



Registration of a Charge

Company name: **INTELLIGENT ENERGY SAVING COMPANY LIMITED**
Company number: **09657236**



X8Y50I03

Received for Electronic Filing: **05/02/2020**

Details of Charge

Date of creation: **30/01/2020**
Charge code: **0965 7236 0005**
Persons entitled: **ACC INDUSTRIES LIMITED**
Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

GEORGE GREEN LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9657236

Charge code: 0965 7236 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th January 2020 and created by INTELLIGENT ENERGY SAVING COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th February 2020 .

Given at Companies House, Cardiff on 6th February 2020

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 30 January 2020

INTELLIGENT ENERGY SAVING COMPANY LIMITED

~ and ~

ACC INDUSTRIES LIMITED

DEBENTURE

THIS DEBENTURE IS SUBJECT TO THE TERMS OF AN INTERCREDITOR DEED



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THIS AGREEMENT is dated 30 January 2020

PARTIES

- (1) **INTELLIGENT ENERGY SAVING COMPANY LIMITED** incorporated and registered in England and Wales with company number 9657236 whose registered office is at Evergreen House North, 160 Grafton Place, London, NW1 2DX (**Guarantor**); and
- (2) **ACC INDUSTRIES LIMITED** incorporated and registered in England and Wales with company number 06866480 whose registered office is at 19 Newman Street, London, W1T 1PF (**Security Trustee**).

BACKGROUND

- (A) Holdings has issued the Loan Notes.
- (B) The Guarantor has agreed to guarantee the performance of the Loan Notes by Holdings.
- (C) This debenture provides security which the Guarantor has agreed to give the Security Trustee (as agent for the Noteholders) in connection with the Guarantee.

AGREED TERMS

1. Definitions and interpretation

1.1 The following definitions apply in this debenture:

"Administrator"	an administrator appointed to manage the affairs, business and property of the Guarantor pursuant to paragraph 15 of Schedule 4.
"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market.
"Charged Property"	all the assets, property and undertaking for the time being subject to the Security Interests created by this debenture (and references to the Charged Property shall include references to any part of it).
"Costs"	all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs.
"Environment"	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

"Environmental Law"	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.
"Equipment"	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property for the time being owned by the Guarantor, including any part of it and all spare parts, replacements, modifications and additions.
"Financial Collateral"	shall have the meaning given to that expression in the Financial Collateral Regulations.
"Financial Collateral Regulations"	the Financial Collateral Arrangements (No. 2) Regulations 2003 (<i>SI 2003/3226</i>).
"Guarantee"	the guarantee issued by the Guarantor on even date to secure the performance of the Loan Notes by Holdings.
"Holdings"	Intelligent Energy Saving Company Holdings Limited incorporated and registered in England and Wales with company number 9657201 whose registered office is at Evergreen House North, 160 Grafton Place, London, NW1 2DX.
"Intellectual Property"	the Guarantor's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.
"Investments"	all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Guarantor, including all rights accruing or incidental to those investments from time to time.
"Loan Note Instrument"	the loan note instrument of even date issued by

Holdings.

"Loan Notes"	the £400,000 guaranteed secured loan notes 2021 constituted by the Loan Note Instrument.
"Noteholders"	the Security Trustee and such other persons who may from time to time be holders of the Loan Notes.
"Properties"	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this debenture (and from time to time) owned by the Guarantor, or in which the Guarantor holds an interest) and Property means any of them.
"Receiver"	a receiver and/or manager of any or all of the Charged Property appointed under paragraph 6 of Schedule 4.
"Secured Liabilities"	all present and future monies, obligations and liabilities owed by the Guarantor to the Security Trustee and the Noteholders, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity.
"Security Interest"	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, hypothecation, assignment as security, title retention or any other type of arrangement that has a similar effect to any of them.
"Security Financial Collateral Arrangement"	shall have the meaning given to that expression in the Financial Collateral Regulations.
"Security Period"	the period starting on the date of this debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2 In this debenture:

- 1.2.1 a reference to the **Guarantor** or to the **Security Trustee** shall include its successors in title, permitted assigns and permitted transferees;
- 1.2.2 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;

- 1.2.3 a reference to an **amendment** includes a supplement, restatement, variation, novation or re-enactment (and **amended** shall be construed accordingly);
- 1.2.4 a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
- 1.2.5 a reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended from time to time;
- 1.2.6 a reference to **indebtedness** includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;
- 1.2.7 a reference to a **person** shall include a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person;
- 1.2.8 a reference to a **statute** or **statutory provision** includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture;
- 1.2.9 a reference to transactions entered into **in the ordinary course of business** excludes:
- 1.2.9.1 any unprecedented or exceptional transactions;
 - 1.2.9.2 any transaction entered into in breach of directors' duties; and
 - 1.2.9.3 any transaction that may be classified as being a preference or at an undervalue;
- 1.2.10 a reference to a time of day is a reference to London time;
- 1.2.11 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.12 unless the context otherwise requires, words in the singular include the plural and in the plural include the singular;
- 1.2.13 a reference to a clause or Schedule is to a clauses of or Schedule to this debenture and references to paragraphs are to paragraphs of the relevant Schedule unless the context requires otherwise; and
- 1.2.14 clause, schedule and paragraph headings shall not affect the interpretation of this debenture.
- 1.3 If the Security Trustee considers that an amount paid by the Guarantor in respect of the Secured Liabilities is capable of being avoided, or otherwise set aside, on the liquidation or administration of the Guarantor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture.
- 1.4 A reference in this debenture to a **charge** or **mortgage** of any freehold, leasehold or commonhold property includes:

- 1.4.1 all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time;
 - 1.4.2 the proceeds of the sale of any part of that property; and
 - 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Guarantor in respect of that property, and any monies paid or payable in respect of those covenants.
- 1.5 A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this debenture.
- 1.6 If the rule against perpetuities applies to any trust created by this debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- 1.7 Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture.
- 1.8 The Schedules form part of this debenture and shall have effect as if set out in full in the body of this debenture. Any reference to this debenture includes the Schedules.

2. Covenant to pay

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

3. Grant of security

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor, with full title guarantee:

3.1.1 charges to the Security Trustee, by way of first fixed charge:

- 3.1.1.1 all Properties acquired by the Guarantor after the date of this debenture;
- 3.1.1.2 all present and future interests of the Guarantor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- 3.1.1.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties;
- 3.1.1.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Guarantor's business or the use of any Charged Property, and all rights in connection with them;
- 3.1.1.5 all present and future goodwill and uncalled capital for the time being of the Guarantor;
- 3.1.1.6 all the Equipment;
- 3.1.1.7 all the Intellectual Property; and
- 3.1.1.8 all the Investments;

- 3.1.2 charges to the Security Trustee, by way of first floating charge, all the undertaking, property, assets and rights of the Guarantor at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.1.
- 3.2 The Security Trustee may by notice to the Guarantor, convert the floating charge created by clause 3.1.2, into a fixed charge over the relevant Charged Property if:
 - 3.2.1 the Guarantor:
 - 3.2.1.1 creates, or attempts to create, a Security Interest without the prior written consent of the Security Trustee, or any trust in favour of another person, over all or any part of the Charged Property; or
 - 3.2.1.2 disposes, or attempts to dispose of, all or any part of the Charged Property (other than property that is only subject to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business); or
 - 3.2.2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
 - 3.2.3 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or
 - 3.2.4 the Security Trustee receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Guarantor.
- 3.3 Any asset acquired by the Guarantor after any crystallisation of the floating charge created under this debenture which, but for such crystallisation, would be subject to a floating charge shall (unless the Security Trustee confirms in writing to the contrary) be charged to the Security Trustee by way of first fixed charge.
- 3.4 The Floating charge created under this deed may not be converted into a fixed charge solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to the Guarantor, or to anything done with a view to obtaining such a moratorium.

4. Liability of the Guarantor

- 4.1 The Guarantor's liability under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:
 - 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Security Trustee being or becoming wholly or partially illegal, void or unenforceable on any ground; or
 - 4.1.2 the Security Trustee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
 - 4.1.3 any other act or omission which but for this clause 4.1 might have discharged or otherwise prejudiced or affected the liability of the Guarantor.

- 4.2 The Guarantor waives any right it may have to require the Security Trustee to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this debenture against the Guarantor.

5. Representations and warranties

The Guarantor represents and warrants to the Security Trustee in the terms set out in Schedule 1. The representations and warranties set out in Schedule 1 are made on the date of this debenture and shall be deemed to be made on each day of the Security Period with reference to the facts and circumstances then existing.

6. Covenants

The Guarantor covenants with the Security Trustee in the terms set out in Schedule 2.

7. Powers of the Security Trustee

The Security Trustee shall have the powers set out in Schedule 3.

8. Enforcement

- 8.1 The security constituted by this debenture shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 4. The parties to this debenture agree that the provisions of Schedule 4 shall apply to this debenture and shall be binding between them.

- 8.2 A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 5.

- 8.3 To the extent that the Charged Property constitutes Financial Collateral and this debenture and the obligations of the Guarantor hereunder constitute a Security Financial Collateral Arrangement, the Security Trustee shall have the right, at any time after the security constituted in this debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the Security Trustee in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Security Trustee may acting reasonably select (including independent valuation). The Guarantor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

9. Costs and indemnity

- 9.1 The Guarantor shall pay to, or reimburse, the Security Trustee and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Security Trustee and/or any Receiver in relation to:

9.1.1 this debenture or the Charged Property;

9.1.2 enforcing (or attempting to do so) any of the Security Trustee's or Receiver's rights under this debenture; and

9.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this debenture or the Secured Liabilities), together with any interest on any amount due

under clause 9.1.2 and clause 9.1.3 at the default rate of interest specified in the Loan Note Instrument.

9.2 The Security Trustee, any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

9.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture;

9.2.2 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or

9.2.3 any default or delay by the Guarantor in performing any of its obligations under this debenture.

10. Release

Subject to clause 12.3, on the expiry of the Security Period (but not otherwise) the Security Trustee shall, at the request and cost of the Guarantor, take whatever action is necessary to release the Charged Property from the security constituted by this debenture.

11. Assignment and transfer

11.1 At any time, without the consent of the Guarantor, the Security Trustee may assign or transfer the whole or any part of its rights and/or obligations under this debenture to any person to whom he assigns the Secured Liabilities or who may be notified to the Guarantor from time to time as the security trustee for the Secured Liabilities.

11.2 The Guarantor may not assign any of its rights or transfer any of its obligations under this debenture, or enter into any transaction which would result in any of those rights or obligations passing to another person.

12. Further provisions

12.1 This debenture shall be in addition to, and independent of, every other security or guarantee which the Security Trustee may hold for any of the Secured Liabilities at any time. No prior security held by the Security Trustee over the whole or any part of the Charged Property shall merge in the security created by this debenture.

12.2 This debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account or intermediate payment or other matter or thing, unless and until the Security Trustee discharges this debenture in writing.

12.3 Any release, discharge or settlement between the Guarantor and the Security Trustee shall be deemed conditional on no payment or security received by the Security Trustee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

12.3.1 the Security Trustee or its nominee may retain this debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Security Trustee deems necessary to provide the

Security Trustee with security against any such avoidance, reduction or order for refund; and

- 12.3.2 the Security Trustee may recover the value or amount of such security or payment from the Guarantor subsequently as if such release, discharge or settlement had not occurred.
- 12.4 A certificate or determination by the Security Trustee as to any amount for the time being due to the Noteholders from the Guarantor shall (in the absence of any manifest error) be conclusive evidence of the amount due.
- 12.5 The rights and powers of the Security Trustee conferred by this debenture are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and powers under the general law.
- 12.6 Any waiver or variation of any right or remedy (whether arising under this debenture or under the general law), or any consent given under this debenture, is only effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given.
- 12.7 No act or course of conduct or negotiation by or on behalf of the Security Trustee shall, in any way, preclude the Security Trustee from exercising any right or remedy under this debenture or constitute a suspension or variation of any such right or remedy.
- 12.8 No delay or failure to exercise any right or remedy under this debenture shall operate as a waiver of such right or remedy or constitute an election to affirm this debenture. No election to affirm this debenture on the part of the Security Trustee shall be effective unless it is in writing.
- 12.9 No single or partial exercise of any right or remedy under this debenture shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this debenture.
- 12.10 The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture.
- 12.11 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.
- 12.12 This debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

13. Notices

- 13.1 Each notice or other communication required to be given under, or in connection with, this debenture shall be:
- 13.1.1 in writing, delivered personally or sent by pre-paid first-class letter or fax; and
- 13.1.2 sent to the address or fax number, and for the attention, of the relevant party as set out in Schedule 6

or to such other address or fax number as is notified in writing by one party to the other from time to time.

13.2 Any notice or other communication that the Security Trustee gives shall be deemed to have been received:

13.2.1 if sent by fax, when received in legible form;

13.2.2 if given by hand, at the time of actual delivery; and

13.2.3 if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 13.2.1 or clause 13.2.2 on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

13.3 For the avoidance of doubt, notice under this debenture shall not be validly served if sent by fax or email..

14. Status of Agreement

Notwithstanding any other provision in this debenture, this debenture is subject to the provisions of an intercreditor deed dated the same date as this debenture and made between Shawbrook Bank Limited (1), Abacus Lighting Limited (2), those persons defined therein as the "Investors" (3), the Guarantor (4) and Holdings (5) (the "**Intercreditor Deed**"). In the event of any conflict between the Intercreditor Deed and this Deed, the provisions of the Intercreditor Deed shall prevail.

15. Governing law and jurisdiction

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

15.2 The parties to this debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this debenture or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Security Trustee to take proceedings against the Guarantor 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 jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

15.3 The Guarantor irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of this debenture relating to service of notices. Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law.

IN WITNESS WHEREOF THIS DEBENTURE HAS BEEN DULY EXECUTED AS A DEED ON THE DATE FIRST SET OUT ABOVE.

Schedule 1
Representations and warranties

1. Ownership of Charged Property

The Guarantor is the legal and beneficial owner of the Charged Property.

2. No Security Interest

The Charged Property is free from any Security Interest other than the Security Interests created by this debenture and the outstanding debentures in favour of the Security Trustee, Shawbrook and the Investors (as each such term/party is defined in the Intercreditor Deed).

3. Adverse claims

The Guarantor has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

4. Adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property.

5. No breach of laws

There is no breach of any law or regulation which materially adversely affects the Charged Property.

6. No interference in enjoyment

No facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use.

7. No overriding interests

Nothing has arisen, has been created or is subsisting which would be an overriding interest in any Property.

8. Avoidance of security

No Security Interest expressed to be created under this debenture is liable to be avoided or otherwise set aside on the liquidation or administration of the Guarantor or otherwise.

9. Environmental compliance

The Guarantor has, at all times, complied in all material respects with all applicable Environmental Law.

Schedule 2

Covenants

Part 1

General covenants

1. Negative pledge and disposal restrictions

The Guarantor shall not, at any time, except with the prior written consent of the Security Trustee:

- 1.1.1 create, purport to create or permit to subsist any Security Interest on or in relation to the Charged Property other than this debenture; or
- 1.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property except disposals in the ordinary course of business of assets which are only subject to the floating charge under clause 3.1.3 at a time when the floating charge has not crystallised; or
- 1.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. Preservation of Charged Property

The Guarantor shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

3. Statutory Compliance

The Guarantor shall comply with all statutes, byelaws and regulations relating to its trade or business and the whole or any part of the Charged Property.

4. Provision of Information

The Guarantor shall:

- 4.1.1 promptly provide to the Security Trustee whatever information, documents or papers relating to the Charged Property as the Security Trustee may from time to time reasonably request; and
- 4.1.2 inform the Security Trustee promptly of any acquisition by the Guarantor of, or contact made by the Guarantor to acquire, any freehold, leasehold or other interest in Property.

5. Insurance

5.1 The Guarantor shall:

- 5.1.1 insure and keep insured all of its undertaking and assets with reputable and responsible insurers previously approved by the Security Trustee in such manner and to such extent as is reasonable and customary for an enterprise engaged in the same or similar business and in the same or similar localities against such risks and contingencies as the Security Trustee shall from time to time request;

- 5.1.2 procure that the interest of the Security Trustee is noted on all its policies of insurance in such manner as the Security Trustee may in its reasonable discretion require; and
- 5.1.3 duly and punctually pay all premiums and any other monies necessary for maintaining its insurance in full force and effect.
- 5.2 The Guarantor shall apply all monies received by virtue of any insurance of the whole or any part of the Charged Property:
 - 5.2.1 in making good or in recouping expenditure incurred in making good any loss or damage; or
 - 5.2.2 if the Security Trustee in its discretion so requires, towards the discharge of the Secured Liabilities.

6. Repair

The Guarantor shall:

- 6.1.1 at all times keep in good and substantial repair and condition (fair wear and tear excluded) all the Charged Property including, without limitation, all buildings, erections, structures and fixtures and fittings on and in the Property;
- 6.1.2 keep all Equipment in good repair, working order and condition and fit for its purpose (fair wear and tear excluded); and
- 6.1.3 where it is uneconomic to repair any part of the Charged Property, replace such part by another similar asset of equal or greater quality and value.

7. Notice of breaches

The Guarantor shall promptly on becoming aware of any of the same give the Security Trustee notice in writing of any breach of:

- 7.1.1 any representation or warranty set out in Schedule 1; and
- 7.1.2 any covenant set out in this Schedule 2.

8. Title documents

- 8.1 The Guarantor shall, on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property), deposit with the Security Trustee and the Security Trustee shall, for the duration of this debenture, be entitled to hold:
 - 8.1.1 all deeds and documents of title relating to the Charged Property which are in the possession or control of the Guarantor (if these are not within the possession and/or control of the Guarantor, the Guarantor undertakes to use reasonable endeavours to obtain possession of all such deeds and documents of title); and
 - 8.1.2 all certificates relating to the Investments and such instruments of transfer in blank and other documents as the Security Trustee may, from time to time, require for perfecting its title to the Investments or for vesting, or enabling it to vest, the Investments in itself or its nominee or in any purchaser.

9. Further assurance

The Guarantor, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Security Trustee may reasonably require) in favour of the Security Trustee as the Security Trustee, in its reasonable discretion, requires from time to time over all or any part of the Charged Property and give all notices, orders and directions which the Security Trustee may require in its reasonable discretion for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

10. Inspection

The Guarantor shall permit the Security Trustee and any Receiver and any person appointed by either of them, to enter on and inspect any Property at all times during normal business hours on reasonable prior notice.

Schedule 3
Powers of the Security Trustee

1. Power to remedy

The Security Trustee shall be entitled (but shall not be bound) to remedy a breach at any time by the Guarantor of any of its obligations contained in this debenture and the Guarantor irrevocably authorises the Security Trustee and its agents to do all such things as are necessary for that purpose.

2. Exercise of rights

The rights of the Security Trustee under paragraph 1 of this Schedule 3 are without prejudice to any other rights of the Security Trustee under this debenture. The exercise of those rights shall not make the Security Trustee liable to account as a mortgagee in possession.

3. Power to dispose of chattels

At any time after the security constituted by this debenture has become enforceable, the Security Trustee or any Receiver:

- 3.1.1 may dispose of any chattels or produce found on any Property as agent for the Guarantor; and
- 3.1.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Guarantor against any liability arising from such disposal.

4. Prior Security Interests

At any time after the security constituted by this debenture has become enforceable, or after any powers conferred by any Security Interest having priority to this debenture shall have become exercisable, the Security Trustee may:

- 4.1.1 redeem such or any other prior Security Interest or procure its transfer to itself; and
- 4.1.2 settle any account of the holder of any prior Security Interest.

Any accounts shall be, in the absence of any manifest error, conclusive and binding on the Guarantor. All monies paid by the Security Trustee to an encumbrancer in settlement of such an account shall, as from its payment by the Security Trustee, be due from the Guarantor to the Security Trustee on current account and shall be secured as part of the Secured Liabilities.

5. Security Trustee's set-off rights

If the Security Trustee has more than one account for the Guarantor in its books, the Security Trustee may, at any time after:

- 5.1.1 the security constituted by this debenture has become enforceable; or
- 5.1.2 the Security Trustee has received notice of any subsequent Security Interest or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but the Security Trustee shall notify the Guarantor of the transfer once made).

6. Indulgence

The Security Trustee may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons is jointly liable with the Guarantor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this debenture, or to the liability of the Guarantor for the Secured Liabilities.

Schedule 4

Enforcement

1. Enforcement events

1.1 This debenture shall be enforceable:

- 1.1.1 on the occurrence of any event set out in clause (9) (Default) of the Loan Note Instrument (and for the avoidance of doubt any defined terms used in clause 9 of the Loan Note Instrument shall have the meaning ascribed to them under the terms of the Loan Note); or
- 1.1.2 if the Guarantor is in breach of any of its obligations under this debenture or under any other agreement between the Guarantor and the Security Trustee, and that breach (if capable of remedy) has not been remedied to the satisfaction of the Security Trustee within 14 days of notice by the Security Trustee to the Guarantor to remedy the breach; or
- 1.1.3 if a distress, execution, attachment or other legal process is levied or enforced on, or sued out against, all or any part of the assets of the Guarantor and remains undischarged for seven days; or
- 1.1.4 any event occurs in relation to the Guarantor that is analogous to those set out in paragraph 1.1.1 or paragraph 1.1.2 of this Schedule 4; or
- 1.1.5 any material representation, warranty or statement made or deemed to be made by the Guarantor under this debenture is or proves to have been incorrect or misleading in any material respect when made or deemed to be made,

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Security Trustee, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Security Trustee may, in its absolute discretion, enforce all or any part of the security created by this debenture as it sees fit.

2. Statutory power of sale

The statutory powers of sale conferred by the Law of Property Act 1925 shall, as between the Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after, the execution of this debenture but the Security Trustee shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 4.

3. Extension of statutory powers

The statutory powers of sale, leasing and accepting surrenders conferred on mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Security Trustee under this debenture and are extended so as to authorise the Security Trustee, whether in its own name or in that of the Guarantor, to grant a lease or agreement to lease, accept surrenders of lease or grant any option of the whole or any part of the freehold and leasehold property of the Guarantor with whatever rights relating to other parts of it, containing whatever covenants on the part of the Guarantor, generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium, as the Security Trustee thinks fit.

4. Protection of third parties

No purchaser, mortgagee or other person dealing with the Security Trustee or any Receiver shall be concerned:

- 4.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Security Trustee or a Receiver is purporting to exercise has become exercisable; or
- 4.1.2 to see to the application of any money paid to the Security Trustee or any Receiver.

5. No liability as mortgagee in possession

Neither the Security Trustee, nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

6. Appointment of Receiver

- 6.1 At any time after the security constituted by this debenture has become enforceable, or at the request of the Guarantor, the Security Trustee may, without further notice:
 - 6.1.1 appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and
 - 6.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.
 - 6.2 Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Security Trustee specifies to the contrary).
 - 6.3 The Security Trustee may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this debenture which shall be due and payable immediately upon its being paid by the Lender.
- #### **7. Power of sale additional**
- 7.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise, and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise.
 - 7.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be, and remain, exercisable by the Security Trustee despite any prior appointment in respect of all or any part of the Charged Property.

8. Agent of the Guarantor

Any Receiver appointed by the Security Trustee under this debenture shall be the agent of the Guarantor and the Guarantor shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him.

9. Powers of Receiver

Any Receiver appointed by the Security Trustee under this debenture shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and, in particular, the powers set out in Schedule 5.

10. Order of application of proceeds

All monies received by the Security Lender or a Receiver in the exercise of any enforcement power conferred by this debenture shall be applied:

- 10.1.1 first, in paying all unpaid fees, costs and other liability incurred by or on behalf of the Security Trustee (and any Receiver, attorney or agent appointed by it);
- 10.1.2 second, in paying the remuneration of any Receiver (as agreed between the Receiver and the Security Trustee);
- 10.1.3 third, in or towards discharge of the Secured Liabilities in such order and manner as the Security Trustee determines; and
- 10.1.4 finally, in paying any surplus to the Guarantor or any other person entitled to it.

11. Appropriation

Neither the Security Trustee nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

12. Suspense account

Until the Secured Liabilities are discharged in full, all monies received by the Security Trustee or a Receiver under this debenture may, at the discretion of the Security Trustee or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Security Trustee and the Guarantor, and may be held in such account for so long as the Security Trustee or Receiver thinks fit.

13. Power of attorney

- 13.1 By way of security, the Guarantor irrevocably appoints the Security Trustee and every Receiver separately, to be the attorney of the Guarantor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:

- 13.1.1 the Guarantor is required to execute and do under this debenture; and/or;

- 13.1.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Security Trustee or any Receiver.
- 13.2 The power given under clause 13.1 above may be exercised at any time after:
 - 13.2.1 expiry of five Business Days following notification from the Security Trustee of the failure of the Guarantor to do that which is required in terms of this debenture; or
- 13.3 this debenture becomes enforceable.
- 14. Ratification of acts of attorney**

The Guarantor ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13 of this Schedule 4.
- 15. Appointment of an Administrator**
 - 15.1 The Security Trustee may, without notice to the Guarantor, appoint any one or more persons to be an administrator of the Guarantor pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable.
 - 15.2 Any appointment under this paragraph 15 of Schedule 4 shall:
 - 15.2.1 be in writing signed by a duly authorised signatory of the Security Trustee; and
 - 15.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.
 - 15.3 The Security Trustee may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 of Schedule 4 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph.

Schedule 5

Further powers of a Receiver

1. Power to repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties.

2. Power to surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Properties on such terms and subject to such conditions as he thinks fit.

3. Power to employ personnel and advisors

A Receiver may provide services and employ or engage such managers, contractors, and other personnel and professional advisors on such terms as he deems necessary.

4. Power to make VAT elections

A Receiver may make such elections for value added tax purposes as he thinks fit.

5. Power to charge for remuneration

A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Lender may prescribe or agree with him.

6. Power to realise Charged Property

A Receiver may collect and get in the Charged Property, or any part of it, in respect of which he is appointed and make such demands and take such proceedings as may seem expedient for that purpose, and to take possession of the Charged Property with like rights.

7. Power to manage or reconstruct the Guarantor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Guarantor.

8. Power to dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of all or any of the property of the Guarantor in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Guarantor), and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as the Receiver thinks fit and he may promote, or concur in promoting, a company to purchase the property to be sold.

9. Power to sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit.

10. Power to make settlements

A Receiver may make any arrangement, settlement or compromise between the Guarantor and any other person which he may think necessary.

11. Power to improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

12. Power to make calls on Guarantor members

A Receiver may make calls, conditionally or unconditionally, on the members of the Guarantor in respect of the uncalled capital with such and the same powers for that purpose, and for the purpose of enforcing payments of any calls so made, as are conferred by the articles of association of the Guarantor on its directors in respect of calls authorised to be made by them.

13. Power to appoint

A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 5 at such salaries, for such periods and on such terms as he may determine.

14. Power to insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 9, effect with any insurer any policy of insurance, either in lieu or satisfaction of, or in addition to, such insurance.

15. Powers under Law of Property Act 1925

A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act, and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

16. Power to borrow

A Receiver may, for any of the purposes authorised by this Schedule 5, raise money by borrowing from the Security Trustee (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if the Security Trustee consents, terms under which such security ranks in priority to this debenture).

17. Power to redeem prior Security Interests

A Receiver may redeem any prior Security Interest and settle and pass the accounts to which the Security Interest relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Guarantor and the monies so paid shall be deemed to be an expense properly incurred by him.

18. Incidental powers

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 5 or which he lawfully may or can do as agent for the Guarantor.

19. Scope of powers

Any exercise of any of the powers given by this Schedule 5 may be on behalf of the Guarantor, the directors of the Guarantor (in the case of the power contained in paragraph 12 of this Schedule 5) or himself.

Schedule 6

Notice details

The Guarantor:

Intelligent Energy Saving Company
Limited
c/o Abacus Lighting Limited
Oddicroft Lane
Sutton in Ashfield
Nottinghamshire
NG17 5FT

For the attention of: Stephen Lamb

The Security Trustee:

ACC Industries Limited
19 Newman Street
London
W1T 1PF

For the attention of: Stephen Barry

Executed as a deed by
**INTELLIGENT ENERGY SAVING
COMPANY LIMITED** acting by a director in
the presence of:



Director



STACEY KOKUCIAK

A HARBELL CLOSE

KIRBY-IN-ASHFIELD, NG17 8LR

HR MANAGER

Executed as a deed by
ACC INDUSTRIES LIMITED acting by a
director in the presence of:

.....

Director