Companies House

MR01(ef)

Registration of a Charge

Company name: **AXMINSTER CARPETS LIMITED**

Company number: **08463187**

Received for Electronic Filing: **06/09/2018**

X7DWUN0O

Details of Charge

Date of creation: **31/08/2018**

Charge code: **0846 3187 0006**

Persons entitled: **IGF BUSINESS CREDIT LIMITED**

Brief description: **THE COMPANY, AS CONTINUING SECURITY FOR THE PAYMENT, DISCHARGE AND PERFORMANCE OF ALL THE SECURED OBLIGATIONS IN RELATION TO ALL OF THE FOLLOWING ASSETS WHETHER NOW OR IN FUTURE BELONGING TO THE COMPANY HEREBY, IN EACH CASE WITH FULL TITLE GUARANTEE: (A) FIXED CHARGES: CHARGES TO IGF BUSINESS CREDIT LIMITED BY WAY OF SEPARATE FIXED CHARGES: (I) BY WAY OF LEGAL MORTGAGE EACH PROPERTY SPECIFIED IN SCHEDULE 2; (II) BY WAY OF EQUITABLE MORTGAGE ITS REAL PROPERTY, OTHER THAN THE PROPERTY OR PROPERTIES SPECIFIED IN SCHEDULE 2; REAL PROPERTY MEANS ALL FREEHOLD AND LEASEHOLD PROPERTIES AND OTHER REAL PROPERTY BOTH PRESENT AND FUTURE (INCLUDING THE PROPERTY OR PROPERTIES SPECIFIED IN SCHEDULE 2 AND SET OPPOSITE ITS NAME) OF THE COMPANY INCLUDING ALL BUILDINGS AND OTHER STRUCTURES FROM TIME TO TIME ERECTED THEREON AND ALL FIXTURES (TRADE OR OTHERWISE) FROM TIME TO TIME THEREON OR THEREIN. (III) ALL ITS INTELLECTUAL PROPERTY; INTELLECTUAL PROPERTY MEANS IN RELATION TO THE COMPANY, ALL PATENTS (INCLUDING APPLICATIONS FOR AND RIGHTS TO APPLY FOR PATENTS), TRADEMARKS AND SERVICE MARKS (WHETHER REGISTERED OR NOT) AND APPLICATIONS FOR THE SAME, TRADE NAMES, REGISTERED DESIGNS, DESIGN RIGHTS, SEMI-CONDUCTOR TOPOGRAPHY RIGHTS, DATABASE RIGHTS, COPYRIGHTS, COMPUTER PROGRAMS, KNOW-HOW AND TRADE SECRETS AND ALL OTHER INTELLECTUAL OR INTANGIBLE PROPERTY OR RIGHTS AND ALL LICENCES,**

AGREEMENTS AND ANCILLARY AND CONNECTED RIGHTS RELATING TO INTELLECTUAL AND INTANGIBLE PROPERTY INCLUDING ANY RENEWALS, REVIVALS OR EXTENSIONS THEREOF AND WHEREVER IN THE WORLD SUBSISTING.

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

Certified by: **BERMANS SOLICITORS**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8463187

Charge code: 0846 3187 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st August 2018 and created by AXMINSTER CARPETS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th September 2018 .

Given at Companies House, Cardiff on 10th September 2018

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

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

DATED 31st August 2018

(1) IGF BUSINESS CREDIT LIMITED

AND

(2) AXMINSTER CARPETS LIMITED

DEBENTURE

CONTENTS

1 INTERPRETATION 1

2 COVENANT TO PAY 7

3 CHARGING PROVISIONS 7

4 UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES 9

5 FURTHER ASSURANCE AND POWER OF ATTORNEY 15

6 CONSEQUENCES OF A TERMINATION EVENT 17

7 POWER OF POSSESSION AND SALE 17

8 APPOINTMENT OF RECEIVER OR ADMINISTRATOR AND THEIR POWERS 17

9 VARIATIONS TO STATUTORY PROVISIONS 19

10 APPLICATION OF MONIES 20

11 PROTECTION OF THIRD PARTIES 20

12 CONTINUING AND ADDITIONAL SECURITY 21

13 EXPENSES AND INDEMNITIES 21

14 PAYMENTS, DISCHARGE AND SET-OFF 22

15 SERVICE OF NOTICES AND PROCESS 23

16 TRANSFERS AND DISCLOSURES 24

17 MISCELLANEOUS 25

18 LAW AND JURISDICTION 26

SCHEDULE 1 REAL PROPERTY 27

SCHEDULE 2 PLANT AND MACHINERY 28

SCHEDULE 3 SECURITIES 29

SCHEDULE 4 INSURANCES 30

SCHEDULE 5 NOTICE OF ASSIGNMENT OF INSURANCES AND FORM OF ACKNOWLEDGEMENT AND ENDORSEMENT 31

DATE OF DEBENTURE 31st August **2018**

PARTIES

(1) **IGF BUSINESS CREDIT LIMITED** whose registered number is 10078965 and whose registered office is at 2 Maidstone Road, Paddock Wood, Tonbridge, TN12 6GF ("**IGF**"); and

(2) **AXMINSTER CARPETS LIMITED** incorporated and registered in England and Wales with company number 08463187 whose registered office is at Gamberlake, Woodmead Road, Axminster, Devon, EX13 5PQ (the "**Chargor**").

THIS DEED WITNESSES THAT:

1 INTERPRETATION

1.1 Definitions

In this Deed, including the Schedules, the following words and expressions have the following meanings:

Administrator means an Administrator appointed under this Deed.

Charged Assets means all of the Chargor's assets, rights and property (including its undertaking and revenues) the subject of any security created by, or pursuant to, this Deed and the proceeds of the disposal of the same.

Collateral means in relation to any person, all property and assets, whether real or personal, tangible or intangible in which that person may at any time have any right, title or interest.

Debt means any obligation (present, future or contingent) of a Debtor to make payment under a Sale Contract, including:

(a) the future right to recover sums due following the determination, assessment or agreement of the amount of the obligation;

(b) VAT; and

(c) all duties and charges,

and, where the context allows, a part of such obligation.

Environment means

(a) land, including, without limitation, surface land, sub-surface strata, sea bed and river bed under water (as defined in paragraph (b)) and natural and man-made structures;

(b) water, including, without limitation, coastal and inland waters, surface waters, aquatic sediment, ground waters and water in drains and sewers;

(c) air, including, without limitation, air inside buildings and other natural and man-made structures above or below ground; and

(d) any living systems or organisms supported by the media set out in (a), (b) or (c) above.

Environmental Law means all European Community, national, state, federal, regional or local laws, common law, statutes, ordinances, directives, directions, regulations, notices, relevant clean-up standards, judgments, decrees or orders, codes of practice, the requirements and conditions of all Environmental Licences both express and implied, covenants, agreements, circulars, guidance notes (statutory or otherwise), judicial and administrative interpretations of each of the foregoing concerning (without limitation) the protection of human health or the Environment or the conditions of the workplace and worker health and safety and process safety, or the generation, transportation, storage, treatment or disposal of any Relevant Substance, as enacted, amended, replaced or supplemented from time to time.

Environmental Licence means any permits, consents, licences, certificates, notices, filings, lodgements, agreements, directions, declarations, exemptions, variations, renewals and amendments and other authorisations and approvals required or provided under Environmental Law.

Environmental Regulator means any governmental entity or other public or quasi-public authority or privatised utility having responsibility for any matters concerning the Environment or Environmental Law.

Expenses means any of the following:

(a) all banking, legal and other costs, charges, expenses and/or liabilities (including VAT thereon) paid or, if earlier, incurred, by or on behalf of IGF or any Administrator or Receiver, as the case may be, (in each case on a full indemnity basis):

(i) in relation to the Charged Assets;

(ii) in protecting, preserving, improving, enforcing or exercising (or considering, or attempting, any of the foregoing) any rights under or pursuant to any of the Finance Documents;

(iii) in procuring the payment, performance or discharge of the Secured Obligations; or

(iv) in stamping, perfecting or registering any of the Finance Documents (or any Encumbrance or assignment created or purported to be created pursuant thereto); and

(b) the principal amount of any borrowings, together with interest thereon, and all other expenses and liabilities of IGF or any Administrator or Receiver (as the case may be) paid or incurred from time to time in relation to the exercise of any of their respective rights or powers referred to or contained in any of the Finance Documents.

Facilities Agreement means the asset based facilities agreement entered into between IGF and the Chargor dated on around the date of this Deed.

Financial Collateral has the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations means the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

Group means in relation to any company, that company, each of its holding companies (as defined in Section 1159 of the Companies Act 2006) and all their Subsidiaries (and member of the Group will be construed accordingly).

Insolvent: in relation to any Obligor, the happening of any of the following:

(a) the issue of a notice, petition or application (other than one which is discharged before it is advertised);

(b) the calling of a meeting or making proposals to pass a resolution for voluntary winding up by reason of insolvency, a winding up order, the service of notice of intention to appoint an Administrator, the appointment of an Administrator under the Insolvency Act 1986 or the appointment of a receiver (whether in or out of court) or an administrative receiver of any of its assets or income;

(c) the calling of a meeting or making proposals to enter into a voluntary arrangement under the Insolvency Act 1986 or any formal or informal arrangement generally for the benefit of creditors;

(d) any income or assets, being subject to:

(i) seizure, distress or diligence;

(ii) enforcement of any Encumbrance;

(iii) execution of legal process;

(iv) sequestration;

(v) an injunction restricting dealing with such income or assets;

(vi) attachment; or

(vii) other legal process restricting dealing with such income or assets;

(e) the service of any statutory demand under the Insolvency Act 1986 (other than one which is discharged before it is advertised);

(f) the entry of any judgment, order or award which will remain unsatisfied or whose terms will not be complied with for seven days (except pending any appeal);

(g) an application for a garnishee order;

(h) giving notice of the intended suspension of payments of debts;

(i) being deemed by section 123 of the Insolvency Act 1986 to be unable to pay debts as they fall due or in IGF's reasonable opinion being capable of being deemed unable to pay debts as they fall due; and

(j) the taking of any steps for the commencement of any proceedings in respect of any of the above matters;

or in each case anything analogous to or having a similar effect to any of the events specified above, and **"Insolvency"** shall be construed accordingly;

Insurances means the policies of insurance in which the Chargor is interested details of which are set out in Schedule 4, and any other policies of insurance in which the Chargor may now or hereafter have an interest and **"Insurance"** shall mean each one of the Insurances.

Intellectual Property means in relation to the Chargor, all patents (including applications for and rights to apply for patents), trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semi-conductor topography rights, database rights, copyrights, computer programs, know-how and trade secrets and all other intellectual or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property including any renewals, revivals or extensions thereof and wherever in the world subsisting.

Inventory means all inventory and stock now or hereafter acquired by the Chargor, wherever located, including all inventory or stock, merchandise, Goods and other personal property which are held by or on behalf of the Chargor for sale or lease.

Non-Vesting Debt means any Debt which fails to vest absolutely or effectively in IGF for any reason.

Obligor means the Chargor and any other person which has entered into any agreement or instrument evidencing or creating an Encumbrance, guarantee or other assurance in favour of IGF, against loss in respect of the obligations of the Chargor to IGF.

Other Debts:

(a) all present and future book and other Debts due or owing to the Chargor, the proceeds of the same and all other moneys due and owing to the Chargor or which may become due and owing to it in the future;

(b) all moneys (including accrued and accruing interest) from time to time standing to the credit of each present and future account of the Chargor with any bank, financial institution or other person and the Debts represented thereby;

(c) all present and future sums due or owing by way of grant, subsidy or refund by any person, body, authority or institution; and

(d) the benefit of all rights, securities, Encumbrances, guarantees and other assurances against loss, indemnities of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the Debts, proceeds, moneys or sums referred to in any of paragraphs (a), (b) or (c) above,

but excluding:

(a) Non-Vesting Debts; and

(b) any Debts whilst they remain vested in, or held on trust for, IGF under the Facilities Agreement.

Planning Acts means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990 and the Planning and Compensation Act 1991.

Plant and Machinery means all now owned and hereafter acquired plant, machinery and other equipment (including the plant and machinery specified in Schedule 2) and other tangible personal property (except Inventory) of the Chargor wherever located and all spare

parts, replacements, modifications and additions for or to the same and any manuals, logbooks or registration documents relating thereto.

Real Property means all freehold and leasehold properties and other real property both present and future (including the property or properties specified in Schedule 1 and set opposite its name) of the Chargor, including all buildings and other structures from time to time erected thereon and all fixtures (trade or otherwise) from time to time thereon or therein.

Receiver means a receiver appointed under this Deed.

Related Rights means any rights in relation to a Debt or Sale Contract including, without limitation the Chargor's rights as unpaid seller, documents of title to Goods, the benefits of all insurances, all Remittances, security, bonds, guarantees and indemnities, all accounting records and any interest.

Relevant Substance means any natural or artificial substance (in solid or liquid form or in the form of a gas or vapour) whether alone or in combination with any substance capable of causing harm to man or any other living organism supported by the Environment or damaging the Environment or public health or welfare including, but not limited to, any controlled, special, hazardous, toxic or dangerous waste.

Remediation means any and all investigating, sampling, analysing, removing, remedying, cleaning-up, abating, containing or ameliorating the presence in or effect on the Environment of any contamination or pollution including, without limitation, the removal, treatment and disposal of material and the treatment and monitoring of ground waters and gases and emissions to air and the obtaining of expert technical and legal advice (including all project management functions) in relation thereto.

Sale Contract means a contract in any form, including a purchase order, between the Chargor and a Debtor for the sale or hire of Goods or the provision of services or work done and materials supplied.

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly or severally, as principal or as surety or in any capacity whatsoever) of each of the Obligors to IGF on any account whatsoever and howsoever arising (including, without limitation, under the Finance Documents) together with all Expenses.

Securities means in relation to the Chargor, all its stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe any of the same) whether marketable or otherwise (including those details which appear in Schedule 3) and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof.

Security Financial Collateral Arrangement has the meaning given to that expression in the Financial Collateral Regulations.

Trustee Act means the Trustee Act 1925 as amended by the Trustee Investment Act 1961 and the Trustee Act 2000.

1.2 Interpretation

(a) Words and phrases which are not defined or construed in this Deed but which are defined or construed in the Facilities Agreement or in the Law of Property Act 1925 or the Insolvency Act 1986 shall be construed as having the meanings ascribed to them therein.

(b) For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facilities Agreement and of any side letters between any parties in relation to the Facilities Agreement are incorporated into this Deed.

(c) In construing this Deed, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words. In addition, the words "any of" shall be construed as a reference to any one or more (including all) of the rights, assets, liabilities or other things referred to.

(d) The security constituted by, and the rights of IGF under, this Deed shall be enforceable notwithstanding any change in the constitution of IGF or its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person.

(e) The headings in this Deed are inserted for convenience only and shall not affect its construction or interpretation and references to a Clause or Schedule are (unless otherwise stated) to a Clause in, or a Schedule to, this Deed.

(f) Any reference in this Deed to **"this Deed"** or to any other agreement or document shall, unless the context otherwise requires, be construed as a reference to this Deed or to such other agreement or document as the same may from time to time be amended, varied, supplemented, novated or replaced and shall include any document which is supplemental to, is expressed to be collateral with, or is entered into pursuant to or in connection with, the terms of this Deed or of such other agreement or document.

(g) Any reference in this Deed to a person being **"controlled"** by another means that that other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that person or otherwise controls or has the power to control the affairs and policies of that person and **"control"** shall be construed accordingly.

(h) The illegality, invalidity or unenforceability of any provision of this Deed under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction or the legality, validity or enforceability of any other provision of this Deed.

(i) Save where the context otherwise requires, the plural of any term includes the singular and vice versa.

(j) Any reference in this Deed to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory

provision as in force at the date of this Deed and as subsequently re-enacted or consolidated and shall also include all instruments, orders and regulations for the time being made thereunder or deriving validity therefrom.

(k) In this Deed the expressions **"Chargor"**, **"Obligor"** or **"IGF"** shall, unless the context otherwise requires, include their respective assignees, transferees or successors in title, whether immediate or derivative in relation to their respective interests.

2 COVENANT TO PAY

The Chargor hereby agrees that it will on demand pay, perform and discharge to IGF all the Secured Obligations in accordance with the terms of the relevant Finance Document evidencing or giving rise thereto.

3 CHARGING PROVISIONS

3.1 The Chargor, as continuing security for the payment, discharge and performance of all the Secured Obligations in relation to all of the following assets whether now or in future belonging to the Chargor hereby, in each case with full title guarantee:

(a) **Fixed charges:** charges to IGF by way of separate fixed charges:

(i) by way of legal mortgage each property specified in Schedule 1;

(ii) by way of equitable mortgage its Real Property, other than the property or properties specified in Schedule 1;

(iii) all its Plant and Machinery listed in Schedule 2 and the benefit of all its rights and claims against any person in respect of the design, construction, repair or replacement of the same;

(iv) all its Plant and Machinery other than that listed in Schedule 2 and the benefit of all its rights and claims against any person in respect of the design, construction, repair or replacement of the same;

(v) all its goodwill, unpaid and/or uncalled capital;

(vi) all its Intellectual Property;

(vii) all its Securities;

(viii) all loan capital, indebtedness or liabilities on any account or in any manner owing to it from any member of the Chargor's Group;

(ix) all amounts realised by an Administrator or liquidator of the Chargor upon enforcement or execution of any order of the court under Part VI of the Insolvency Act 1986;

(x) all its documents of title which at any time and for any purpose have been or may be deposited with IGF and the property mentioned in such documents;

(xi) all of its Non-Vesting Debts to the extent not effectively assigned by way of security under Clause 3.1(c);

(xii) all Related Rights pertaining to its Non-Vesting Debts;

(xiii) all of its Other Debts;

(xiv) all Related Rights pertaining to its Other Debts;

(xv) all monies in the accounts specified in Clause 4.2(a) and in any other account in the name of the Chargor under the control of or operated in accordance with the directions of IGF.

(b) **Floating charge:** charges to IGF by way of a floating charge all of its undertaking, property, rights and assets whatsoever and wheresoever, both present and future (including to the extent that any of such undertaking, property, rights and assets are not effectively charged from time to time by any of the above fixed charges or assigned by way of security under Clause 3.1(c));

(c) **Assignments by way of security:** assigns and agrees to assign by way of security to IGF all its rights, title and interest in and to:

(i) the benefits arising under the Insurances;

(ii) the Non-Vesting Debts; and

(iii) any contracts relating to or benefitting any of the Charged Assets.

3.2 Conversion of floating charge to a fixed charge

IGF may at any time after a Default has occurred give written notice to the Chargor immediately converting (in whole or in part) the floating charge contained in Clause 3.1(b) into a fixed charge in respect of the Chargor.

3.3 Automatic crystallisation

The floating charge created by the Chargor pursuant to Clause 3.1(b) of this Deed will, unless otherwise agreed by IGF in writing and in addition to any circumstances in which the same will occur under general law, automatically and without notice be converted into a fixed charge:

(a) if the Chargor fails to comply with its obligations in Clauses 4.1(a) and/or 4.1(o) and/or 4.2(b);

(b) upon the appointment of a Receiver or an Administrator;

(c) upon the directors or members of the Chargor resolving to apply for an administration order to be made in relation to it or upon the presentation of a petition for an administration order to be made in relation to the Chargor;

(d) upon any person taking any step with a view to levying distress against any of the Charged Assets of the Chargor or any judgment creditor taking any step with a view to enforcing against any of the Charged Assets of the Chargor a judgment obtained

against it whether by a warrant of execution, writ of fieri facias, garnishee order, charging order or otherwise; or

(e) if any other floating charge created by the Chargor crystallises for any reason.

3.4 Qualifying Floating Charge

The floating charge created by this Deed is a qualifying floating charge for the purpose of paragraph 14 of schedule B1 to the Insolvency Act 1986.

3.5 Further advances

This Deed secures both present and further advances. IGF covenants to make available advances and further advances to the extent (and on the terms) provided for in any agreement from time to time giving rise to the Secured Obligations.

4 UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES

4.1 General Undertakings

The Chargor agrees that, whilst this security exists:

(a) **No disposals:** without the prior written consent of IGF it will not sell, transfer, assign, lease out, license, lend or otherwise dispose of the whole or any part of its Charged Assets or any interest therein (or agree to do so) save that it may dispose of Inventory by way of sale at arm's length terms for commercial value in the ordinary course of its business;

(b) **IGF information:** it will authorise its bankers to provide to IGF copy statements in respect of all its bank accounts and to disclose all other information available to those bankers about the Chargor's assets and liabilities, whenever requested by IGF;

(c) **Other information:** it will provide any other information as IGF may reasonably request regarding its affairs and the affairs of any members of its Group;

(d) **Litigation details:** it will, immediately upon becoming aware, provide IGF with details of any present or future litigation, arbitration or administrative proceedings in progress, pending or to its knowledge threatened against it or against any members of its Group which might have a material adverse effect on its ability to perform its obligations under any of the Finance Documents;

(e) **Access to books:** it will permit IGF free access at all reasonable times to inspect and take copies of and extracts from its Accounting Records and will provide IGF with all information and facilities which it may require for this purpose;

(f) **Enquiries:** it will on request grant IGF and any agent of IGF all reasonable facilities to enable it or them to carry out, at the Chargor's own expense, such investigation of its title to, and other enquiries (including, without limitation, obtaining valuations) concerning, the whole or any part of its Charged Assets as should be carried out by a prudent mortgagee;

(g) **Intellectual Property:** it will use its reasonable endeavours to detect any infringement of and to maintain, protect and enforce its rights in respect of its

Intellectual Property and, if aware of such infringement or threat to such rights, will immediately give IGF all information available to it about that infringement or threat and the actions taken and to be taken by it in respect thereof;

(h) **Compliance with laws:** it will comply in all material respects with all laws concerning its Charged Assets and with the requirements of any competent authority and every notice, order, direction, licence, consent, and permission lawfully made or given by any competent authority in respect of it, and will provide IGF immediately after receipt or it first becoming aware thereof with copies and full details of all such notices, orders, directions, licences, consents and permissions;

(i) **Carrying on business:** it will not, without the prior written consent of IGF, make any material alteration to the nature of its business as carried on at the date of this Deed;

(j) **Maintaining books:** it will maintain proper and up to date Accounting Records and will keep such Accounting Records and all other documents relating to its affairs at its registered office or at such other place where the same ought to be kept;

(k) **Payment of Debts:** it will punctually pay all its Debts and liabilities becoming due and payable and which would, on its winding-up, have priority over any of the Encumbrances created by this Deed;

(l) **Outgoings:** it will punctually pay all outgoings payable in respect of its Charged Assets and will promptly produce the receipts for them to IGF upon request;

(m) **Observing covenants:** it will observe and perform in all material respects all restrictive and other covenants and stipulations for the time being affecting its Charged Assets or their use or enjoyment;

(n) **Proprietary interests:** it will not permit any person to become entitled to any proprietary right or interest (other than liens arising by operation of law in the ordinary course of business and title retentions in the ordinary course of business) which might affect the value, use or marketability of its Charged Assets and will ensure that no overriding interest arises under the Land Registration Acts 1925-2002;

(o) **Encumbrances:** it will ensure that no Encumbrances (other than liens arising by operation of law in the ordinary course of business and title retentions in the ordinary course of business) will arise on or after the date of this Deed in respect of its Charged Assets without the prior written consent of IGF;

(p) **Landlord:** it will notify the landlord of any leasehold property forming part of the Charged Assets of the existence of this security forthwith upon this security attaching to such leasehold property; and

(q) **Moratorium:** it will notify IGF in writing, forthwith upon taking any steps with a view to resolving to initiate a moratorium in respect of itself pursuant to the provisions of the Insolvency Act 2000.

4.2 Debts and Remittances

The Chargor agrees that, whilst this security exists:

(a) **Getting in Other Debts:** until other directions are given by IGF in writing it will:

(i) only deal with its Other Debts by way of getting in and realising the same in the ordinary course of its business;

(ii) give written instructions to debtors to pay Remittances in respect of its Other Debts to such bank account, address or person as IGF may specify;

(iii) only deal with the monies in such bank account in accordance with the written directions from time to time given by IGF which may include a direction to the Chargor to give written instructions to its bankers that all such monies will be forthwith paid into any other bank account as IGF may specify;

(iv) not otherwise, except as permitted by IGF, withdraw any credit balance from, or otherwise deal with, any of its bank accounts;

(b) **Disposals:** it will not sell, discount, factor, create any Encumbrance over, dispose of or, except in accordance with this Deed, otherwise deal with its Other Debts or the related Remittances;

(c) **Non-Vesting Debts:** it will not deal with, negotiate or pay Remittances in respect of its Non-Vesting Debts and their Related Rights into any account other than as specified in the Facilities Agreement in relation to Debts and will otherwise deal with such Non-Vesting Debts and their Related Rights as if they were Debts that had vested absolutely and effectively in IGF under the Facilities Agreement.

4.3 Securities

The Chargor agrees that, whilst this security exists:

(a) **Payment of monies:** all Securities will at all times be fully paid but without prejudice to such assurance it will duly and promptly pay all monies which become due in respect of any of the Securities and indemnify IGF in respect of any liability it may incur in respect of the Securities;

(b) **Deposits:** forthwith upon the execution of this Deed, unless agreed otherwise in writing by IGF, it will deposit with IGF all certificates or documents of title in respect of the Securities;

(c) **Delivery:** unless IGF agrees otherwise in writing, it will ensure the delivery or payment to IGF of all Securities or the certificates or other documents of title to or representing the same;

(d) **Registration:** IGF will at any time be entitled to have any of the Securities or other moneys or property referred to in Clauses 4.3(b) and/or 4.3(c) registered either in its name or in the name of nominees selected by it;

(e) **Nominations**: it shall:

(i) not exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Securities; and

(ii) terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of

the Companies Act 2006) in respect of any Securities and, pending that termination, procure that any person so nominated:

(A) does not exercise any rights in respect of any Securities without the prior written approval of IGF; and

(B) immediately on receipt by it, forward to IGF all communications or other information received by it in respect of any Securities for which it has been so nominated;

(f) **Pre-emption rights and restrictions on transfer:** it shall:

(i) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Securities, for the transfer of the Securities to IGF or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and

(ii) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Securities in any manner that IGF may require in order to permit the transfer of the Securities to IGF or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.

4.4 Real Property and Plant and Machinery

The Chargor agrees that, whilst this security exists:

(a) **Maintenance:** it will keep all its Real Property in good and substantial repair and will allow IGF free access, at all reasonable times, to view the state and condition of any such Real Property and of any fixed Plant and Machinery from time to time thereon, but without IGF becoming liable to account as a mortgagee in possession;

(b) **Plant and Machinery:** it will keep all its Plant and Machinery in good and substantial repair and in good working order and condition, normal wear and tear excepted, and will immediately upon request by IGF affix nameplates or other identifying symbols or numbers indicating IGF's interest on its Plant and Machinery and it will not, without IGF's prior written consent, alter or remove any identifying symbol or number on the Plant and Machinery;

(c) **Covenants:** it will observe and perform (in all material respects) all the lessee's covenants in any lease under which any of the Charged Assets may be held and will take no action which might lead to such lease being surrendered or forfeited;

(d) **Repairs:** it will, at its own expense, allow IGF to carry out repairs or take any action which IGF will reasonably consider necessary should the Chargor fail to observe or perform any of its obligations as a lessee;

(e) **Leasing:** it will not exercise the powers of leasing or accepting surrenders of leases conferred as a mortgagee in possession by sections 99 and 100 of the Law of Property Act 1925, or any other powers of leasing or accepting surrenders of leases, without the prior written consent of IGF;

(f) **Exclusion order:** it will make sure that an order of the court is obtained, under section 38(4) of the Landlord and Tenant Act 1954, excluding the security of tenure provisions of that Act, before granting any lease;

(g) **No alterations:** it will procure that no alteration or addition is made to any of its Real Property and it will not do or allow anything to be done on its Real Property which will be treated as a development or a change of use within the meaning of the Planning Acts unless the prior written consent of IGF has been obtained;

(h) **Planning:** it will not infringe the Planning Acts in any way which prejudices IGF's security over the Charged Assets;

(i) **Deposits:** it will deposit with IGF all deeds and documents relating to its Real Property and the Insurances relating to the same, (subject only to the requirements of any prior Encumbrance agreed by IGF or of its landlord);

(j) **Environmental Licences:** it will have the benefit of, maintain and comply with all Environmental Licences (if any) needed for its use or occupation of its Charged Assets or for the conduct of any business it is engaged in from time to time;

(k) **Environmental Laws:** it will comply with all applicable Environmental Laws and will not knowingly do or permit to be done any act or omission whereby its Environmental Licences (if any) could be varied or revoked or which could result in any liability being imposed on IGF under any applicable Environmental Law;

(l) **Environmental audits:** if requested by IGF at any time (but, save in the case where at the time of requesting the environmental audit a Termination Event has occurred or in the opinion of IGF is likely to occur, no more frequently than once in every calendar year) it will forthwith on demand pay for an environmental audit of such type as IGF will specify in relation to the Charged Assets and, in any event, will permit IGF, its agents, employees, and any firm of environmental consultants engaged by it, to have full access to all its properties, assets and Accounting Records for the purpose of carrying out any such environmental audit; and

(m) **Ongoing obligations:** it will ensure that at all times there is no discharge, spillage, release or emission of any prescribed, dangerous, noxious or offensive substance or any controlled waste on, into or from any of its Charged Assets and no such substances or any controlled waste have been stored or disposed of on or in any part of its Charged Assets or, so far as it is aware, in any adjoining premises except in accordance with the requirements of the applicable Environmental Laws and/or Environmental Licences.

4.5 Insurances

The Chargor agrees that, whilst this security exists:

(a) **Insuring:** it will insure and keep insured those parts of the Charged Assets as are of an insurable nature against loss or damage by fire and all other risks usually insured against and such other risks (which may include insurance against acts of terrorism) that IGF shall reasonably require to their full replacement value with insurers approved by IGF and will comply with all policy terms in respect thereof. If it holds property as a tenant or lessee and shall be required by the landlord either to insure or to reimburse the Chargor's landlord for any insurance premium paid by him then the

Chargor will be treated as having complied with its insuring obligation under this Deed if it duly and promptly complies with those requirements. However this shall not affect the right of IGF to require the Chargor to produce satisfactory evidence that it has complied with the landlord's requirements;

(b) **IGF's interest:** it will ensure that all its Insurances (to the extent they relate to Eligible Equipment, Eligible Inventory and/or Eligible Real Property) are endorsed (in the form set out in Schedule 5) with notice of the interest of IGF in them (or, if required by IGF, with IGF named as a joint insured party though without IGF being liable for payment of premiums or for carrying out any other obligations under the relevant Insurance) and will produce to IGF the receipts for each current premium within fifteen days of its becoming due failing which IGF may effect or renew any such insurance as IGF shall think fit at the Chargor's expense;

(c) **Dealing with proceeds:** it will ensure that each Insurance (to the extent it relates to Eligible Equipment, Eligible Inventory and/or Eligible Real Property) contains a provision under which the proceeds of that Insurance are payable to IGF. Without prejudice to this, if any monies are received by the Chargor under any such Insurance in respect of any of the Charged Assets such monies shall be treated as part of the Charged Assets subject only to any rights of third parties having priority and to the requirements of any lease of the Charged Assets and shall be paid forthwith to IGF. Pending payment to IGF, the Chargor shall hold such proceeds on trust for IGF. The proceeds of any such Insurance shall be applied at the discretion of IGF either in reducing the Secured Obligations as have fallen due for payment or towards making good the loss or damage for which the monies became payable;

(d) **Insurances:** it will punctually pay all premiums and other sums payable under or in relation to each of the Insurances (and, if requested by IGF, produce evidence of payment satisfactory to IGF) and not knowingly omit to do or permit anything to be done which may make void, voidable or unenforceable any of the Insurances and not alter the terms of any of the Insurances or allow any of the Insurances to lapse;

(e) **Retention of Insurances:** it will, immediately upon receiving the same, deliver all original Insurances (to the extent they relate to Eligible Equipment, Eligible Inventory and/or Eligible Real Property) to IGF and thereafter permit IGF to hold and retain all Insurances; and

(f) **Notice:** it will immediately give notice of this security in the form set out at the beginning of Schedule 5 to the assurance or insurance company or organisation issuing any of the Insurances (to the extent any such Insurance relates to Eligible Equipment, Eligible Inventory and/or Eligible Real Property) in its favour and use its reasonable endeavours to obtain and deliver the form of acknowledgement of such notice in the form set out later in Schedule 5.

4.6 Representations and Warranties

The Chargor represents and warrants in favour of IGF as follows (and these representations and warranties shall survive the execution of this Deed):

(a) **Due execution:** that the execution of this Deed has been duly authorised by a resolution of its board of directors or by a duly authorised committee of such board (or if the Client is a limited liability partnership by a resolution of its members) and that it does not breach any provision of its memorandum and/or articles of association or of

any other Encumbrance, security or agreement entered into prior to the date of this Deed or the laws of any jurisdiction applying to it;

(b) **Ownership:** that it is and will at all times be the sole beneficial owner with full title guarantee of all its Charged Assets and that no Encumbrances affect it other than those permitted by IGF and/or (2) liens arising by operation of law in the ordinary course of business and title retentions in the ordinary course of business;

(c) **Validity:** that this Deed constitutes its legal, valid, binding and enforceable obligations and is an effective security over all and every part of its Charged Assets in accordance with its terms;

(d) **Authorisations:** that all necessary authorisations and consents to enable or entitle it to enter into this Deed and create the Encumbrances hereby created or intended to be created have been obtained and these will remain in full force and effect during the existence of this security;

(e) **Discharges:** that there has been no discharge, spillage, release or emission of any prescribed, dangerous, noxious or offensive substance or any controlled waste on, into or from any Real Property or (so far as it is aware) any premises adjoining any part of them and no such substances or any controlled waste have been stored or disposed of on or in any Real Property or, so far as it is aware, in any adjoining premises except in accordance with the requirements of the applicable Environmental Laws and/or Environmental Licences; and

(f) **Environmental compliance:** that it is not in breach of, and has not incurred or become subject to, any civil or criminal liability under any Environmental Laws or the terms of any Environmental Licence and that it has not done or omitted to do anything which could impose any liability on IGF under any applicable Environmental Law.

(g) **Securities:**

(i) That it has complied with all notices relating to all or any of the Securities received by it pursuant to sections 790D and 790E of the Companies Act 2006; and

(ii) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Securities.

5 FURTHER ASSURANCE AND POWER OF ATTORNEY

5.1 Further assurance

At IGF's request, the Chargor will, at its own expense, immediately sign, seal, execute, deliver and perfect all deeds, debentures and instruments including, without limitation, standard securities, assignations and any other documents needed in relation to assets in Scotland and any other jurisdiction and do all such other acts and things as IGF or any Administrator or Receiver (as the case may be) appointed under this Deed may require in order to perfect, protect or enforce this security in respect of the Chargor or to facilitate the realisation of any of the Charged Assets or to use the powers given to each of them in this Deed or to enforce the obligations of the Chargor and/or the rights of IGF under this Deed and it will take such steps

as IGF shall specify to make such registrations and give such notifications as IGF may consider appropriate (or which may be specified by applicable law) in relation to this Deed and the Chargor authorises IGF to effect the same if IGF so chooses.

5.2 Execution of documents/registration

Without prejudice to Clause 5.1 the Chargor will at the request of IGF and at the Chargor's own expense, execute a legal mortgage, charge or assignment of any part of the Charged Assets of the Chargor, subject to or intended to be subject to any fixed security under this Deed in such form as IGF may require. In every such case the Chargor will then take such other steps as IGF may require to perfect such legal mortgage, charge or assignment including, without limitation, using all reasonable endeavours to obtain the consent of any landlord or other person required for any legal mortgage.

5.3 Power of attorney

The Chargor, by way of security and in order more fully to secure the performance of its obligations hereunder, irrevocably appoints IGF, any directors, officers or managers for the time being of IGF and any other person authorised by the directors of IGF and any Administrator or Receiver (as the case may be) appointed hereunder, jointly and each of them severally, to be the lawful attorneys of the Chargor for the purposes set out in this Clause 5. Such appointment gives each attorney the power in that Obligor's name and on its behalf to act and to carry out all acts and execute all the deeds, debentures, instruments and other documents required by Clauses 5.1 and 5.2 in the event of the Chargor not having done so following the relevant request from IGF. Each attorney so appointed may appoint substitute attorneys to carry out all or any of such purposes. The Chargor agrees to ratify and confirm any instrument, act or thing which any such attorney or substitute attorney may lawfully execute or do in the name or on behalf of the Chargor.

5.4 Power of attorney on Debts

The Chargor, by way of security and in order more fully to secure the performance of its obligations hereunder, irrevocably appoints IGF, any directors, officers or managers for the time being of IGF and any other person authorised by the directors of IGF and any Administrator or Receiver (as the case may be) appointed hereunder, jointly and each of them severally, to be the lawful attorneys of each the Chargor and on each such the Chargor's behalf to take any action which each the Chargor is obliged to take under the Facilities Agreement including:

(a) execute or sign any deeds or documents (including assignments);

(b) obtain payment of Debts;

(c) complete, deal with, negotiate or endorse Remittances;

(d) institute, conduct, compromise or defend any legal proceedings;

(e) settle each the Chargor's indebtedness to IGF or to Debtors;

(f) perform such other lawful acts, as IGF in its absolute discretion, may consider reasonably necessary or expedient.

6 CONSEQUENCES OF A TERMINATION EVENT

Following the occurrence of a Termination Event:

(a) **Enforceability:** the security constituted by this Deed shall become enforceable; and/or

(b) **Retentions:** IGF may retain any monies in any account referred to in Clause 4.2(a), for such period as IGF reasonably considers necessary to ensure the Chargor's compliance with the terms of this Deed; and/or

(c) **Voting rights:** IGF may exercise in the name of the Chargor any voting rights attached to the Securities and all powers given to trustees by the Trustee Act in respect of securities, property subject to a trust and any powers or rights exercisable by the registered holder of any of the Securities or by the bearer of any of the Securities. IGF will not then need any consent or authority from the Chargor.

7 POWER OF POSSESSION AND SALE

At any time after this security has become enforceable, IGF and/or any Receiver or Administrator appointed under this Deed may, in their discretion, enter upon and take possession of the Charged Assets or any part of them. They may also, at their discretion, when exercising their powers given in this Deed, sell, call in, collect and convert into monies the Charged Assets or any part of them. By way of extension of these powers such sale, calling in and conversion may be done for such consideration in such form and upon such terms as to payment and otherwise as IGF or any Receiver or Administrator shall think fit.

8 APPOINTMENT OF RECEIVER OR ADMINISTRATOR AND THEIR POWERS

8.1 Appointment of a Receiver or an Administrator

The restrictions in Section 109 and Section 91(2) of the Law of Property Act 1925 (restricting, inter alia, the power to appoint a receiver, the maximum rate of a receiver's remuneration and the power to apply to court for an order for sale of mortgaged property) shall not apply to this Deed. At any time after:

(a) this security becomes enforceable (whether as a consequence of a Termination Event occurring or otherwise);

(b) the Chargor at any time so requests in writing; or

(c) IGF becomes aware of the intention of any party to apply for an administration order to be made in relation to the Chargor or any such application is made,

IGF may, without further notice to the Chargor appoint any person to be a Receiver or an Administrator of the Chargor (as IGF may in its absolute discretion determine is appropriate) in respect of the Charged Assets of the Chargor. The appointment of a Receiver may extend to the whole or any part of such Charged Assets. IGF may, so far as the law permits, remove any Receiver. In case of the removal, retirement or death of any Receiver or Administrator, IGF may appoint another in his place. At the time of his appointment (or at any time afterwards) IGF may fix the remuneration of a Receiver on such basis as IGF shall determine.

8.2 Joint and several obligations

IGF may appoint more than one person to act as a Receiver or an Administrator and where it does so those so appointed shall carry out their duties, exercise their rights, and be subject to their obligations jointly as well as severally. References in this Deed to a "Receiver" or an "Administrator" shall be to each and all of them as appropriate.

8.3 Writing

The appointment of a Receiver or an Administrator or the removal or fixing of the remuneration of a Receiver shall be made in writing and may be signed by any director or officer of IGF.

8.4 Appointment of Receiver or Administrator and their powers

(a) **Appointment:** Any Receiver or Administrator shall be the agent of the Chargor to which such appointment relates. The Chargor to which such appointment relates will, and IGF will not in any way, be responsible for the acts, omissions, losses, misconduct, defaults and remuneration of such Receiver or Administrator; and

(b) **Powers of a Receiver:** A Receiver shall, without the need for the consent of the Chargor to which such appointment relates, have all of the powers described in this Clause, unless any such powers shall specifically be excluded by the written terms of his appointment. A Receiver may exercise these powers in such way, at such time and on such terms as he shall think fit, necessary or expedient and whether in his name or the name of the Chargor and without being under any obligation to take or omit to take any action which the Chargor, but for the appointment of the Receiver, would or might have considered to be in the Chargor's interests. A receiver shall have the powers granted by the Law of Property Act 1925 to any receiver appointed under such Act and all the powers of an administrative receiver under Schedule 1 of the Insolvency Act 1986. A Receiver shall also have the power on behalf and at the cost of the Chargor, and in the Chargor's name or otherwise, to do or omit to do anything which the Chargor could do or omit to do or could have done or omitted to do but for any incapacity or the appointment of a liquidator, Administrator or equivalent officer in relation to the Chargor or its Charged Assets.

(c) **Powers of an Administrator:** An Administrator shall have all the powers conferred from time to time on Administrators by law or by statute.

8.5 IGF's powers

Whether or not a Receiver or an Administrator shall be appointed under this Deed, IGF may at any time after this security becomes enforceable, and without giving notice, exercise all or any of the powers, authorities and discretions conferred on a Receiver or an Administrator as set out above.

8.6 Right of appropriation

(a) To the extent that:

(i) the Charged Assets constitute Financial Collateral; and

(ii) this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

IGF shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any of those Charged Assets in or towards the payment or discharge of the Secured Obligations in any order that IGF may, in its absolute discretion, determine.

(b) The value of any Charged Assets appropriated in accordance with this clause shall be:

(i) in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and

(ii) in the case of Securities, the price of those Securities at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that IGF may select (including independent valuation).

(c) The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

9 VARIATIONS TO STATUTORY PROVISIONS

9.1 Law of Property Act

Section 103 of the Law of Property Act 1925 (restricting the power of sale) shall not apply to this Deed. However the power of sale and the other powers conferred on mortgagees by that Act shall apply to this security but without the Act's restrictions as to giving notice or otherwise. Accordingly, for the purposes of a sale or other exercise of any such powers, the whole of the Secured Obligations shall be treated as due and payable on the date hereof.

9.2 Non-consolidation

The restrictions on the right of consolidating mortgage securities, which are contained in Section 93 of the Law of Property Act 1925, shall not apply to this security.

9.3 Subsequent encumbrances

If IGF receives, or is treated as having received, notice of any subsequent Encumbrance affecting any of the Charged Assets then IGF may open a new account with the Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or was treated as having received, such notice. From that time all payments made by the Chargor to IGF shall be credited, or be treated as having been credited, to the new account. These payments shall not operate to reduce the amount secured by this Deed when IGF received or was treated as having received such notice.

10 APPLICATION OF MONIES

10.1 Order of payment

All monies received by IGF or by an Administrator or Receiver (as the case may be) under or by virtue of this Deed shall be applied (so far as the law permits) in the following order:

(a) **Costs and expenses:** in payment of all costs, charges and expenses of or incidental to the appointment of an Administrator or Receiver (as the case may be), the payment of his remuneration and the payment and discharge of any other Expenses incurred by or on behalf of the Administrator or Receiver (as the case may be);

(b) **Preferential Debts:** in or towards payment of any debts or claims which are by statute payable in preference to the Secured Obligations but only to the extent to which those debts or claims have such preference;

(c) **Payments to IGF:** in payment to IGF of the Secured Obligations due to IGF in such order as IGF in its absolute discretion thinks fit; and then

(d) **Surplus:** in payment to the Chargor of any surplus (which shall not carry interest) which may be paid into any of the Chargor's bank accounts including an account opened specifically for such purpose. IGF shall then have no further liability for the surplus.

10.2 Appropriation

Following the enforcement of this security, any monies received by IGF may be appropriated by IGF in its discretion in or towards the payment and discharge of any part of the Secured Obligations.

10.3 Suspense accounts

IGF or the Administrator or Receiver (as the case may be) may credit any monies to a suspense account for so long and in such manner as IGF may from time to time determine. The Administrator or Receiver (as the case may be) or IGF may retain the same for such period as the Administrator or Receiver (as the case may be) and IGF consider expedient.

11 PROTECTION OF THIRD PARTIES

11.1 Third party payments

No person paying or handing over monies to an Administrator or Receiver (as the case may be) and obtaining a discharge shall have any responsibility or liability to confirm the correct application of such monies.

11.2 Third party dealings

No person dealing with IGF, or an Administrator or Receiver (as the case may be), need enquire:

(a) **Powers exercisable:** whether any event has happened giving either IGF or the Administrator or Receiver (as the case may be) the right to exercise any of his powers;

(b) **Propriety of acts:** as to the propriety or regularity of any act purporting or intending to be an exercise of such powers;

(c) **Validity of appointment:** as to the validity or regularity of the appointment of any Administrator or Receiver (as the case may be) purporting to act or to have been appointed as such; or

(d) **Satisfaction:** whether any of the Secured Obligations remain unsatisfied.

11.3 Statutory protection

All the protections given to purchasers contained under sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with an Administrator or Receiver (as the case may be) or IGF as if the Secured Obligations had become due and the statutory power of sale and appointment of the Administrator or Receiver (as the case may be) in relation to the Charged Assets had arisen, on the date of this Deed.

11.4 Express notice

No person dealing with IGF or any Administrator or Receiver (as the case may be) shall be affected by express notice that any act is unnecessary or improper.

12 CONTINUING AND ADDITIONAL SECURITY

12.1 Continuing security

This security is a continuing security for all the Secured Obligations notwithstanding any interim settlement of account until a final discharge of this security shall be given by IGF.

12.2 Non-merger

This security is in addition to, and shall not merge or otherwise prejudice or affect, any other right or remedy of IGF or any assignment, bill, note, guarantee, Encumbrance, or other security now or in future in favour of IGF or held by, or available to, IGF (whether created by the Obligors or any of them or any third party).

13 EXPENSES AND INDEMNITIES

13.1 Expenses and interest

All Expenses incurred and all payments made by IGF or any Administrator or Receiver (as the case may be) in the lawful exercise of the rights created by this Deed shall carry interest at the Default Rate. Interest under this Deed shall accrue (both before and after judgment) from the date the Expenses were incurred or the sum paid became payable, whichever shall be earlier, until the date the same are paid and discharged in full. IGF may compound unpaid interest with rests at such times as it may consider appropriate. The amount of all Expenses and payments referred to in this Clause 13.1 and any interest thereon shall be payable by the Chargor on demand.

13.2 General indemnity

The Chargor agrees to indemnify IGF (and its nominees) and any Administrator or Receiver (as the case may be) on demand against all losses, actions, claims, expenses, demands and liabilities now or in the future incurred by any of them or by any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable for anything done or omitted in the exercise or purported exercise of the rights contained in this Deed or caused by any breach by the Chargor of any of its obligations under this Deed or in connection with the Charged Assets. IGF (and its nominees) and any Administrator or Receiver (as the case may be) shall also be entitled to be indemnified out of the Charged Assets in respect of all losses, actions, claims, expenses, demands and liabilities incurred by them in the execution, or purported execution, of any of the rights vested in them under this Deed.

13.3 Tax indemnity

The Chargor agrees to indemnify IGF and any Administrator or Receiver (as the case may be) on demand against all present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent authority in connection with the execution or enforcement of this Deed or in consequence of any payment made pursuant to this Deed being challenged or declared void for any reason whatsoever.

13.4 Currency indemnity

(a) **Conversion:** For the purpose of, or pending, the discharge of any of the Secured Obligations IGF or an Administrator or Receiver (as the case may be) may convert any monies received, recovered or realised under this Deed (including the proceeds of any previous conversion) from their existing currency into such other currency as IGF or such Administrator or Receiver (as the case may be) may think fit. Any such conversion shall be effected at the then prevailing spot selling rate of exchange of IGF's bankers for such other currency against the existing currency.

(b) **Shortfall indemnity:** The Chargor agrees to indemnify IGF against any shortfall between:

(i) any amount received or recovered by IGF in respect of any of the Secured Obligations which is converted in accordance with Clause 13.4(a) into the currency in which such liability was payable; and

(ii) the amount payable to IGF under this Deed in the currency of such liability.

14 PAYMENTS, DISCHARGE AND SET-OFF

14.1 Payments without deduction

All payments to be made to IGF under this Deed shall be made free and clear of and (save as required by law) without deduction for or on account of any tax withholding, charges, set-off or counterclaim. All payments shall be made into such account(s) as IGF may from time to time specify for the purpose.

14.2 Set-off

Without prejudice to any right of set-off or combination of accounts contained in any Finance Document, IGF may at any time following the occurrence of a Termination Event without notice to any of the Charging Companies combine or consolidate all or any amounts standing to the credit of the Chargor's account or accounts with IGF and/or set off any amount owed by IGF to the Chargor against any obligation (whether or not matured) owed to IGF by the Chargor whether or not each is expressed in the same currency.

14.3 Gross-up and tax receipts

If the Chargor is required by law to make a deduction or withholding from any payment made under this Deed, then the sum payable by the Chargor shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, IGF receives and retains (free from any liability related to such deduction or withholding) a net sum equal to the sum which it would have received and retained had no such deduction or withholding been made or required to be made. The Chargor will pay the amount deducted or withheld to the relevant tax or other authorities within the time allowed for such payment under applicable law and will deliver to IGF within 30 days of making such payment an original receipt or other evidence issued by the relevant authority showing that payment has been made in full.

14.4 Discharge of security

Upon payment and complete discharge and performance of all the Secured Obligations under or in relation to this Deed, IGF shall, at the request and cost of the Chargor, duly discharge this security so far as it relates to the Chargor's Charged Assets and any further security given by the Chargor in accordance with the terms hereof. IGF will also, at the request and cost of the Chargor, transfer to the Chargor any of the Charged Assets of the Chargor which have been assigned or transferred to IGF. If any Charged Assets transferred or assigned to IGF were fungible, IGF may transfer to the Chargor assets of the same class, denomination and quality rather than the identical Charged Assets transferred or assigned to it under this Deed.

14.5 Avoidance of payments

The right of IGF to payment of the monetary obligations comprised in the Secured Obligations or to enforce the terms of this Deed shall not be affected by any payment or any act or thing which is avoided or adjusted under the laws relating to bankruptcy or Insolvency or under Part VI of the Insolvency Act 1986. Any release, or discharge given or settlement made by IGF relying on any such payment, act or thing shall be void and of no effect.

15 SERVICE OF NOTICES AND PROCESS

15.1 Chargor's address for service

Unless otherwise provided in this Deed, any written notice from IGF to the Chargor and any proceedings issued by IGF requiring service on the Chargor may be given or served by delivering it at or posting it to:

(a) the Chargor's address set out under its name at the end of this Deed or to such other address of the Chargor advised to and acknowledged by IGF as being effective for the purposes of service;

(b) the Chargor's registered office; or

(c) any address last known to IGF at which the Chargor carried on business.

It may also be handed to any officer of the Chargor. Such notice may also be given by facsimile transmission or electronic medium to the Chargor's number or address acknowledged by IGF for communication by such means.

15.2 Time of service on Chargor

Any such notice or process shall be considered served:

(a) if delivered – at the time of delivery;

(b) if sent by post – 48 hours from the time of posting;

(c) if sent by facsimile transmission or electronic medium – at the time of receipt; or

(d) if handed over – at the time of handing over.

15.3 Service on IGF

Any notice in writing by the Chargor to IGF required hereunder shall take effect at the time it is received by IGF at its registered office or at such other address as IGF may advise in writing to the Chargor for this purpose unless such notice is received on a day which is not a Working Day, in which case, it shall take effect on the next Working Day.

16 TRANSFERS AND DISCLOSURES

16.1 Transfers by IGF

This Deed is freely transferable by IGF to any other party. The Chargor consents to any such transfer (whether by novation, assignment, or otherwise). References in this Deed to the "IGF" shall include its successors, assignees and transferees and any person to whom this Deed is novated.

16.2 No transfers by the Chargor

The Chargor may not assign or transfer any of its obligations under this Deed nor may it enter into any transaction which would result in any such obligations passing to another person.

16.3 Disclosure of information

IGF may disclose any information about the Chargor and any member of the Chargor's Group and any other person connected or associated with it to any members of IGF's Group and/or to any person to whom IGF is proposing to transfer or assign, or has transferred or assigned, this Deed and/or any of the Secured Obligations (in each case which is a bank or financial institution or any director, officer, agent or employee thereof or any professional adviser thereto). The Chargor represents and warrants that it has, and (so far as permitted by law) will maintain, any necessary authority by or on behalf of any such persons to agree to the provisions of this Clause.

17 MISCELLANEOUS

17.1 Delays and omissions

No delay or omission on the part of IGF in exercising any right or remedy under this Deed shall impair that right or remedy or operate as or be taken to be a waiver of it. Any single, partial or defective exercise of any such right or remedy shall not prevent the further exercise of that or any other right or remedy.

17.2 Cumulative rights

IGF's rights under this Deed are cumulative. They are not exclusive of any rights provided by law. They may be exercised from time to time and as often as IGF sees fit.

17.3 Waivers

Any waiver by IGF of any terms of this Deed or any consent or approval given by IGF under it shall only be effective if given in writing. Such consent and approval shall then only apply for the purpose stated and be subject to any written terms and conditions imposed by IGF.

17.4 Illegality

If at any time any one or more of the provisions of this Deed is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction then neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall be in any way affected or impaired as a result.

17.5 IGF's certificates

Any certificate signed by a director or authorised officer of IGF as to the amount of the monetary obligations comprised in the Secured Obligations at the date of that certificate shall, in the absence of manifest error, be conclusive evidence of that amount and be binding on the Chargor to whom such certificate is addressed.

17.6 Counterparts

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

17.7 Paper

The paper on which this Deed is written is, and will remain at all times, the property of IGF, even after the discharge of this security.

17.8 Access and Inspection

For the purpose of gaining access to or inspecting or (following any Termination Event) taking possession of any of the computer equipment, computer data, books, documents and other records included in or relating to the Charged Assets or for the purpose of taking copies of any of such data, books, documents and records any duly authorised official of IGF and any Administrator or Receiver (as the case may be) and any person authorised by such

Administrator or Receiver (as the case may be) shall have the right at any time to enter upon any premises at which the Chargor carries on business and upon any other premises in which any part or all of such computer equipment, computer data, books, documents and other records are for the time being kept or stored.

17.9 Contracts (Rights of Third Parties) Act 1999

Other than in relation to the provisions of Clause 13, the terms of this Deed may only be enforced by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

18 LAW AND JURISDICTION

18.1 Law

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

18.2 Jurisdiction

(a) **Submission:** The Chargor irrevocably agrees for the benefit of IGF that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Deed and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(b) **Forum:** The Chargor irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 18.2(a) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Deed and agrees not to claim that any such court is not a convenient or appropriate forum.

(c) **Other competent jurisdictions:** The submission to the jurisdiction of the courts referred to in Clause 18.2(a) shall not (and shall not be construed so as to) limit the right of IGF to take proceedings against the Chargor in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

(d) **Consent to enforcement:** The Chargor hereby consents generally in respect of any legal action or proceeding arising out of or in connection with this Deed to the giving of any relief or the issue of any process in connection with such action or proceeding including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceeding.

IN WITNESS whereof the Chargor has duly executed this Deed as a deed and intends to deliver and hereby delivers the same on the date first above written and, prior to such delivery, this Deed has been duly signed on behalf of IGF, in the manner appearing below.

SCHEDULE 1

Real Property

Registered land		
Address	**Administrative Area**	**Title Number**
Unregistered land		
Address	**Document describing the Property**	
	Date	**Document**	**Parties**

SCHEDULE 2

Plant and Machinery

[□]

Appendix 4 - Schedule of Assets Suitable for Fixed Charge

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description
	Axminster Site, Woodmead Road, Axminster, Devon, EX13 5PQ
	Bottom Weaving Shed
200	Crabtree Stage 4 12' 8 pitch Axminster loom with Griffith Textile Smart Creel, electronic jacquards, Rapier and Matrix Vision camera system (8 colour) Serial No. 1870 (1982) Approximately 54 ppm
202	Crabtree Stage 4 12' 8 pitch Axminster loom with Griffith Textile Smart Creel, electronic jacquards, Rapier and Matrix Vision camera system (8 colour) Serial No. 1871 (1982) Approximately 54 ppm
204	Crabtree Stage 4 12' 8 pitch Axminster loom with Griffith Textile Smart Creel, electronic jacquards, Rapier and Matrix Vision camera system (8 colour) Serial No. 1880 (1984) Approximately 54 ppm
205	Crabtree Stage 4 1m 8 pitch Axminster loom with Griffith Textile Smart Creel and electronic jacquards (8 colour) Serial No. 2033 (1998) Approximately 63 ppm
201	Crabtree 91cm 8 pitch Axminster loom with card jacquards and creel stand (8 colour) Serial No. 1830 Approximately 60 to 70 ppm

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description
306	Crabtree Stage 4 15' 6 pitch Axminster loom with Griffith Textile Smart Creel, Rapier, electronic jacquards and Matrix Vision camera system (8 colour) Serial No. 1929 (1989) Approximately 51 ppm
304	Crabtree stage 4 15' 6 pitch Axminster loom with card jacquards, creel stand and Matrix Vision camera system (8 colour) Serial No. N/A Approximately 51 ppm
302	Crabtree stage 4 15' 6 pitch Axminster loom with card jacquards and creel stand (8 colour) Serial No. N/A Approximately 51 ppm
300	Crabtree stage 4 15' 6 pitch Axminster loom with card jacquards and creel stand (8 colour) Serial No. N/A Approximately 51 ppm 4m wide flat weaving shuttle loom with creel stand 6-spindle bit winder
102	Crabtree 3' 6 pitch Axminster loom with electronic jacquards and creel stand (8 colour) Serial No. N/A Approximately 60 ppm

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description
203	Crabtree 91cm 8 pitch Axminster loom with electronic jacquards and Matrix camera system and creel stand (8 colour) Serial No. 1684 (1975) Approximately 60 to 70 ppm Boucher 33BM 15' beamer with 1440 x 2 ends and creel and ancillary equipment Serial No. 7214/63 **Loom Tuners Area** Colchester Triumph 2000 7.5" x 52" between centres SS and SC gap bed lathe Serial No. 6/0044/30147DD Laycock 1551 60 tonne hydraulic garage press Serial No. 1303 Startrite H175 175mm capacity horizontal bandsaw Pugsley EA40 heavy duty drill Serial No. S4184 Hitachi 205mm double ended pedestal grinder Serial No. 30119 Fritz Werner 2.211D milling machine Serial No. 6HT 1588 OPF 3600

Axminster carpets

Asset No.	Asset Description
	Herbert No.5 Senior preoptive monoslide lathe
	(2) Kaeser HPC SK21T packaged air compressors Serial No's. 2928, 2927 (2009) with OKS 1000L vertical air receiver tank Serial No. 547984
	Middle Weaving Shed
208	Crabtree Stage 4 12' 8 pitch Axminster loom with Griffiths Electronic jacquards, Matrix camera system and creel stand (8 colour) Serial No. 1878 (1983) Approximately 51 ppm
214	Crabtree Stage 4 12' 8 pitch Axminster loom with electronic jacquards, Rapier, Matrix Vision camera system and creel stand (8 colour) Serial No. N/A Approximately 51 ppm
164	Crabtree Stage 4 12' 6 pitch Axminster loom with card jacquards and creel stand (8 colour) and Matrix camera stand Serial No. N/A Approximately 51 ppm

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description
310	Crabtree Stage 4 15' 6 pitch Axminster loom, Rapier with Griffith Textile Smart Creel with single frame (single colour) and Matrix camera system Serial No. 1927 (1989) Approximately 51 ppm
350	Crabtree Stage 4 15' 8 pitch Axminster loom with electronic jacquards, Rapier, Matrix camera system and Griffith Textile Smart creel (8 colour) Serial No. 1926 (1989) Approximately 51 ppm
174	Crabtree stage 4 12' 6 pitch Axminster loom with card jacquards and creel stand (8 colour) Serial No. 1913 (1989) Approximately 51 ppm
172	Crabtree Stage 4 12' 6 pitch Axminster Loom with card jacquards, Rapier and creel stand (8 colour) and Matrix camera system Serial No. 1912 (1988) Approximately 51 ppm
170	Crabtree stage 4 12' 6 pitch Axminster loom with card jacquards and creel stand (8 colour) Serial No. 1919 (1988) Approximately 51 ppm
168	Crabtree stage 4 12' 6 pitch Axminster loom with card jacquards and creel stand (8 colour) Serial No. 1920 (1988) Approximately 51 ppm

Axminster carpets

Asset No.	Asset Description
	Underlay Plant
	Underlay Plant comprising of:)
	Felt plant including:)
	Felt plant base material section)
	Cliffe 300-400kg cap base material infeed hopper and beater)
	with)
	Garnet Controls Rollaweigh auto weigher)
	Carding machine (CARD 1))
	Scrim infeed unit)
	Lapping device)
	2N 2m needle loom)
	c/w dust extraction and dust filters)
	)
	Felt plant topping line:)
	Tower feed hopper with 'Shirley Wheel' feed)
	Garnet Controls Microweigh X> automatic weigh system)
	Carding machine (CARD 2))
	Lapping device)
	FEHRER 2m needle loom)
	powered hydraulic wind up reel)
	)

Axminster carpets

Asset No.	Asset Description
	Underlay line:)
	Unwind stand)
	Scrim)
	Top and base infeed)
	Rubber crumb)
	Hopper and feed section with screw feeder, latex pump from latex IBC)
	Demag 1.6T hoist)
	Serial No. S-123908 (2010))
	EOGB gas fired twin burner oven (2014) with fume extraction to atmosphere)
	Edge trimming device)
	Wind up section with length control and cut off unit)
	)
	Air Spectrum odour unit)
	Serial No. 8361 (2012))
	(Located outside))
	Robo Pac Rotoplat 106FRD turntable pallet wrapper
	Serial No. KN/060145 (2004)

Axminster carpets

Asset No.	Asset Description
	Middle Weaving Bay
	Wool preparation equipment for Underlay plant including:
	Unbranded yarn chop cutter with horizontal belt conveyor, chopper and inclined paddle conveyor
	Laroche waste carding line comprising of:
	Cliffe hopper Serial No. WB96/EBR74376
	Laroche Etfils Lurco 69470 waste carding machine Serial No. 5425 (1974) with safety guards, dust extraction to socks and vacuum extraction to recycling bin
	Unbranded yarn chop cutter with horizontal belt conveyor, chopped and inclined paddle conveyor
	Cason MODTCFCM tarn cone stripper Serial No. 110152 (2002) with control unit, safety guards and vacuum extraction to recycling bin
	Galvanised steel recycling process bin with mild steel frame, vacuum and slatted conveyor system Approximately 8m x 3m x 6m (high) Capacity : approximately 1.5 ton of yarn/wool waste
	FP1 line comprising of:

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description	
	Unbranded single blade guillotine cutter with belt feed conveyor	)
	Inclined paddle conveyor	)
	Unbranded twin cylinder cutter with infeed and outfeed belt conveyor	)
	6-cylinder step blender	)
	Wilson Knowles spike sheet	)
	Garnett Bywater FP1 ripper/shredder Serial No. 739/1 (1979) with: (6) large and (3) small rollers vacuum flow to recycling bin and dust extraction	)
	Ken Mills T60 twin chamber bale press Capacity : 250-300kg waste wool bale	)

Axminster carpets

Asset No.	Asset Description
	Brighton Pavilion Room
210	Crabtree Stage 4 12' 8 pitch Axminster loom with electronic jacquards and creel stand (11 colour) and Matrix camera system Serial No. 2000 (1991) and Jacquard Serial No. 69X Approximately 51 ppm
	Compressor Shed
	(3) HPC Plusair AS47 packaged air compressors Serial No's. 1.7846.3/1304 1.8055.10010/1044 1.7846.3/1153
	Kaeser HPC Plusair TE91 cooler Serial No. 91266
	Beko Owamat 6, KT0600000 oil separation unit Serial No. 105491
	Fred Watkins 3560L welded air receiver tank Serial No. 26724/1 (1975)

Axminster carpets

Asset No.	Asset Description

Sample Room

Modra Kibby G4 300 sampling machine with Sick light guards
Serial No. TK172 (2010)

Modra Kibby MKIII sampling machine
Serial No. KP107C2100 (2000)

Modra Kibby MKII-PC sampling machine
Serial No. KP46U11D00 (1993 upgraded 2000)

Modra Kibby MKI sampling machine
Serial No. N/A (1993)

1st Floor

Yarn Winding Room

Gilbos AW2000 9-spindle pencil bobbin winder with 9-station hank expander
Serial No. 9824415 (1998)

Axminster carpets

Asset No.	Asset Description	
	(2) Evilo Prowinder C200 6-spindle winding machines Serial No's. P98 / P99 (1998)	)
1A & 1B	(2) Evilo Prowinder 6-spindle winding machines	)
	Sohler overhead rail mounted cleaning system	)
	Moss 6-spindle bit winder Serial No. 0449	
	6-spindle bit winder	
	15-spindle bit winder	
	<u>Yarn Store Inspection</u>	
	Heal and Co crock tester Serial No. 255/87/1125	)
	(2) Reynold and Branson regain testing machines (bone drying machines)	)
	Equiptex laboratory oven	)
	Testometric 220D yarn strength test machine Serial No. 8504211	)

Axminster carpets

Asset No.	Asset Description
	Finishing and Warehouse
	Sellers MK 72 twin head 5m wide shearing machine with J Scray and inspection facility)
	Serial No. 34074/79)
	together with Dohle 852/914 travelling sewing machine)
	Serial No. 86236)
	and flock/dust extraction system with dust collectors)
	(N.B. Dust extraction system is common to vinyl plant))
	Sellers 5m wide vinyl plant including:)
	Dohle 852-914 traversing sewing machine)
	Serial No. 942486 (1994))
	J Scray)
	Front and back brushing system)
	Vertical steam box)
	Serial No. 20463 (1995))
	Scroll roller)
	Serial No. 35175)
	Data Colour autofoamer c/w latex storage tanks and applicator unit)
	Steam heated drying oven (4-section))
	Steam heated carpet drive drum)
	J Scray)
	(2) Sellers Horizon 5m twin head shearing machine)
	Serial No. 34958/89)
	c/w (2) spare blades and fitted with Goring Kerr metal detector)
Wilton 1 & 2	(2) Picking and inspection tables

Axminster carpets

Asset No.	Asset Description

Macfab RWM500 hydraulic baling press
Serial No. 7315 (2005)

Bespoke 5m tufted table unwind stand, inspection table, rewind stand and Napier cross cut
Serial No. N/A

Haxby 5m final inspection table with powered roller infeed, inspection area, J Scray, Greenbank Darwen rolling section and conveyor outfeed

Finished Goods Area

Smith Whitworth 5m cut, wrap and pack machine

Sample Area

Meccanica Allevi Vigevano MAV 13ATF - V39 travelling head hydraulic sample press
Serial No. M00/3372 (2000)

CPR Series 60 sample press

Samco SB-20 sample press
Serial No. G 35613 (1997)

Burnley Packaging LP1200 heat sealing machine

Axminster carpets

Asset No.	Asset Description
	Laboratory
	Binder KBF115 115 litre capacity climatic chamber Serial No. 02 35987 Vindon humidity cupboard Stanton Redcroft Smoke Box carpet smoke and toxicity test unit Serial No. 1106 10897/77 with personal computer control
	Wilton Weaving Shed
1	Van De Wiele Wire Master AWM51 4m Wilton loom with PTX electronic jacquards and creel stand (5 colour) Serial No. G-5369.001 (2000) Approximately 50 - 55 ppm
2	Van De Wiele Wire Master AWM51 4m Wilton Loom with PTX electronic jacquards and creel stand (5 colour) Serial No. G-5617.001 (2001) Approximately 50 - 55 ppm
3	Van De Wiele Loop Master LPM32 2.2m Wilton Loom with PTX electronic jacquards and creel stand (3 colour) Serial No. G-5370.001 (2000) Approximately 160 ppm

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description
20	Hattersley 1.3m 5 frame Wilton shuttle loom with creel stand (5 colour) Serial No. 3171 Approximately 60 ppm
10	Van De Wiele 1m 4 frame Wilton shuttle loom with creel stand (5 colour) Serial No. N/A Approximately 60 to 70 ppm
4	Van De Wiele 3660mm Wilton Loom with retro fitted Rapier system, Grosse Electronic Jacquards and creel stand Serial No. N/A
18	Hattersley 36" 5 frame Wilton shuttle loom with creel stand (5 colour) Serial No. N/A Approximately 60 to 70 ppm
16	Hattersley 27" 5 frame Wilton shuttle loom with creel stand (5 colour) Serial No. N/A Approximately 60 to 70 ppm
	HPC Plusair Air Tower TU26 packaged air compressor Serial No. 1.8839.20010/1420 (2002) with HPC ES2150 oil separation unit and Rednal Pneumatics 250L welded vertical air receiver tank Serial No. 17421/013

Axminster carpets

Asset No.	Asset Description
	Marcoh Engineering cop winder Serial No. 502-M-019 (2000)
	Genkinger EE.KHUR20/1050 1.5 ton battery electric pedestrian operated warp beam lift truck Serial No. 201.0666 (2001) c/w charger
Gilbos No.5	Gilbos UCR 30 6-station bit winder Serial No. 175.CTTS.67.3834
Gilbos No.6	Gilbos UCR 30 6-station bit winder Serial No. 175.CTTS.67.3833
	Savio 5-station bit winder
	Jacquard Card Stamping and Lacing Shop
	Hardaker rotary card lacing machine
	Singer rotary card lacing machine Serial No. F3316720
	S Dracup Wilton card stamping machine Serial No. D97

Axminster carpets

Asset No.	Asset Description
	Hardaker automatic card stamping machine Serial No. S2917 with personal computer
	Singer rotary card lacing machine Serial No. EH665779
	Hardaker flatbed lacing machine
	Hardaker jacquard card stamping machine (slides) Serial No. 29725
	Hardaker jacquard card stamping machine (pins) Serial No. 26880
	Boucher No.1 Wilton card stamping machine Serial No. 8720-64
	Grosse K466 rotary card stamper Serial No. 7188
	External - Engineers Workshop
	Pedestal pillar drill Serial No. 20/1994
	Giant 250 mig welder

Axminster carpets

Asset No.	Asset Description
	Oxy acetylene cutting set
	Format manual 10" shear on stand
	Addison Bandmaster 10" horizontal bandsaw
	Kearney and Trecker (Milwaukee) 205-C12 52" x 12" table, vertical mill Serial No. 0P8168
	Gisholt No.5 turret lathe Serial No. 841-55
	Materials Handling Equipment
CB04	Lansing FOER 9.2 electric forklift truck Serial No. 2025565
CB05	Lansing 7/2.5 3690kg forklift truck Serial No. 8805F2682725 Registration No. Q97 JTA Date of Registration: 25/02/93 (1992)
TB10	Lansing TOER 4.2 3EPZB225SC towing truck Serial No. 76123215

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster carpets

Asset No.	Asset Description
TB11	Lansing TOER 4.2 3EPZB225SC towing truck Serial No. 78123941 (2002)
TB12	Lansing TOER 4.2 3EPZB225SC towing truck Serial No. 76053018
RT20	BT RRE7/15 2500kg forklift truck Serial No. MCO2405140D002C / 5EPZS700SC (circa 1998) (Ax Serial No .311606)
RT21	BT RRE7/15 2500kg forklift truck Serial No. 311607aa (1998)
CB23	Lansing FOER 5.2 electric forklift truck Serial No. 21939 (located in the shop)
RT24	Lansing R14 1400kg forklift truck Serial No. 113F01013114
RT26	Linde R20 2000kg forklift truck Serial No. 113G05009420 (1996)
PL28	Upright X26N97 scissor lift Serial No. 7861
CB29	Linde E20 electric forklift truck Serial No. 3360J1100602

Axminster carpets

Asset No.	Asset Description
FL27	Lansing E14/02 electric forklift truck Serial No. H2X335N01264 (2002)
	BT RRE7/15 2500kg forklift truck Serial No. 311606aa (1998)
	Lansing Bagnall forklift truck Serial no. 72014627
	Linde E18PH-01 electric forklift truck Serial no. H2X386B03858 (2011)
	Linde R205-12 electric forklift truck Serial no. H2X115B01756 (2011)
	Linde T16 pedestrian pallet truck Serial no. W41152B03022
	Linde T12 1200kg capacity pedestrian pallet truck Serial no. 711172B08873
	Linde T16 pedestrian pallet truck Serial no. N/A
	Linde E20L forklift truck Serial no. H2X386B04034 (2011)

Appendix 4 - Schedule of Assets suitable for Fixed Charge

Axminster Carpets

Asset No.	Asset Description
	Linde R12-CS forklift truck Serial no. H2X115B01202 (2011)

SCHEDULE 3

Securities

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

SCHEDULE 4

Insurances

Insurer	Insured risks	Policy number

SCHEDULE 5

Notice of Assignment of Insurances and Form of Acknowledgement and Endorsement

To: [*insert name and address of insurer*]

[Date]

Dear Sirs

Guarantee and Debenture (Debenture) dated [DATE] between [CHARGOR] and IGF Business Credit Limited

We refer to the [DESCRIBE INSURANCE POLICY AND SPECIFY ITS POLICY NUMBER] (Policy).

This letter constitutes notice to you that under the Debenture we have charged and assigned to IGF Business Credit Limited (IGF) all our rights in respect of the Policy (including all claims and all returns of premium in connection with the Policy).

We irrevocably instruct and authorise you to:

- note IGF's interest on the Policy as assignee and first loss payee;
- comply with the terms of any written instructions received by you from IGF relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions;
- hold all sums from time to time due and payable by you to us under the Policy to the order of IGF;
- pay, or release, all monies to which we are entitled under the Policy to IGF, or to such persons as IGF may direct; and
- disclose information in relation to the Policy to IGF on request by IGF.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Policy.

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from IGF. Thereafter, we will cease to have any right to deal with you in relation to the Policy and you must deal only with IGF.

The instructions in this notice may only be revoked or amended with the prior written consent of IGF.

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to IGF at [2 Maidstone Road, Paddock Wood, Tonbridge, TN12 6GF], with a copy to us.

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

Yours faithfully
for and on behalf of [ ]

Acknowledgement to notice of assignment of insurances

To: IGF Business Credit Limited
2 Maidstone Road
Paddock Wood
Tonbridge
TN12 6GF

Attn: _____

Fax no:

[Date]

Dear Sirs

Guarantee and Debenture (Debenture) dated [DATE] between [CHARGOR] and IGF Business Credit Limited

We confirm receipt from [CHARGOR] (Chargor) of a notice (Notice) dated [DATE] of a charge/an assignment, by way of security, of all the Chargor's rights under [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (Policy).

Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.
- We have noted IGF's interest on the Policy as assignee and first loss payee.
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.
- We will not cancel, avoid, release or otherwise allow the Policy to lapse without giving IGF at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Chargor has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- IGF will not in any circumstances be liable for the premiums in relation to the Policy.
- The Policy shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by IGF.

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

Yours faithfully
[name of insurer]

EXECUTION PAGES

IGF

Executed as a deed by **IGF BUSINESS CREDIT LIMITED** acting by **Director** ....., a director in the presence of:

Signature: .....

Name: .....

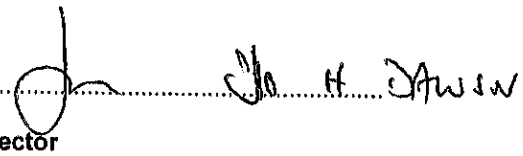
Address: .....

.....

Occupation: .....

THE CHARGOR

Executed as a deed by **AXMINSTER CARPETS LIMITED** acting by a director in the presence of:



Director

Signature: .....

Name: PATRICIA PICKLES

Address: 220 WESTON DRIVE

OTLEY LS21 2DT

Occupation: P.A.