



Registration of a Charge

Company name: **PHENOLIC LIMITED**

Company number: **07597434**

Received for Electronic Filing: **15/05/2018**



X75ZIVLK

Details of Charge

Date of creation: **09/05/2018**

Charge code: **0759 7434 0006**

Persons entitled: **ROY RICHMOND AND ROBERT GILDERT**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

**ANDREW CAMPBELL, TRETHOWANS LLP (LEGAL
REPRESENTATIVES OF CHARGE)**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7597434

Charge code: 0759 7434 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th May 2018 and created by PHENOLIC LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th May 2018 .

Given at Companies House, Cardiff on 17th May 2018

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



Companies House



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

Date: 9 May 2018

- (1) Phenolic Limited
- (2) Roy Richmond
Robert Gilmond

Debenture

TRETHOWANS

SOLICITORS
The Pavilion
Botleigh Grange Business Park
Hedge End
Southampton
SO30 2AF

PSH

THIS DEBENTURE is made as a Deed on 9th May 2018

PARTIES:

- (1) **PHENOLIC LIMITED**, a company incorporated and registered in England and Wales with company number 07597434 whose registered office is at Unit 51 Llantarnam Industrial Park, Cwmbran, Gwent, NP44 3AW (the **Chargor**); and
- (2) **ROY RICHMOND** of [REDACTED] and **ROBERT GILDERT** of [REDACTED] (together, the **Chargee**).

BACKGROUND

- (A) The **Chargor** has agreed to provide security to the **Chargee** in relation to the payment and discharge of the **Secured Liabilities**.
- (B) This Deed is Security for the payment and discharge of the **Secured Liabilities**.

AGREED TERMS:

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Deed, unless the context otherwise requires, the following words shall have the following meanings:

Book Debts means all book and other debts of any nature whatsoever now or hereafter due or owing to the **Chargor** (including, without limitation, the benefit of all amounts due or owing from any government or governmental agency, whether by way of repayment or refund or otherwise, but excluding amounts standing to the credit of any account of the **Chargor** from time to time with any bank) whether or not the sum is such as would in the ordinary course of business be entered in the books relating to such business and shall include:

- (a) the benefit of (including the proceeds of all claims under) all rights, securities and guarantees of any nature enjoyed or held by the **Chargor** in relation to such debts; and
- (b) all monies becoming payable to the **Chargor** in respect of book debts under or by virtue of any policy of insurance taken out by the **Chargor** against the non-payment of book debts;

Charged Assets means all the property, assets and rights charged under this Deed;

Encumbrance means any mortgage, charge (whether fixed or floating), option, pledge, lien, hypothecation, assignment, trust arrangement, title retention (other than title retention arising in the ordinary course of business as a result of a supplier's standard terms of business) or other right having the effect of constituting security; and any agreement, whether conditional or otherwise, to create any of the foregoing;

Expenses means all costs, charges and expenses (on a full indemnity basis) reasonably and properly incurred by the **Chargee** or any Receiver or administrator at any time in

connection with the Secured Liabilities or in taking or perfecting this Deed or in preserving defending or enforcing the security created by this Deed or in exercising any power under this Deed or any other security held by the Chargee from time to time or otherwise with Interest from the date they are incurred;

Fixed Charged Assets means together all the property, assets and rights charged under Clause 3.1.1; 3.1.2 and 3.1.3;

Floating Charged Assets means all the property, assets and rights charged under sub-Clause 3.1.4);

Group means in respect of any company, any subsidiary or holding company of that company and any subsidiary of any such holding company from time to time (and the expression "**member of the Group**", or any similar expression, shall be construed accordingly);

Insolvency Event means (i) the taking of any action for or with a view to the making of an administration order or the appointment of an administrator in respect of the Chargor or any of its subsidiaries or (ii) the taking of any action for or with a view to the winding-up, dissolution, liquidation reconstruction or reorganisation of the Chargor or any of its subsidiaries or (iii) the Chargor or any of its subsidiaries becomes insolvent or is unable to pay its debts or enters into a voluntary arrangement or other dealing with any of its creditors with a view to avoiding, or in expectation of, insolvency or stops or threatens to stop payments to creditors generally or (iv) an encumbrancer takes possession or an administrative receiver, receiver or manager is appointed of the whole or any material part of the assets of the Chargor or any of its subsidiaries and includes any equivalent or analogous proceeding by whatever name known in whatever jurisdiction;

Intellectual Property Rights has the meaning given in Clause 3.1.3(d);

Interest means interest at the rate of 2% per annum above the base lending rate from time to time of the Bank of England and so that interest shall be computed and compounded as well after as before any demand made or decree or judgment obtained under this Deed;

Loan Agreement means the loan agreement between the Chargor and the Chargee dated on or around the date of this Deed;

LPA means the Law of Property Act 1925;

Nominated Account means any account from time to time nominated by the Chargee as an account into which moneys are to be paid or deposited by the Chargor whether pursuant to this Deed or pursuant to any other agreement or arrangement with regard to such account;

Permitted Security means the fixed and floating charges created on 23 June 2017 in favour of Finance Wales Investments (3) Ltd, the fixed and floating charges created on 8 July 2016 in favour of abn Amro Commercial Finance plc and the rent deposit deed created on 16 November 2012 in favour of Zurich Assurance Ltd;

Receiver means a receiver, receiver and manager appointed pursuant to the provisions of this Deed;

Secured Liabilities means all or any liabilities which are for the time being and from time to time due, owing or payable, or expressed to be due, owing or payable, in whatsoever manner to the Chargee by the Chargor, whether present or future, actual or contingent, and whether incurred solely or jointly, including those due, owing or payable under the Loan Agreement together with Interest and Expenses, and all other charges which the Chargee may charge or incur in respect of any of those matters;

Securities has the meaning given in Clause 3.1.3(a); and

Security means the security constituted by this Deed.

1.2 In this Deed, unless the context otherwise requires:

1.2.1 references to this Deed or to any other agreement or document shall be construed as references to this Deed or, as the case may be, such other agreement or document, in each case as amended, supplemented, restated or novated from time to time;

1.2.2 references to clauses, sub-clauses and schedules are references to the clauses and sub-clauses of, and schedules to, this Deed;

1.2.3 references to a **judgment** shall be construed so as to include any judgment, order, injunction, decree, determination or award of any court or any judicial, administrative or governmental authority or body;

1.2.4 references to a **person** shall include any person, firm, company, corporation, unincorporated body of persons or any state or government or any agency thereof;

1.2.5 references to statutes and other legislation include all modifications, re-enactments and amendments thereof; and

1.2.6 references to times of the day are to London time;

1.2.7 the expressions **Chargor** and **Chargee** where the context admits include their respective transferees, successors and assigns;

1.2.8 words in the singular include the plural and vice versa and words in one gender include any other gender.

1.3 The headings in this Deed are inserted for convenience only and shall be ignored in construing this Deed.

1.4 The Chargor intends this document to be a deed and agrees to execute and deliver it as a deed.

2 **PAYMENT COVENANT**

The Chargor covenants with the Chargee that it will pay and discharge to the Chargee, the Secured Liabilities in accordance with the Loan Agreement or otherwise as and when the same are expressed to be payable or fall due for payment.

3 SECURITY

3.1 The Chargor with full title guarantee and by way of continuing security for the payment and discharge of the Secured Liabilities charges in favour of the Chargee:

3.1.1 by way of first legal mortgage all the freehold and leasehold property of the Chargor (including the property described in Schedule 1) now vested in it together with all buildings and fixtures (including trade and other fixtures and tenants fixtures) and fixed plant and machinery owned by the Chargor and from time to time in or on such property and the proceeds of sale of such assets;

3.1.2 by way of first fixed equitable charge all freehold or leasehold property of the Chargor acquired by the Chargor at any time after the date of this Deed together with all buildings and fixtures (including trade and other fixtures and tenants fixtures) and fixed plant and machinery owned by the Chargor and from time to time in or on any such property and the proceeds of sale of such assets;

3.1.3 by way of first fixed charge:

(a) all stocks, shares, bonds, loan capital and other securities both present and future belonging to the Chargor (including stocks or shares acquired pursuant to scrip dividends) and all rights relating to them (the **Securities**);

(b) all Book Debts;

(c) all the goodwill and uncalled capital of the Chargor both present and future;

(d) all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Chargor or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Chargor or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world (the **Intellectual Property Rights**);

(e) all the Chargor's right, title, interest and benefit in and under or in connection with any contracts or policies of insurance or indemnities taken out now or hereafter by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest, and all claims of whatsoever nature relating thereto and returns of premium in respect thereof; and

- (f) all present and future plant and machinery not otherwise charged under this Clause 3 and all other present and future chattels of the Chargor (excluding any of the same for the time being forming part of the Chargor's stock in trade or work in progress);

3.1.4 by way of floating charge, the undertaking and all other property, assets and rights of the Chargor both present and future including without limitation those referred to in Clauses 3.1.1 to 3.1.3 if and insofar as the security on those property, assets and rights shall for any reason be ineffective as security of the nature described in those clauses.

3.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as amended by the Enterprise Act 2002) applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

4 CONVERSION OF FLOATING CHARGE

4.1 The Chargee may at any time, by notice to the Chargor, immediately convert the floating charge created by Clause 3.1.4 into a fixed charge as regards such of the Charged Assets as shall be specified in that notice (whether generally or specifically).

4.2 The floating charge created by Clause 3.1.4 will, without notice from the Chargee, be deemed to have been automatically converted into a fixed charge with effect immediately prior to the occurrence of such event:

4.2.1 in respect of any Floating Charged Assets which are the subject of any disposal or Encumbrance entered into or permitted to exist in breach of Clause 5.1 or in respect of which any person levies or attempts to levy any distress, attachment, execution or other legal process;

4.2.2 in respect of all the Floating Charged Assets, if and when the Chargor ceases to carry on business or to be a going concern; and

4.2.3 in respect of all the Floating Charged Assets, on the making of an order for the compulsory winding-up of the Chargor or on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Chargor or if an administrator of the Chargor is appointed or the Chargee receives notice of an intention to appoint an administrator of the Chargor or on the appointment of a receiver, receiver and manager or administrative receiver in respect of the Chargor or over all or any of the Chargor's assets.

5 RESTRICTIONS ON DEALING AND DEPOSIT OF DEEDS AND DOCUMENTS OF TITLE

5.1 The Chargor shall not without the previous written consent of the Chargee:

5.1.1 permit or create any mortgage, standard security, charge or lien on the Fixed Charge Assets save for the Permitted Security;

5.1.2 sell, give or share possession of, grant or agree to grant any lease or tenancy of, or accept or agree to accept a surrender or any variation or addition to the terms of

- any lease or tenancy of, or, assign or otherwise dispose of all or any part of the Fixed Charged Assets;
- 5.1.3 sell, assign or otherwise dispose of all or any part of the Floating Charged Assets except in the ordinary course of business; or
- 5.1.4 create or attempt to create or permit to arise or subsist any Encumbrance upon any part of the Charged Assets.
- 5.2 The Chargor shall, where originals are held in hard copy, immediately deposit with the Chargee and the Chargee shall hold and retain all deeds and documents of title relating to the Fixed Charged Assets.

6 FURTHER SECURITY

- 6.1 The Chargor (at its own cost) will on demand in writing by the Chargee execute and deliver in such form as the Chargee may reasonably require:
- 6.1.1 a legal mortgage of any freehold or leasehold property of the Chargor which is not effectively charged by Clause 3.1 and of any freehold or leasehold property acquired by the Chargor after the date of this Deed; and
- 6.1.2 a fixed charge of any Floating Charged Assets.

7 COVENANTS OF THE CHARGOR

- 7.1 During the continuance of this Security, the Chargor shall:

Charged Assets

- 7.1.1 keep all buildings forming part of the Fixed Charged Assets in good and substantial repair and condition and keep all plant, machinery, fixtures, implements and other effects on it or elsewhere in good state of repair and in good working order and permit the Chargee or any person nominated by it at all reasonable times to enter upon all land and buildings forming part of the Fixed Charged Assets mortgaged under Clauses 3.1.1 and/or 3.1.2 and view the state of them;
- 7.1.2 perform and observe all covenants and stipulations restricting or otherwise affecting the Fixed Charged Assets and punctually pay all rents, licence fees, duties, registration charges and all outgoings of whatsoever nature in respect of the Fixed Charged Assets;
- 7.1.3 not pull down or remove any building or erection erected or to be erected on all or any part of the Fixed Charged Assets or the fixed plant and machinery and other fixtures or fittings upon it respectively or any of them without the previous written consent of the Chargee except in the ordinary course of repair and maintenance or improvement or otherwise in the course of and for the bona fide purpose of carrying on the business of the Chargor;
- 7.1.4 notify the Chargee in writing immediately upon the Chargor becoming aware that all or any part of the Fixed Charged Assets mortgaged or charged under Clauses



3.1.1 or 3.1.2 is by reason of substances in on or under it in such a condition that significant harm is being caused or there is a significant possibility of such harm being caused to any living organism or to property or that pollution of controlled waters is being or is likely to be caused and not take any action which might result in all or part of the Fixed Charged Assets being in such a condition;

Insurance

- 7.1.5 insure and keep insured such parts of the Charged Assets as are of an insurable nature against all such risks as are normally insured against by prudent companies carrying on similar businesses to that of the Chargor. Such insurance shall be effected in such office and generally in such manner as the Chargee shall approve and the Chargor shall cause the interest of the Chargee to be noted on the policies which shall, unless otherwise agreed by the Chargee, be delivered to and retained by the Chargee and shall duly pay the premiums and other sums of money payable in respect of any such insurance and immediately after every such payment produce to the Chargee the receipt for them;
- 7.1.6 procure that all moneys which may at any time after the date of this Deed be received or receivable by the Chargor under any insurance in respect of the Charged Assets, or any of them whether or not effected pursuant to this Clause 7.1.6 shall be applied at the Chargee's option either in replacing, restoring or reinstating the property destroyed or damaged or towards the discharge of the Secured Liabilities;
- 7.1.7 pay or cause to be paid any monies referred to in Clause 7.1.6 above to the Chargee, or if the same are received by the Chargor, hold such monies on trust for the Chargee, to be applied in accordance with Clause 7.1.6 above; and
- 7.1.8 not do or permit or suffer to be done or omitted to be done anything that might render any of its insurances void, voidable or unenforceable.

Book Debts

- 7.1.9 subject, and without prejudice, to the obligations of the Chargor to the Chargee in respect of any arrangement for the assignment of Book Debts to the Chargee, get in and realise all Book Debts and pay into the Nominated Account(s) all monies which it may receive in respect of the Book Debts and other debts charged by this Deed and pay or otherwise deal with such monies standing in such account in accordance with any directions from time to time given in writing by the Chargee;
- 7.1.10 if called upon by the Chargee execute a legal assignment of such Book Debts to the Chargee in such terms as the Chargee may require and give notice of such assignment to the debtors from whom the debts are owing or incurred and take such other steps as the Chargee may require to perfect such legal assignment;
- 7.1.11 deal with such Book Debts in accordance with any directions from time to time given in writing by the Chargee and in default of and subject to any such directions deal with them only in the ordinary course of getting in and realising them (but not sell, assign, factor or discount them in any way);

- 7.1.12 except with the prior written consent of the Chargee, not withdraw all or any part of the sums from time to time standing to the credit of the Nominated Account;
- 7.1.13 permit any person with whom the Chargor holds the Nominated Account to furnish directly to the Chargee from time to time upon request full statements and particulars of such account and such other financial statements and information respecting the assets and liabilities of the Chargor as are from time to time available to such person; and
- 7.1.14 forthwith give notice of the fixed charge created by Clause 3, and such instructions as the Chargee may direct to any person with whom the Chargor holds the Nominated Accounts in such form as the Chargee may require.

8 CONTINUING OBLIGATIONS

- 8.1 Save where the provisions of this Clause 8 are inconsistent with or conflict with the terms of the Loan Agreement or to the extent that compliance with this Deed would constitute a breach or default under the Loan Agreement from time to time (in which case the Loan Agreement shall prevail to the extent of any such inconsistency or conflict), the Chargor will:
 - 8.1.1 deliver to the Chargee copies of its trading and profit and loss account and audited balance sheet in respect of each financial year as soon as the same become available and in any event no later than three months (or such longer period as the Chargee may agree in writing) after the end of each financial year and also from time to time such other financial statements and information as the Chargee may reasonably require;
 - 8.1.2 promptly notify the Chargee of its acquisition of any freehold or leasehold property;
 - 8.1.3 not without the previous written consent of the Chargee redeem or purchase any of its own shares or issue any redeemable shares or create and issue any loan stock; and
 - 8.1.4 comply in all material respects with the terms of all applicable laws, including common law, statute and subordinate legislation, European Community Regulations and Directives and judgements and decisions of any court or authority competent to make such judgement or decision compliance with which is mandatory for the Chargor including without limitation all environmental laws, legislation relating to public health, town & country planning, control and handling of hazardous substances or wastes, fire precautions and health and safety at work.

9 SECURITIES

- 9.1 Unless and until the Security becomes enforceable, or the Chargee otherwise directs:
 - 9.1.1 all voting and other rights attaching to the Securities may be exercised by the Chargor, or shall be exercised in accordance with its direction, for any purpose not inconsistent with the terms of this Deed;

- 9.1.2 the Chargor shall not permit any person other than the Chargee or its nominee or any receiver or administrator to be registered as the holder of any Securities; and
- 9.1.3 all cash dividends, interest and other distributions paid in respect of the Securities shall be paid into the Nominated Account.

10 BREACH OF COVENANT

If the Chargor defaults in repairing or keeping in repair or insuring all or any part of the Charged Assets or in observing or performing any of the covenants or stipulations affecting it whether imposed under this Deed or otherwise, the Chargor shall permit the Chargee to enter on the Fixed Charged Assets mortgaged or charged under Clauses 3.1.1 or 3.1.2 and effect such repairs or comply with or object to any notice served on the Chargor in respect of the Charged Assets or effect such insurance or generally do all such acts and pay all such reasonable costs, charges and expenses as the Chargee may consider necessary to prevent or remedy any breach of covenant or stipulation or to comply with or object to any such notice.

11 REPRESENTATIONS AND WARRANTIES

11.1 The Chargor represents and warrants to the Chargee as follows as at the date of this Deed and at all times during the continuance of this Deed:

- 11.1.1 the Chargor is a limited liability company duly organised, validly existing and not in liquidation, administration or receivership or otherwise insolvent or unable, and has the power to own its property and assets and to carry on its business as it is now being conducted;
- 11.1.2 the Chargor is not insolvent or unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and will not become so in consequence of entering into and performing its obligations under, this Deed;
- 11.1.3 the Chargor has the power to enter into, and perform its obligations under, this Deed and the transactions contemplated hereby and thereby and has taken all necessary action to authorise the entry into and performance of its obligations under, this Deed;
- 11.1.4 the obligations of the Chargor under this Deed constitutes (or, will when executed constitute) a legal, valid and binding obligation of the Chargor enforceable in accordance with its terms and the Security is (subject only to the making of all necessary registrations thereof) and will remain, until fully discharged valid, legal, binding and enforceable and will have the priority and ranking which it is expressed to have;
- 11.1.5 the entry into and performance by the Chargor of its obligations under this Deed do not and will not conflict with:
- (a) any law or regulation or any judgment, so far as the Chargor is aware;

- (b) the Memorandum or Articles of Association (or other statutes) of the Chargor; or
- (c) any agreement or document to the Chargor is a party or which is binding upon it or any of its assets,

nor result in the creation or imposition (other than in favour of the Chargee pursuant hereto or thereto) of any Encumbrance on any of its assets pursuant to the provisions of any such agreement or document;

11.1.6 all authorisations, approvals, consents, licences, exemptions, filings, registrations, notarisations and other matters, official or otherwise, required in connection with the entry into, performance, validity and enforceability of this Deed and (subject only to all necessary registrations thereof being made) the security hereby constituted have been obtained or effected and are in full force and effect and there are no circumstances which indicate that any of the same are likely to be revoked in whole or in part;

11.1.7 no Encumbrance exists over all or any of the Charged Assets save for the Permitted Security; and

11.1.8 the Chargor is the sole beneficial owner of the Charged Assets.

12 **ENFORCEMENT**

12.1 The Security shall become enforceable and the powers conferred by section 101 LPA as extended and varied by this Deed shall become exercisable upon and at any time after:

12.1.1 the occurrence of an Insolvency Event or any event under the Loan Agreement which would entitle the Chargee to demand immediate payment of any monies outstanding thereunder; or

12.1.2 the Chargor fails to pay any of the Secured Liabilities when due.

13 **APPOINTMENT OF A RECEIVER / ADMINISTRATOR**

13.1 At any time after:

13.1.1 the Security shall have become enforceable; or

13.1.2 the Chargee shall in its absolute discretion determine that all or any part of the Security shall be in jeopardy; or

13.1.3 if so requested by the Chargor,

the Chargee may by writing under the hand of any member of the Chargee appoint (free from the restrictions imposed by section 109(1), LPA) any person (or persons) to be a Receiver of the Charged Assets or any part or parts of them (with power to authorise any joint Receiver to exercise any power independently of any other joint Receiver) and/or appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor.

13.2 Any Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts or defaults and for his remuneration. Such agency shall continue until the Chargor shall go into liquidation and thereafter such Receiver shall act as principal and shall not become the agent of the Chargee.

13.3 The Chargee may from time to time by writing under its hand remove any Receiver appointed by it and may whenever it may deem it expedient appoint a new Receiver in the place of any Receiver whose appointment for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it.

13.4 Any appointment over part only of the Charged Assets will not preclude the Chargee from making any subsequent appointment of a Receiver over any part of the Charged Assets over which an appointment has not previously been made by it.

14 **POWERS OF MORTGAGEES AND RECEIVERS**

14.1 The powers conferred on mortgagees and on receivers by the LPA and any other statute shall apply to this Security except in so far as they are expressly or impliedly excluded and where there is any ambiguity or conflict between the powers contained in the LPA or any other statute and those contained in this Deed the terms of this Deed shall prevail.

14.2 Any Receiver shall have the powers conferred on administrative receivers (notwithstanding that such Receiver is not an administrative receiver) by section 42 and Schedule 1, Insolvency Act 1986 including without limitation the power to purchase or acquire any land and purchase, acquire or grant any interest in or right over land and the power to borrow any monies and secure the payment of any monies in priority to the Chargor's obligations and liabilities under this Deed.

14.3 In the event of any action, proceedings or steps being taken to exercise or enforce any powers or remedies conferred by any prior mortgage, charge or encumbrance against the property charged by this Deed or any part of it, the Chargee may redeem such mortgage, charge or encumbrance or procure the transfer of it to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer and any accounts so settled and passed shall be conclusive and binding on the Chargor and all principal monies, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Chargee on demand.

14.4 Any Receiver may (but shall not be obliged to) carry out such acts and do such things in relation to all or any of the Charged Assets which such Receiver considers necessary or desirable to maintain the value of such Charged Assets or to maintain the efficacy of the security constituted by this Deed over the Charged Assets. Without prejudice to the generality of the foregoing and any other power conferred upon any Receiver, any Receiver may:

14.4.1 obtain all planning permissions, building regulation approvals and other permissions, consents or licences for the development of the Charged Assets or any of them as it shall in its absolute discretion think fit;

14.4.2 carry out repairs, alterations or additions to the Charged Assets or any of them as it shall in its absolute discretion think fit; and

- 14.4.3 negotiate for compensation with any authority which may intend to acquire or be in the process of acquiring the Charged Assets or any of them and make objections to any order for the acquisition of the Charged Assets or any of them and represent the Chargor at any enquiry held to consider such objections or otherwise relevant to such acquisition.

In carrying out such acts and doing such things such Receiver may employ agents, contractors, workmen, surveyors, architects, lawyers and such other persons as he thinks fit to advise on all acts in relation to it. The costs incurred by such Receiver in carrying out such acts or doing such things (including without limitation the costs of the services obtained from any persons in any way relating to it) shall be reimbursed to such Receiver by the Chargor on demand on a full indemnity basis and until so reimbursed shall carry interest at the default rate of interest referred to in the Loan Agreement accruing from the date of them being incurred by such Receiver.

- 14.5 All the powers of a Receiver under this Deed may be exercised by the Chargee following demand under this Deed whether as attorney of the Chargor or otherwise and whether or not any Receiver shall have been appointed.

15 APPLICATION OF MONIES BY RECEIVER

- 15.1 All monies received by any Receiver shall (subject to the rights and claims of any person having prior rights thereto), be applied by him in the following order:

15.1.1 in payment of the costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise of all or any of his powers and of all outgoings paid by him (subject always to the discharge of any liability having priority to them);

15.1.2 in payment of remuneration to the Receiver at such rates as may be agreed between him and the Chargee at or at any time after his appointment;

15.1.3 in discharge of the Secured Liabilities in whatever order the Chargee may in its discretion determine;

15.1.4 the surplus (if any) shall be paid to the Chargor or other person entitled to it,

and neither the Chargee nor any Receiver shall be bound (whether by virtue of section 109(8) LPA, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any monies secured by this Deed.

16 CHARGEES LIABILITY

Neither the Chargee nor any Receiver appointed as above shall, in the absence of negligence or fraud, by reason of its or the Receiver's entering into possession of all or any part of the Charged Assets be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

17 **SALE**

Section 103 LPA shall not apply to this Deed nor to any sale by the Chargee or a Receiver under that Act and the Secured Liabilities shall be deemed to have become due, and the statutory power of sale and appointing a Receiver under sections 101 and 109 of the LPA (as varied and extended under this Deed) shall as between the Chargee or such Receiver and a purchaser from the Chargee or such Receiver arise and be exercisable at any time after the execution of this Deed provided that the Chargee shall not exercise this power of sale until the Secured Liabilities shall have become due or a Receiver has been appointed hereunder but this proviso shall not affect a purchaser or put him upon enquiry whether such monies have become payable or such appointment has been made.

18 **FURTHER ASSURANCE AND ATTORNEY**

18.1 The Chargor shall from time to time execute and do all such assurances and things as the Chargee may reasonably require for perfecting this Security and after the monies secured by this Deed shall have become payable for facilitating the realisation of all or any part of the Charged Assets and for exercising all powers, authorities and discretions conferred by this Deed or by law on the Chargee or any Receiver or administrator appointed by it.

18.2 The Chargor by way of security for the payment of the Secured Liabilities and the performance by the Chargor of its obligations under this Deed irrevocably appoints the Chargee to be the attorney of the Chargor in the name and on behalf of the Chargor to execute and do any assurances and things which the Chargor ought to execute and do under this Deed and generally to use the name of the Chargor in the exercise of all or any of the powers conferred on the Chargee or any Receiver and/or administrator appointed by it under this Deed and the Chargor expressly authorises the Chargee to pursue any insurance claim relating to the Charged Assets in the name of the Chargor and to delegate all or any of the powers conferred by this Deed upon it to any Receiver and/or administrator appointed by it or to such other person or persons as it may in its absolute discretion think fit. The Chargor ratifies and confirms and agrees to ratify and confirm whatever any attorney appointed under this Clause 18.2 properly does or purports to do in the exercise of all or any of the powers authorities and discretions granted or referred to in this Deed.

19 **PROTECTION OF PURCHASER**

No purchaser, mortgagee or other person or the Chargor dealing with the Chargee or any Receiver or its or his agents shall be concerned to enquire whether the monies secured by this Deed have become payable or whether the power which such Receiver is purporting to exercise has become exercisable or whether any money remains due on this Deed or to see to the application of any money paid to the Chargee or to such Receiver.

20 **SET-OFF**

The Chargee may, without notice to the Chargor and without prejudice to any other right of the Chargee, set off any Secured Liabilities which are due and unpaid against any obligation (whether or not matured) owed by the Chargee to the Chargor.

21 **CONTINUING SECURITY**

The Security shall be a continuing security for the Secured Liabilities and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account (whether or not any Secured Liabilities remain outstanding thereafter) or any other matter or thing whatsoever.

22 **COSTS AND EXPENSES**

All Expenses incurred by the Chargee and all payments made by the Chargee or any Receiver appointed under this Deed in the lawful exercise of the powers conferred by this Deed whether or not occasioned by any act, neglect or default of the Chargor shall carry interest from the date of their being incurred or becoming payable at the rate per annum specified by the Chargee in writing not exceeding the rate of 2% per annum above the base lending rate of the Bank of England from time to time and the amount of all such Expenses and payments and all interest on them and all remuneration payable under this Deed shall be payable by the Chargor on demand and shall be secured by this Deed. All such Expenses and payments shall be paid and charged as between the Chargee and the Chargor on the basis of a full indemnity and not on the basis of a party and party or any other kind of taxation.

23 **INDEMNITY**

23.1 Each of the Chargee and every Receiver, attorney, manager, agent or other person appointed by the Chargee under this Deed are entitled to be indemnified out of the Charged Assets in respect of all liabilities and expenses incurred by it or him:

23.1.1 which arise in connection with all or any part of the Charged Assets from any actual or alleged breach of law relating to the environment whether by the Chargor, the Chargee or a Receiver or by any other person unless caused by the negligence or wilful default of the Chargee or any such Receiver; and/or

23.1.2 in the execution or purported execution of any of the powers, authorities or discretions vested in it or him pursuant to 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 Assets;

and the Chargee and any such Receiver may retain and pay all sums in respect of them out of any monies received under the powers conferred by this Deed.

24 **RELEASE OF SECURITY**

The Chargee shall be at liberty at its discretion to retain the Security for the period of one month plus such statutory period within which any security or payment given or made in respect of the Secured Liabilities may be avoided or invalidated under any enactment relating to bankruptcy, insolvency, winding-up or any similar process (including under sections 238 to 245 (inclusive) of the Insolvency Act 1986) after the Secured Liabilities shall have been paid in full, notwithstanding any release, settlement, discharge or arrangement given or made by the Chargee on or as a consequence of such payment. If at any time within such period after such termination, an Insolvency Event shall occur in respect of the

Chargor the Chargee shall be at liberty, notwithstanding the above, to continue to retain such security or any part thereof for and during such further period as the Chargee in its absolute discretion shall determine.

25 **CONSOLIDATION**

The restriction on the right of consolidating mortgage securities which is contained in section 93, LPA shall not apply to the Security.

26 **NOTICES**

26.1 Any notice or other communication under, or in connection with the matters contemplated by, this Deed shall, except as otherwise provided in this Deed, be addressed to the recipient and sent:

26.1.1 if to the Chargor to it at:

address: Unit 51, Llantarnam Industrial Park, Cwmbran, Gwent, NP44 3AW

attention: The Directors

26.1.2 if to the Chargee to it at:

address: [REDACTED]

attention: Roy Richmond

address: [REDACTED]

attention: Robert Gilmond

or, in any such case to such other address and/or attention, in each case in Great Britain, as may from time to time be notified in accordance with this Clause 26 by the recipient in question to the party giving or making the same. Unless otherwise provided herein, any notice or other communication to be given or made pursuant to this Deed may be given or made by letter delivered personally or sent by first class post and shall be effective at the time of receipt of such letter.

26.2 A party shall not attempt to prevent or delay the service on it of a notice connected with this Deed.

27 **MISCELLANEOUS**

27.1 The Chargee may without discharging or in any way affecting the Security or any remedy of the Chargee grant time or other indulgence or abstain from exercising or enforcing any remedy, security, guarantee or other right which it may now or in the future have from or against the Chargor and may make any arrangement, variation and/or release with any person or persons without prejudice either to this Deed or the liability of the Chargor for the Secured Liabilities.

- 27.2 The Chargee shall have a full and unfettered right to assign the whole or any part of the benefit of this Deed.
- 27.3 Each of the provisions of this Deed is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable with respect to the Chargor the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired by it.
- 27.4 The rights and remedies of the Chargee provided by this Deed are cumulative and are not exclusive of any rights powers or remedies provided by law and may be exercised from time to time and as often as the Chargee may deem expedient.
- 27.5 The Security shall be in addition to and shall not affect or be affected by or merge with any other security, judgment, right or remedy obtained or held by the Chargee from the Chargor or any other person from time to time for the discharge and performance of any of the Secured Liabilities
- 27.6 Section 61, LPA and section 17, Interpretation Act 1978 shall apply to this Deed.

28 GOVERNING LAW

- 28.1 This Deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law.
- 28.2 The Chargor for the benefit of the Chargee irrevocably submits for all purposes in connection with this Deed to the jurisdiction of the courts of England.

IN WITNESS whereof this Deed has been executed on the date first appearing at the head of page one.

Schedule 1

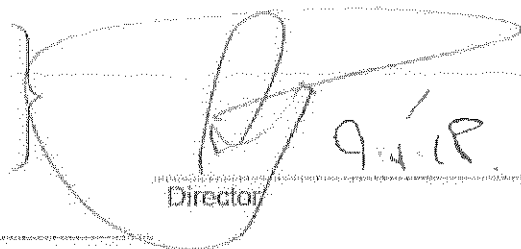
(Referred to in Clause 3.1.1)

Title Number(s)

Address or Description

RDHAR

Executed as a Deed by
PHENOLIC LIMITED acting by


Director


in the presence of:

Witness's signature

Name

Address

Occupation


V. HAFFENDEN
HIGH TREES
Temple Gardens
STAINES
TW 18 3 NG

Signed as a Deed by
ROY RICHMOND



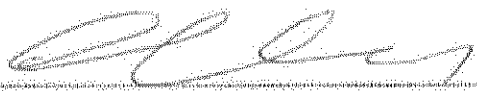
in the presence of:

Witness's signature

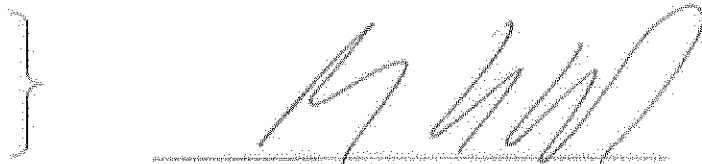
Name

Address

Occupation


CHRISTINE MOORING
6 MILLBROOK CLOSE
CHILD OXFORD
OX11 8HA
OFFICE MANAGER

Signed as a Deed by
ROBERT GILDERT



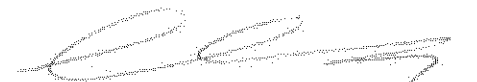
in the presence of:

Witness's signature

Name

Address

Occupation


CHRISTINE MOORING
6 MILLBROOK CLOSE
CHILD OXFORD
OX11 8HA
OFFICE MANAGER