



**Registration of a Charge**

Company name: **ABETO HOLDINGS LIMITED**

Company number: **12500380**

Received for Electronic Filing: **11/03/2020**



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**Details of Charge**

Date of creation: **10/03/2020**

Charge code: **1250 0380 0001**

Persons entitled: **ANDREW KEITH RICHARDS AND TRUDI ANN RICHARDS**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **GUNNERCOOKE LIP**



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

Company number: 12500380

Charge code: 1250 0380 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th March 2020 and created by ABETO HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th March 2020 .

Given at Companies House, Cardiff on 12th March 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 10 MARCH

2020

ABETO HOLDINGS LIMITED

and

ANDREW KEITH ROBERTS AND TRUDI ANN ROBERTS

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DEBENTURE

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This Deed is dated **10 MARCH** 2020.

## **PARTIES**

- (1) ABETO HOLDINGS LIMITED incorporated and registered in England and Wales with company number 12500380 whose registered office is at c/o Gerry Costello, Mabgate Mills Business Centre, 93-99 Mabgate, Leeds, LS9 7DR (the **Company**).
- (2) ANDREW KEITH RICHARDS and TRUDI ANN RICHARDS of 47 Lucknow Drive, Nottingham, NG3 5EU (the **Chargees**).

## **BACKGROUND**

- (A) The Chargees have agreed, pursuant to a share sale agreement of even date, to sell the entire issued share capital of Abeto to the Company.
- (B) Under this Deed, the Company provides security to the Chargees for the payments due from the Company to the Chargees under the Sale Agreement.

## **AGREED TERMS**

### **1. DEFINITIONS AND INTERPRETATION**

#### **1.1 DEFINITIONS**

The following definitions apply in this Deed:

<b>Abeto</b>	Abeto Limited, a company incorporated and registered in England and Wales with company number 06155312 whose registered office is at 14 Clarendon Street, Nottingham, NG1 5HQ.
<b>Administrator</b>	an administrator appointed to manage the affairs, business and property of the Company pursuant to clause 9.6.
<b>Borrowed Money</b>	any indebtedness of the Company for or in respect of: <ol style="list-style-type: none"><li>(a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;</li><li>(b) any bond, note, loan stock, debenture, commercial paper or similar instrument;</li><li>(c) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Company in the event of non-payment</li></ol>

of such receivables or financial assets when due;

- (d) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Company's balance sheet because they are contingent, conditional or otherwise);
- (e) any guarantee, counter-indemnity or other assurance against financial loss that the Company has given for any Indebtedness of the type referred to in any other paragraph of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

<b>Book Debts</b>	all present and future book and other debts, and monetary claims due or owing to the Company, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them.
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
<b>Charged Property</b>	any freehold, leasehold or commonhold property the subject of the security constituted by this Deed and references to " <b>Charged Property</b> " shall include references to the whole or any part or part of it.
<b>Default Rate</b>	5% per annum above the base rate of the Bank of England from time to time.
<b>Delegate</b>	any person appointed by the Chargees or any Receiver pursuant to clause 14 and any person appointed as attorney of the Chargees, Receiver or Delegate.
<b>Designated Account</b>	any account of the Company nominated by the Chargees as a designated account for the purposes of this Deed.
<b>Equipment</b>	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Company or in which it has an interest.

## Event of Default

any of the following events:

- (a) the Company fails to pay any of the Secured Liabilities when due;
- (b) any creditor of the Company becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (however described);
- (c) the Company stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
- (d) any action, proceedings, procedure or step is taken for the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Company;
- (e) any action, proceedings, procedure or step is taken for the composition, compromise, assignment or arrangement with any creditor of the Company;
- (f) any action, proceedings, procedure or step is taken for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or any of its assets;
- (g) the Company commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties);
- (h) any event occurs in relation to the Company similar to those set out in paragraphs (b) to (g) (inclusive) under the laws of any applicable jurisdiction;
- (i) a distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Company's assets and is not discharged or stayed within 60 days;
- (j) any Security on or over the assets of the Company becomes enforceable;

- (k) any provision of this Deed becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;
- (l) the Company repudiates or shows an intention to repudiate this Deed or any document under which the Company owes obligations to the Chargees;
- (m) any representation, warranty or statement made, repeated or deemed made by the Company in this is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made;
- (n) the Company fails (other than a failure to pay) to comply with any provision of this Deed and (if the Chargees consider, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of (i) the Chargees notifying the Company of the default and the remedy required and (ii) the Company becoming aware of the default;
- (o) any event occurs (or circumstances exist) which, in the reasonable opinion of the Chargees, has or is likely to materially and adversely affect the Company's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this Deed.

**Indebtedness**

any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligation.

**Insurance Policy**

each contract and policy of insurance effected or maintained by the Company from time to time in respect of its assets or business.

**Investments**

all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Company and including the shares held by the Company in Abeto.

**LPA 1925**

the Law of Property Act 1925.

<b>Receiver</b>	a receiver, receiver and manager or administrative receiver appointed by the Chargees under clause 12.
<b>Sale Agreement</b>	the sale and purchase agreement entered into by and between the Company (as Buyer) and the Chargees (as Sellers) and dated with the same date as this Deed providing for the sale by the Chargees of the entire issued share capital of Abeto to the Company.
<b>Secured Assets</b>	all the assets, property and undertaking of the Company which are, or are expressed to be, subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them).
<b>Secured Liabilities</b>	all present and future obligations and liabilities of the Company to the Chargees, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Sale Agreement or this Deed (including, without limitation, those arising under clause 26), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.
<b>Security</b>	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
<b>Security Period</b>	the period starting on the date of this Deed and ending on the date on which the Chargees is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
<b>VAT</b>	value added tax or any equivalent tax chargeable in the UK or elsewhere

## 1.2 INTERPRETATION

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint



- venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this Deed shall be binding on, and enure to the benefit of, the parties to this Deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes fax and email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this Deed** (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed;
- 1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;

- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

### **1.3 CLAWBACK**

If the Chargees consider that an amount paid by the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

### **1.4 NATURE OF SECURITY OVER REAL PROPERTY**

A reference in this Deed to a charge or mortgage of or over any Charged Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

### **1.5 NATURE OF SECURITY OVER INVESTMENTS**

A reference in this Deed to any share, stock, debenture or other security or investment includes:

- 1.5.1 any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
- 1.5.2 any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

## **1.6 PERPETUITY PERIOD**

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

## **1.7 SCHEDULE**

The Schedule forms part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedule.

## **2. COVENANT TO PAY AND INTEREST**

- 2.1 The Company shall, on demand, pay to the Chargees and discharge the Secured Liabilities when they become due.
- 2.2 The Company covenants with the Chargees to pay interest on any amounts due under clause 2.1 from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Company) at the Default Rate, provided that, in the case of any cost or expense, such interest shall accrue and be payable as from the date on which the relevant cost or expense arose without the necessity for any demand being made for payment.

## **3. GRANT OF SECURITY**

### **3.1 LEGAL MORTGAGE**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Chargees, by way of a first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it, including the real property (if any) specified in Schedule 1.

### **3.2 FIXED CHARGES**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Chargees by way of a first fixed charge:

- 3.2.1 all present and future estates or interests of the Company in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- 3.2.2 the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Company is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests

and benefits whatever accruing to or for its benefit arising from any of them);

- 3.2.3 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.4 all its present and future goodwill;
- 3.2.5 all its uncalled capital;
- 3.2.6 all the Book Debts;
- 3.2.7 all the Investments;
- 3.2.8 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest); and
- 3.2.9 all agreements, instruments and rights relating to the Secured Assets.

### **3.3 FLOATING CHARGE**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Chargees, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to 3.2 inclusive.

### **3.4 QUALIFYING FLOATING CHARGE**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.3.

### **3.5 AUTOMATIC CRYSTALLISATION OF FLOATING CHARGE**

The floating charge created by clause 3.3 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- 3.5.1 the Company:
  - 3.5.1.1 creates, or attempts to create, without the prior written consent of the Chargees, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this; or
  - 3.5.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.5.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

- 3.5.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company.

### **3.6 CRYSTALLISATION OF FLOATING CHARGE BY NOTICE**

The Chargees may, in its sole discretion, at any time and by written notice to the Company, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Chargees in that notice.

### **3.7 ASSETS ACQUIRED AFTER ANY FLOATING CHARGE HAS CRYSTALLISED**

Any asset acquired by the Company after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Chargees confirm otherwise to the Company in writing) be charged to the Chargees by way of first fixed charge.

## **4. LIABILITY OF THE COMPANY**

### **4.1 LIABILITY NOT DISCHARGED**

The Company's liability under this Deed 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 Chargees that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Chargees 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 that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

### **4.2 IMMEDIATE RECOURSE**

The Company waives any right it may have to require the Chargees to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Company.

## **5. REPRESENTATIONS AND WARRANTIES**

### **5.1 TIMES FOR MAKING REPRESENTATIONS AND WARRANTIES**

The Company makes the representations and warranties set out in this clause 5 to the Chargees on the date of this Deed and each representation and warranty is deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

### **5.2 NO SECURITY**

The Secured Assets are free from any Security other than the Security created by this Deed.

### **5.3 AVOIDANCE OF SECURITY**

No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Company or otherwise.

### **5.4 ENFORCEABLE SECURITY**

This Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Company, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

### **5.5 INVESTMENTS**

5.5.1 The Investments are not subject to any option to purchase or similar rights.

5.5.2 No constitutional document of an issuer of an Investment, nor any other agreement:

5.5.2.1 restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this Deed; or

5.5.2.2 contains any rights of pre-emption in relation to the Investments.

5.5.3 The Company has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.

5.5.4 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 Investments.

## **6. GENERAL COVENANTS**

### **6.1 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

The Company shall not at any time, except with the prior written consent of the Chargees:

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed;

6.1.2 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 Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

## **6.2 PRESERVATION OF SECURED ASSETS**

The Company shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Chargees, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

## **6.3 COMPLIANCE WITH LAWS AND REGULATIONS**

6.3.1 The Company shall not, without the Chargees's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

6.3.2 The Company shall:

6.3.2.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them; and

6.3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset.

## **6.4 NOTICE OF MISREPRESENTATION AND BREACHES**

The Company shall, promptly on becoming aware of any of the same, notify the Chargees in writing of:

6.4.1 any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and

6.4.2 any breach of any covenant set out in this Deed.

## **6.5 INSURANCE**

6.5.1 The Company shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against such risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Company.

## **6.6 PROCEEDS FROM INSURANCE POLICIES**

All monies payable under any insurance policy maintained by the Company in accordance with clause 6.5.1 at any time (whether or not the security constituted by this Deed has become enforceable) shall be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this Deed has become enforceable and if the Chargees so directs, in or towards discharge or reduction of the Secured Liabilities.

## **6.7 INFORMATION**

The Company shall:

- 6.7.1 permit any persons designated by the Chargees and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 6.7.2 promptly notify the Chargees in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Company's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Chargee's prior approval, implement those proposals at its own expense.

## **6.8 PAYMENT OF OUTGOINGS**

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Chargees.

## **6.9 APPOINTMENT OF ACCOUNTANTS**

- 6.9.1 The Company shall:
  - 6.9.1.1 at its own cost, if at any time so required by the Chargees, appoint an accountant or firm of accountants nominated by the Chargees to investigate the financial affairs of the Company and those of its subsidiaries and report to the Chargees; and
  - 6.9.1.2 co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.
- 6.9.2 The Company authorises the Chargees to make an appointment as it shall think fit at any time, without further authority from the Company. In every case, the Company shall pay, or reimburse the Chargees for, the fees and expenses of those accountants.

## **7. PROPERTY COVENANTS**

### **7.1 COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS**

The Company shall observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject.

### **7.2 REGISTRATION RESTRICTIONS**

- 7.2.1 If the title to any Charged Property is not registered at the Land Registry, the Company shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or



any part of any Charged Property, without the prior written consent of the Chargees.

### **7.3 PROPRIETARY RIGHTS**

The Company shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Charged Property without the prior written consent of the Chargees.

### **7.4 INSPECTION**

The Company shall permit the Chargees, any Receiver and any person appointed by either of them to enter on and inspect any Charged Property on reasonable prior notice.

### **7.5 PROPERTY INFORMATION**

The Company shall inform the Chargees promptly of any acquisition by the Company of, or contract made by the Company to acquire, any freehold, leasehold or other interest in any property.

### **7.6 REGISTRATION OF LEGAL MORTGAGE AT THE LAND REGISTRY**

The Company consents to an application being made by the Chargees to the Land Registrar for the following restriction in Form P to be registered against its title to each Charged Property over which the Chargees have a legal mortgage:

"No disposition of the registered estate by the proprietor of the registered estate[, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction,] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [NAME OF PARTY] referred to in the charges register [specify appropriate details]]."

## **8. INVESTMENTS COVENANTS**

### **8.1 DEPOSIT OF TITLE DOCUMENTS**

The Company shall on the purchase or acquisition by it of Investments after the date of this Deed, and if requested by the Chargees, deposit with the Chargees, or as the Chargees may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

### **8.2 NOMINATIONS**

The Company shall not, during the Security Period, 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 Investments.

### **8.3 PRE-EMPTION RIGHTS AND RESTRICTIONS ON TRANSFER**

The Company shall:

- 8.3.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of

any Investments, for the transfer of the Investments to the Chargees or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and

- 8.3.2 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 Investments in any manner that the Chargees may require in order to permit the transfer of the Investments to the Chargees or their nominee, or to a purchaser on enforcement of the security constituted by this Deed.

#### **8.4 DIVIDENDS AND VOTING RIGHTS BEFORE ENFORCEMENT**

- 8.4.1 Before the security constituted by this Deed becomes enforceable, the Company may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments.
- 8.4.2 Before the security constituted by this Deed becomes enforceable, the Company may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Chargees or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
  - 8.4.2.1 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Chargees' opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Chargees' security under this Deed.
- 8.4.3 The Chargees shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Chargees considers prejudicial to, or impairing the value of, the security created by this Deed.

#### **8.5 DIVIDENDS AND VOTING RIGHTS AFTER ENFORCEMENT**

After the security constituted by this Deed has become enforceable:

- 8.5.1 all dividends and other distributions paid in respect of the Investments and received by the Company shall be held by the Company on trust for the Chargees and immediately paid into a Designated Account or, if received by the Chargees, may be applied by the Chargees in accordance with clause 15.1; and
- 8.5.2 all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Chargees and the Company shall, and shall procure that its nominees shall, comply with any directions the Chargees may give, in its absolute discretion, concerning the exercise of those rights and powers.

## **8.6 CALLS ON INVESTMENTS**

Notwithstanding the security created by this Deed, the Company shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Company acknowledges that the Chargees shall not be under any liability in respect of any such calls, instalments or other payments.

## **8.7 NO ALTERATION OF CONSTITUTIONAL DOCUMENTS OR RIGHTS ATTACHING TO INVESTMENTS**

The Company shall not, without the prior written consent of the Chargees, amend, or agree to the amendment of:

- 8.7.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- 8.7.2 the rights or liabilities attaching to, or conferred by, all or any of the Investments.

## **8.8 PRESERVATION OF INVESTMENTS**

The Company shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of any of the Investments (that is not a public company) shall not:

- 8.8.1 consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- 8.8.2 issue any new shares or stock; or
- 8.8.3 refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Chargees or the Company in accordance with this Deed.

## **8.9 INVESTMENTS INFORMATION**

The Company shall, promptly following receipt, send to the Chargees copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

## **8.10 COMPLIANCE WITH REQUESTS FOR INFORMATION**

The Company shall promptly send a copy to the Chargees of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Chargees may elect to provide such information as it may have on behalf of the Company.

## **9. POWERS OF THE CHARGEES**

### **9.1 POWER TO REMEDY**

- 9.1.1 The Chargees shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.
- 9.1.2 The Company irrevocably authorises the Chargees and its agents to do all things that are necessary or desirable for that purpose.
- 9.1.3 Any monies expended by the Chargees in remedying a breach by the Company of its obligations contained in this Deed shall be reimbursed by the Company to the Chargees on a full indemnity basis and shall carry interest in accordance with clause 16.1.

### **9.2 EXERCISE OF RIGHTS**

- 9.2.1 The rights of the Chargees under clause 9.1 are without prejudice to any other rights of the Chargees under this Deed.
- 9.2.2 The exercise of any rights of the Chargees under this Deed shall not make the Chargees liable to account as a mortgagee in possession.

### **9.3 POWER TO DISPOSE OF CHATTELS**

- 9.3.1 At any time after the security constituted by this Deed has become enforceable, the Chargees or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Charged Property.
- 9.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 9.3.1, the Company shall indemnify the Chargees and any Receiver against any liability arising from any disposal made under clause 9.3.1.

### **9.4 CHARGEES HAS RECEIVER'S POWERS**

To the extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Chargees in relation to any of the Secured Assets whether or not they have taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

### **9.5 INDULGENCE**

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

## **9.6 APPOINTMENT OF AN ADMINISTRATOR**

- 9.6.1 The Chargees may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.
- 9.6.2 Any appointment under this clause 9.6 shall:
- 9.6.2.1 be in writing signed by a duly authorised signatory of the Chargees; and
  - 9.6.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 9.6.3 The Chargees may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 9.6 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

## **10. WHEN SECURITY BECOMES ENFORCEABLE**

### **10.1 SECURITY BECOMES ENFORCEABLE ON EVENT OF DEFAULT**

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs.

### **10.2 DISCRETION**

After the security constituted by this Deed has become enforceable, the Chargees may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

## **11. ENFORCEMENT OF SECURITY**

### **11.1 ENFORCEMENT POWERS**

- 11.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.
- 11.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under clause 10.1.
- 11.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

### **11.2 EXTENSION OF STATUTORY POWERS OF LEASING**

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the

Chargees and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Company, to:

- 11.2.1 grant a lease or agreement for lease;
- 11.2.2 accept surrenders of leases; or
- 11.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Chargees or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

### **11.3 ACCESS ON ENFORCEMENT**

- 11.3.1 At any time after the Chargees has demanded payment of the Secured Liabilities or if the Company defaults in the performance of its obligations under this Deed or the Sale Agreement, the Company will allow the Chargees or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Chargees or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.
- 11.3.2 At all times, the Company must use its best endeavours to allow the Chargees or its Receiver access to any premises for the purpose of clause 11.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

### **11.4 REDEMPTION OF PRIOR SECURITY**

- 11.4.1 At any time after the security constituted by this Deed has become enforceable, the Chargees may:
  - 11.4.1.1 redeem any prior Security over any Secured Asset;
  - 11.4.1.2 procure the transfer of that Security to themselves; and
  - 11.4.1.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Company).
- 11.4.2 The Company shall pay to the Chargees immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Deed as part of the Secured Liabilities.

## **11.5 PROTECTION OF THIRD PARTIES**

No purchaser, mortgagee or other person dealing with the Chargees, any Receiver or any Delegate shall be concerned to enquire:

- 11.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 11.5.2 whether any power the Chargees, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 11.5.3 how any money paid to the Chargees, any Receiver or any Delegate is to be applied.

## **11.6 PRIVILEGES**

Each Receiver and the Chargees is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

## **11.7 NO LIABILITY AS MORTGAGEE IN POSSESSION**

Neither the Chargees nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

## **11.8 CONCLUSIVE DISCHARGE TO PURCHASERS**

The receipt of the Chargees, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Chargees, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

# **12. RECEIVER**

## **12.1 APPOINTMENT**

At any time after the security constituted by this Deed has become enforceable, or at the request of the Company, the Chargees may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

## **12.2 REMOVAL**

The Chargees may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

### **12.3 REMUNERATION**

The Chargees may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

### **12.4 POWER OF APPOINTMENT ADDITIONAL TO STATUTORY POWERS**

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Chargees under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

### **12.5 POWER OF APPOINTMENT EXERCISABLE DESPITE PRIOR APPOINTMENTS**

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Chargees despite any prior appointment in respect of all or any part of the Secured Assets.

### **12.6 AGENT OF THE COMPANY**

Any Receiver appointed by the Chargees under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Chargees.

## **13. POWERS OF RECEIVER**

### **13.1 GENERAL**

13.1.1 Any Receiver appointed by the Chargees under this Deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 13.2 to clause 13.23.

13.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

13.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

13.1.4 Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Company, the directors of the Company (in the case of the power contained in clause 13.16) or itself.



## **13.2 REPAIR AND DEVELOP CHARGED PROPERTIES**

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

## **13.3 GRANT OR ACCEPT SURRENDERS OF LEASES**

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

## **13.4 EMPLOY PERSONNEL AND ADVISERS**

13.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

13.4.2 A Receiver may discharge any such person or any such person appointed by the Company.

## **13.5 MAKE AND REVOKE VAT OPTIONS TO TAX**

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

## **13.6 REMUNERATION**

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Chargees may prescribe or agree with it.

## **13.7 POSSESSION**

A Receiver may take immediate possession of, get in and realise any Secured Asset.

## **13.8 MANAGE OR RECONSTRUCT THE COMPANY'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 Company.

## **13.9 DISPOSE OF SECURED ASSETS**

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

## **13.10 SEVER FIXTURES AND FITTINGS**

A Receiver may sever and sell separately any fixtures or fittings from any Charged Property without the consent of the Company.

**13.11 SELL BOOK DEBTS**

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

**13.12 VALID RECEIPTS**

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

**13.13 MAKE SETTLEMENTS**

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Company or relating in any way to any Secured Asset.

**13.14 LEGAL ACTION**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

**13.15 IMPROVE THE EQUIPMENT**

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

**13.16 MAKE CALLS ON COMPANY MEMBERS**

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

**13.17 INSURE**

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 16, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this Deed.

**13.18 SUBSIDIARIES**

A Receiver may form a subsidiary of the Company and transfer to that subsidiary any Secured Asset

**13.19 BORROW**

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Chargees consents, terms under which that security ranks in priority to this Deed).

### **13.20 REDEEM PRIOR SECURITY**

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

### **13.21 DELEGATION**

A Receiver may delegate its powers in accordance with this Deed.

### **13.22 ABSOLUTE BENEFICIAL OWNER**

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

### **13.23 INCIDENTAL POWERS**

A Receiver may do any other acts and things that it:

13.23.1 may consider desirable or necessary for realising any of the Secured Assets;

13.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

13.23.3 lawfully may or can do as agent for the Company.

## **14. DELEGATION**

### **14.1 DELEGATION**

The Chargees or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 18.1).

### **14.2 TERMS**

The Chargees and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

### **14.3 LIABILITY**

Neither the Chargees nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## **15. APPLICATION OF PROCEEDS**

### **15.1 ORDER OF APPLICATION OF PROCEEDS**

All monies received or recovered by the Chargees, a Receiver or a Delegate under this Deed or in connection with the realisation or enforcement of all or part of the security constituted by this Deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Chargees' right to recover any shortfall from the Company):

- 15.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Chargees (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;
- 15.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Chargees determines; and
- 15.1.3 in payment of the surplus (if any) to the Company or other person entitled to it.

### **15.2 APPROPRIATION**

Neither the Chargees, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 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.

### **15.3 SUSPENSE ACCOUNT**

All monies received by the Chargees, a Receiver or a Delegate under this Deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- 15.3.1 may, at the discretion of the Chargees, Receiver or Delegate, be credited to a suspense account;
- 15.3.2 shall bear interest, if any, at the rate agreed in writing between the Chargees and the Company; and
- 15.3.3 may be held in that account for so long as the Chargees, Receiver or Delegate thinks fit.

## **16. COSTS AND INDEMNITY**

### **16.1 COSTS**

The Company shall, within five Business Days of demand, pay to, or reimburse, the Chargees and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and

out-of-pocket expenses) incurred by the Chargees, any Receiver or any Delegate in connection with:

- 16.1.1 this Deed or the Secured Assets;
- 16.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Chargees', a Receiver's or a Delegate's rights under this Deed; or
- 16.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

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

## **16.2 INDEMNITY**

- 16.2.1 The Company shall indemnify the Chargees, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
  - 16.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;
  - 16.2.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
  - 16.2.1.3 any default or delay by the Company in performing any of its obligations under this Deed.
- 16.2.2 Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **17. FURTHER ASSURANCE**

- 17.1 The Company shall promptly, at its own expense, take whatever action the Chargees or any Receiver may reasonably require for:
  - 17.1.1 creating, perfecting or protecting the security created or intended to be created by this Deed;
  - 17.1.2 facilitating the realisation of any Secured Asset; or

- 17.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Chargees or any Receiver in respect of any Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Chargees or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Chargees may consider necessary or desirable.

## **18. POWER OF ATTORNEY**

### **18.1 APPOINTMENT OF ATTORNEYS**

By way of security, the Company irrevocably appoints the Chargees, every Receiver and every Delegate separately to be the attorney of the Company and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 18.1.1 the Company is required to execute and do under this Deed; or
- 18.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Chargees, any Receiver or any Delegate.

### **18.2 RATIFICATION OF ACTS OF ATTORNEYS**

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18.1.

## **19. RELEASE**

- 19.1 Subject to clause 26.3, at the end of the Security Period, the Chargees shall, at the request and cost of the Company, take whatever action is necessary to:
- 19.1.1 release the Secured Assets from the security constituted by this Deed; and
- 19.1.2 reassign the Secured Assets to the Company.

## **20. ASSIGNMENT AND TRANSFER**

### **20.1 ASSIGNMENT BY CHARGEES**

- 20.1.1 At any time, without the consent of the Company, the Chargees may assign or transfer any or all of its rights and obligations under this Deed.
- 20.1.2 The Chargees may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Company,

the Secured Assets and this Deed that the Chargees considers appropriate.

**20.2 ASSIGNMENT BY COMPANY**

The Company may not assign any of its rights, or transfer any of its rights or obligations, under this Deed.

**21. SET-OFF**

**21.1 CHARGEES'S RIGHT OF SET-OFF**

The Chargees may at any time set off any liability of the Company to the Chargees against any liability of the Chargees to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Chargees may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Chargees of their rights under this clause 21 shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

**21.2 NO OBLIGATION TO SET OFF**

The Chargees are not obliged to exercise its rights under clause 21.1. If, however, it does exercise those rights it must promptly notify the Company of the set-off that has been made.

**21.3 EXCLUSION OF COMPANY'S RIGHT OF SET-OFF**

All payments made by the Company to the Chargees under this Deed shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

**22. AMENDMENTS, WAIVERS AND CONSENTS**

**22.1 AMENDMENTS**

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

**22.2 WAIVERS AND CONSENTS**

22.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

22.2.2 A failure or delay by a party to exercise any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed.

No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Chargees shall be effective unless it is in writing.

### **22.3 RIGHTS AND REMEDIES**

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

## **23. SEVERANCE**

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

## **24. COUNTERPARTS**

24.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

24.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

## **25. THIRD PARTY RIGHTS**

Except as expressly provided elsewhere in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

## **26. FURTHER PROVISIONS**

### **26.1 INDEPENDENT SECURITY**

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Chargees may hold for any of the Secured Liabilities at any time. No prior security held by the Chargees over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

### **26.2 CONTINUING SECURITY**

The security constituted by this Deed 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 Chargees discharges this Deed in writing.



## **26.3 DISCHARGE CONDITIONAL**

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

- 26.3.1 the Chargees or their nominee may retain this Deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Chargees deems necessary to provide the Chargees with security against any such avoidance, reduction or order for refund; and
- 26.3.2 the Chargees may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

## **26.4 CERTIFICATES**

A certificate or determination by the Chargees as to any amount for the time being due to it from the Company under this Deed and the Sale Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

## **26.5 CONSOLIDATION**

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

## **26.6 SMALL COMPANY MORATORIUM**

Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Company under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Company with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- 26.6.1 an event under this Deed which causes any floating charge created by this Deed to crystallise;
- 26.6.2 an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Company; or
- 26.6.3 a ground under this Deed for the appointment of a Receiver.

## **27. NOTICES**

### **27.1 DELIVERY**

Any notice or other communication given to a party under or in connection with this Deed shall be:

- 27.1.1 in writing;

27.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

27.1.3 sent to:

27.1.3.1 the Company at: the registered office of the Company and at the email address set out in the Sale Agreement.

Attention: any director of the Company

27.1.3.2 the Chargees at: the address set out at the beginning of this agreement and the email address set out in the Sale Agreement.

Attention: Andrew Roberts

or to any other address or email as is notified in writing by one party to the other from time to time.

## **27.2 RECEIPT BY COMPANY**

Any notice or other communication that the Chargees gives to the Company shall be deemed to have been received:

27.2.1 if delivered by hand, at the time it is left at the relevant address;

27.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

27.2.3 if sent by email, when 12 hours after the time of transmission..

A notice or other communication given as described in clause 27.2.1 or clause 27.2.3 on a day that 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.

## **27.3 RECEIPT BY CHARGEES**

Any notice or other communication given to the Chargees shall be deemed to have been received only on actual receipt.

## **27.4 SERVICE OF PROCEEDINGS**

This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

# **28. GOVERNING LAW AND JURISDICTION**

## **28.1 GOVERNING 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 law of England and Wales.

## **28.2 JURISDICTION**

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Deed or its subject matter or formation. Nothing in this clause shall limit the right of the Chargees to take proceedings against the Company 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.

## **28.3 OTHER SERVICE**

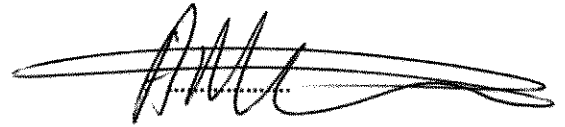
The Company irrevocably consents to any process in any legal action or proceedings under clause 28.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

**THIS DEED HAS BEEN ENTERED INTO ON THE DATE STATED AT THE BEGINNING OF IT.**

**Schedule 1**  
**Real Property**

None

Executed as deed by ABETO HOLDINGS LIMITED  
acting by Anthony Marjerrison, a director, in the  
presence of:



Director



Signature of Witness

Name NICHOLA SEPPINGS-PALMER

Address 9 SKIDBY RD, LITTLE WIGHTON, HU20 3UY

Occupation of witness WALKING DOGS BUSINESS OWNER

Executed as deed by ANDREW KEITH ROBERTS in the  
presence of:

.....

.....

Signature of witness

Name

Address

Occupation of witness

Executed as deed by TRUDI ANN ROBERTS in the  
presence of:

.....

.....

Signature of witness

Name

Address

Occupation of witness

Executed as deed by ABETO HOLDINGS LIMITED  
acting by Anthony Marjerrison, a director, in the  
presence of:

.....

Director

.....

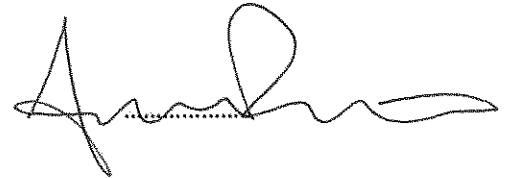
Signature of Witness

Name

Address

Occupation of witness

Executed as deed by ANDREW KEITH ROBERTS in the  
presence of:



Signature of witness

Name

SHARON FOX

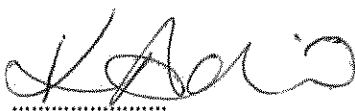
Address

THE COACH HOUSE, CAXEMOUSH ROAD EAST,  
NOTTINGHAM. NG7 1BB

Occupation of witness

PROPERTY CONSULTANT

Executed as deed by TRUDI ANN ROBERTS in the  
presence of:



Signature of witness

Name KIRSTY ADIE

Address 46 BISHOPS WAY, HUCKNALL  
NOTTINGHAM NG16 5DP

Occupation of witness

SECRETARY