of passing any such resolution;
- 9.1.3.10 any judgment or order made against the Buyer is not complied with within ten Business Days or any execution, distress, sequestration or other process is levied or enforced upon or against any of the Guarantor's property or assets;
- 9.1.3.11 anything analogous to and having a substantially similar effect to any of the events specified in clauses 9.1.3.1 to 9.1.3.11;
- 9.1.3.12 the Guarantor passes any resolution or takes any corporate action or a petition is presented or proceedings are commenced or any action is taken by any person for its winding up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues, assets and undertakings; or
- 9.1.3.13 a distress execution attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Guarantor and remains undischarged for seven days.

The events referred to Clauses 9.1.3.1 to 9.1.3.13 (inclusive) shall each be referred to as an "Enforcement Event" for the purposes of this Deed.

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

- 9.1.5 a distress execution attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Guarantor and remains undischarged for seven days.

The events referred to Clauses 9.1.1 to 9.1.5 (inclusive) shall each be referred to as an "Enforcement Event" for the purposes of this Deed.

- 9.2 Upon the occurrence of an Enforcement Event this Deed shall become immediately enforceable and (whether or not the event is continuing) without prejudice to any other rights of the Seller the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Seller may in its absolute discretion enforce all or any part of the security created by this Deed as it sees fit.

10. Appointment of Receiver or Administrator

- 10.1 In this Deed any reference to a receiver shall be deemed to include a reference to one or more receivers, to a receiver and manager (or one or more of them) and any reference to an administrator shall be deemed to be to an administrator appointed to manage the affairs business and property of the Guarantor pursuant to Clause 10.6.
- 10.2 At the request of the Guarantor or at any time after the occurrence of an Enforcement Event the Seller may appoint by written notice a receiver of the Charged Property upon such terms as to remuneration and otherwise as it shall think fit and may from time to time remove any receiver (as the case may be) so appointed and appoint another in his place.
- 10.3 A receiver so appointed shall be the agent of the Guarantor until the Guarantor goes into liquidation and the Guarantor shall be solely responsible for such receiver's acts and defaults and for his remuneration costs charges and expenses to the exclusion of liability on the part of the Seller. On liquidation of the Guarantor the receiver shall be acting as principal and not as agent for the Seller.
- 10.4 The Seller may whether or not there are still monies outstanding secured upon the Charged Property by written notice return to the control of the directors any of the Charged Property specified in the said notice over which a floating charge hereunder has become fixed. Upon receipt of such notice by the Guarantor the property so specified shall cease to be subject to a fixed charge and shall again become subject to a floating charge under the terms of this security. For this purpose the Seller may by written notice remove and not re-appoint any receiver appointed hereunder from all or any part of the Charged Property but unless such notice otherwise provides the removal of a receiver hereunder (whether or not another receiver or administrator is appointed in his place) shall not of itself cause any charge to refloat.
- 10.5 The power to appoint a receiver (whether construed by this Deed or by statute) shall be and remain exercisable by the Seller notwithstanding any prior appointment in respect of all or any part of the Charged Property.
- 10.6 The Seller may without notice to the Guarantor appoint any one or more persons to be an administrator of the Guarantor pursuant to Paragraph 14

of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable and any appointment under this Clause shall:

10.6.1 be in writing signed by a duly authorised signatory of the Seller;
and

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

10.7 The Seller may (subject to any necessary approval from the court) end the appointment of an administrator by written notice in accordance with this Clause and appoint under that paragraph a replacement for any administrator whose appointment ends for any reason.

11. Powers of Receiver and Administrator

11.1 A receiver or administrator appointed pursuant to this Debenture shall be entitled to exercise all powers conferred on a receiver by the Law of Property Act 1925 and conferred on an administrator by the Insolvency Act 1986 in accordance with and to the extent permitted by the laws applicable to the Charged Property and by way of addition to and without limiting those powers such receiver or administrator shall have the power to:

11.1.1 take immediate possession of, get in and collect the Charged Property or any part thereof and for that purpose to make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights;

11.1.2 manage carry on develop reconstruct amalgamate or diversify or concur in carrying on the business of the Guarantor or any part thereof;

11.1.3 make and effect all repairs and insurances and do all other acts which the Guarantor might do in the ordinary conduct of its business as well for the improvement as for the protection of the Charged Property;

11.1.4 sell and realise all or any part of the Charged Property by public auction or private contract and generally in such manner and on such terms and conditions as he shall think proper including severing and selling plant and machinery or other fixtures separately from the property to which they are annexed and Section 103 Law of Property Act 1925 shall not apply to this Deed or to any sale made hereunder;

11.1.5 call up all or any portion of the uncalled capital of the Guarantor;

11.1.6 give valid receipts for all monies and execute and do all assurances and things which he may consider proper or desirable for realising the Charged Property;

11.1.7 use the name of the Guarantor for all or any of the said purposes

and in any legal proceedings with full power to convey any property sold in the name of the Guarantor;

- 11.1.8 raise or borrow money to rank after this security and with the prior written consent of the Seller to rank with or before the Seller and from the Seller or any other person, secured or not upon the Charged Property for the purpose of carrying on the business of the Guarantor or managing or realising all or any of the Charged Property or for remunerating the receiver or administrator (as the case may be) or for any other purpose which may seem expedient to the receiver or administrator for the better exercise of his powers hereunder;
- 11.1.9 if there shall be any building works or other developments on the Charged Property which shall remain unfinished, continue and/or complete the said building works or development in such manner as he shall think fit;
- 11.1.10 demolish existing building and/or commence any new building works or development of the Charged Property and continue and/or complete the same in such manner as he shall think fit;
- 11.1.11 make and effect repairs improvements maintenance works and renewals of or to any Property and its contents;
- 11.1.12 sell, let and accept surrenders of leases or tenancies of any Property in such manner and on such terms and conditions as he thinks fit and without the restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925 and to carry any sale, letting or surrender into effect by conveying, leasing, letting or accepting surrenders in the name of or on behalf of the Guarantor or otherwise. Any consideration for such sale, leasing, letting or surrender may be by cash or any other valuable consideration. Plant machinery and other fixtures may be severed and sold separately from any freehold or leasehold property;
- 11.1.13 appoint managers, officers, agents, accountants, clerks, servants, workmen, and others for the said purposes upon such terms as to remuneration or otherwise as he may think proper;
- 11.1.14 make any arrangement, settlement or compromise which he shall think expedient in the interest of the Seller;
- 11.1.15 make such substitutions of or improvements to the equipment of the Guarantor as he may think expedient;
- 11.1.16 sell and assign all or any of the Book Debts in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit;
- 11.1.17 redeem any prior Encumbrance and to settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed will be conclusive and binding on the

Guarantor and the monies so paid will be deemed to be an expense properly incurred by him;

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

11.1.19 do all such other acts and things as he may consider to be incidental or conducive to any of the matters and powers aforesaid and which he may or can lawfully do as agent for the Guarantor.

11.2 After the occurrence of an Enforcement Event the Guarantor shall do all such acts and things and shall execute all such assurances and instruments as any receiver or administrator appointed hereunder in the exercise of any of the powers hereby conferred upon him shall reasonably require.

12. Application of Proceeds

All monies received from any enforcement of this Deed shall be applied in the following order:

12.1 first in payment of all costs, fees, charges, taxes and expenses incurred and payments made by the receiver or administrator in the exercise of all or any of his powers and of and incidental to the appointment of the receiver or administrator together with other outgoings properly payable by the receiver or administrator;

12.2 secondly in payment of the remuneration of the receiver or administrator;

12.3 thirdly in or towards discharge of the Secured Liabilities in such order as the Seller shall determine;

12.4 fourthly the surplus (if any) shall be paid to the Guarantor or any other person entitled to it.

13. Continuing Security

This Deed shall:

13.1 be a continuing security to the Seller notwithstanding any settlement of account or other matter or thing whatsoever unless and until the Seller discharges this Deed in writing;

13.2 not be discharged or affected by any failure of or defect in any agreement given by or on behalf of the Guarantor in respect of any Secured Liability nor by any legal limitation or lack of any borrowing powers of the Guarantor or lack of authority of any person appearing to be acting for the Guarantor or by any other fact or circumstance (whether known or not to the Guarantor or the Seller) as a result of which any Secured Liabilities may be rendered illegal, void or unenforceable by the Seller;

13.3 remain binding on the Guarantor notwithstanding any amalgamation, reconstruction, reorganisation, merger, sale or transfer by or involving the

Seller or its assets and this Deed and all rights conferred on the Seller hereunder may be assigned or transferred by the Seller accordingly;

13.4 be without prejudice and in addition to any other security for the Secured Liabilities (whether by way of mortgage equitable charge or otherwise) which the Seller may hold now or hereafter on all or any part of the Charged Property; and

13.5 be in addition to any rights powers and remedies at law.

Where there is any ambiguity or conflict between the powers conferred on mortgagees, administrators or receivers by statute or common law and those conferred by this Deed the terms of this Deed shall prevail.

14. Power of Attorney

14.1 By way of security the Guarantor irrevocably appoints each of the Seller and any person nominated in writing under the hand of the Seller and any receiver or administrator appointed under this Deed jointly and severally as the attorney of the Guarantor with full power of substitution for the Guarantor and in its name and on its behalf and as its act and deed to execute seal and deliver and otherwise perfect any deed assurance agreement instrument or act which:

14.1.1 the Guarantor is to execute and do under this Deed; and

14.1.2 any attorney may deem proper or desirable in exercising any powers, authorities and discretions conferred by this Deed or by the law on the Seller or any receiver or administrator.

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

15. Costs and Indemnity

15.1 The Guarantor shall, promptly on demand, pay to, or reimburse, the Seller and any receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out of pocket expenses) incurred by the Seller and any receiver in connection with:-

15.1.1 this Deed or the Charged Property;

15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Seller's or a receiver's rights under this Deed; or

15.2.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration

of the Guarantor) at the rate and in the manner specified in the Loan Agreement.

- 15.2 The Seller and every receiver, administrator, attorney, manager, agent or other person appointed by the Seller or any receiver or administrator under this Deed shall be entitled to be indemnified out of the Charged Property in respect of all liabilities and expenses incurred directly or indirectly by any of them in the execution or purported execution of any of the powers authorities or discretions vested in them or him under this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Property and the Seller and any receiver or administrator (as the case may be) may retain and pay all sums in respect of such liabilities and expenses out of any money received under the powers conferred by this Deed.

16. Further Assurances

The Guarantor shall whenever requested by the Seller and at the cost of the Guarantor promptly and in any event within 3 Business Days of such request execute and sign all such deeds and documents and do all such things as the Seller may reasonably require over property or other assets if necessary specified by the Seller for the purpose of perfecting or more effectively providing security to the Seller for the payment and discharge of the monies, obligations and liabilities secured by this Deed.

17. Costs

All reasonable and properly incurred costs, charges and expenses (including legal expenses) incurred by the Seller and all other monies paid by the Seller or any receiver in perfecting or otherwise in connection with this Deed and all costs of the Seller, or the receiver in enforcing or endeavouring to enforce any rights or remedies arising out of or pursuant to this Deed shall be recoverable from the Guarantor as a debt payable on demand (on a full and unlimited indemnity basis) and in the currencies in which they were incurred by the Seller and shall be charged on the Charged Property.

18. Certification

A certificate by the Seller as to the amount of any Secured Liabilities or of any credit balance on any of the Guarantor's accounts with the Seller at any time shall be conclusive unless manifestly incorrect.

19. Notices

- 19.1 All communications between the parties with respect to this Deed shall be in writing in the English language and shall be sufficiently given served or made if sent by first class post facsimile or if delivered by hand to the party to whom it is addressed or if left at the principal or registered office or such other address in England for the time being of the party to be served specified in accordance with this Clause or to or at his or its last known address.
- 19.2 Any such notice shall be deemed to be served at the time when the same is delivered to the relevant address of the party to be served and if served by post on the third Business Day following the day of posting and any notice sent by facsimile shall be deemed to have been served at the time

of dispatch and in proving service of the same it will be sufficient to prove in the case of a letter that such letter was properly pre-paid, addressed and placed in the post and in the case of a facsimile that such facsimile was duly dispatched to a current facsimile number of the address.

- 19.3 Without prejudice to any other permitted mode of service the parties agree that service of any claim form notice or other document for the purposes of any proceedings begun in English courts shall be duly served upon it if sent in accordance with Clause 19.2.

20. Waiver

No failure on the part of the Seller to exercise and no delay on its part in exercising any right or remedy under this Deed or any other document will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Any waiver and any consent by the Seller under this Deed must be in writing and may be given subject to any conditions thought fit by the Seller. Any waiver or consent shall be effective only in the instance and for the purposes for which it is given.

21. Governing Law Amendment and Severability

- 21.1 This Deed shall be governed by and construed in accordance with the laws of England and the Guarantor and the Seller submit to the exclusive jurisdiction of the English Courts.
- 21.2 No amendment of any provision of this Deed shall be effective unless made by a written instrument executed by both parties as a deed.
- 21.3 Each provision of this Deed shall be construed separately and the parties agree and confirm that whilst the provisions of this Deed are considered reasonable if it should be found that the whole or any part of any provision and/or clause may prove to be illegal, unenforceable or go beyond what is reasonable or what a receiver or administrator is entitled to do under the provisions of the Insolvency Act 1986 (as amended):
- 21.3.1 if by deleting part of the wording it would not be void then such deletions shall be made as are necessary to render the relevant clause and/or provision valid and enforceable; and
- 21.3.2 the other provisions of this Deed and the remainder of the provision in question shall continue in full force and effect.

21. Assignment and Transfer

Neither the Guarantor nor the Seller may assign any of their rights or transfer any of their obligations under this Deed or enter into any transaction which would result in any of these rights or obligations passing to another person without the written consent of the other.

22. Compliance with Obligations

It is hereby certified by the Guarantor that this Deed does not contravene any of the provisions of the Guarantor's Memorandum or Articles of Association or any other obligation binding on it and has been executed in accordance therewith.

23. Counterparts

This Deed may be executed in any number of counterparts by the parties on separate counterparts each of which when executed and delivered shall constitute an original but both of which shall together constitute one and the same instrument.

EXECUTED and delivered as a Deed on the date stated at the beginning of it

SIGNED as a DEED not but delivered until
the date stated at the top of page 1
by **STILTZ HK LIMITED**
acting by **CAMERON GILLESPIE**, a director
in the presence of:-

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)
)
)


W Signature
I Name
T Address
N
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S
S Occupation

SIGNED as a DEED not but delivered until
the date stated at the top of page 1
by **STILTZ LIMITED**
acting by **MICHAEL RICHARD LORD**, a director
in the presence of:-

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)
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)
)



W Signature
I Name
T Address
N
E
S
S Occupation


DAMIAN BOARD


HIGGS & SONS SOLUTIONS
3 WATERFRONT BUSINESS PARK
BRIERLEY HILL
WEST MIDLANDS
DY5 1LX

Solicitor

SIGNED as a DEED not but delivered until
the date stated at the top of page 1
by **STILTZ HK LIMITED**
acting by **CAMERON GILLESPIE**, a director
in the presence of:-

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)
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W Signature 
I Name *Chao Sun*
T Address **555 BATTANER RD**
N **JUNLINTAN HIA GDN**
E **11103 KUNSHAN 215300**
S **P.R. CHINA.**
S Occupation *Manager*

SIGNED as a DEED not but delivered until
the date stated at the top of page 1
by **STILTZ LIMITED**
acting by **MICHAEL RICHARD LORD**, a director
in the presence of:-

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W Signature
I Name
T Address
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S Occupation