



**Registration of a Charge**

Company Name: **CADDY GROUP (CONSTRUCTION) LTD**

Company Number: **12774060**



Received for filing in Electronic Format on the: **12/12/2022**

XBIPXRS9

**Details of Charge**

Date of creation: **12/12/2022**

Charge code: **1277 4060 0001**

Persons entitled: **KEEN THINKING LIMITED**

Brief description:

**Contains fixed charge(s).**

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

**Contains negative pledge.**

**Authentication of Form**

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

**Authentication of Instrument**

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

Certified by: **JESSICA HOWARD**



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

Company number: 12774060

Charge code: 1277 4060 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th December 2022 and created by CADDY GROUP (CONSTRUCTION) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th December 2022 .

Given at Companies House, Cardiff on 13th December 2022

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**

KEEN THINKING LIMITED

and

Caddy Group (Construction) Limited

COMPOSITE ALL ASSETS GUARANTEE  
AND INDEMNITY AND DEBENTURE

Dated 12/12/2022

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THIS DEBENTURE is made on 12/12/2022

BETWEEN:

- (1) The Agency Partner  
Name : **Caddy Group (Construction) Limited**  
  
Registered No : 12774060  
  
Registered Office : 380B New Hythe Lane,  
Aylesford,  
ME20 6RZ

each an "Initial Charging Company"; and

- (2) **KEEN THINKING LIMITED**, a company registered in England and Wales with registration number 04012805 whose registered office is at The Aspen Building Vantage Point Business Village Mitcheldean Gloucestershire GL17 0DD (the "Security Holder").

## 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

Throughout this Debenture, including the Schedules, the following words and phrases shall have the following meanings:

**Administrator:** an administrator appointed under this Debenture.

**Appointee:** an Administrator or Receiver, as the case may be.

**Associate:** a person which, directly or indirectly, controls or is controlled by or is under common control with any Obligor, or a person which beneficially owns or holds, directly or indirectly, 5% or more of any class of voting shares of any Obligor, or a person in which 5% of any class of voting shares is beneficially owned or held directly or indirectly, by any Obligor.

**Associated Rights:** in relation to any Charging Company which is a Client and any Debt, any of the following:

- (i) all the rights of such Charging Company as an unpaid vendor or which arise under the Contract of Sale;
- (ii) all evidence of the Contract of Sale or its performance or any Disputes arising;
- (iii) all documents of title to goods, warehouse keepers' receipts, bills of lading, shipping documents, airway bills or similar;
- (iv) the benefit of all insurances and all rights and powers under the insurance policies;
- (v) all Remittances, securities, Encumbrances and guarantees;
- (vi) all Accounting Records;
- (vii) all Returned Goods and their proceeds of sale.

**Agency Partner Agreement:** the agreement entered into between the Security Holder and one or more Clients which is entitled or otherwise referred to as the "Agency Partner Agreement" and which incorporates any schedule thereto and the associated Operations Manual, as amended from time to time.

**Charged Assets:** in relation to each Charging Company, all its assets, rights and property (including its undertaking and revenues) the subject of any security created by, or pursuant to, this Debenture and the proceeds of the disposal of the same.

**Charging Company:** each Initial Charging Company and any other company which becomes a party to this Debenture pursuant to a Supplemental Deed.

**Client:** each person, other than the Security Holder, which is a party to the Agency Partner Agreement as a Client.

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

**Contract of Sale:** a contract in any form, including a purchase order, between a Client and a Debtor for the sale or hire of Goods or the provision of services or work done.

**Debt:** any obligation (present, future or contingent) of a Debtor to make payment under a Contract of Sale, including all Associated Rights.

**Debtor:** a person who incurs or may incur any indebtedness under a Contract of Sale.

**Default:** any Event of Default or any event which, with the passage of time or giving of notice or both, would or might, unless cured or waived, become an Event of Default.

**Discharge:** a release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into the indoor or outdoor environment or into or out of any real estate or other property, including the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or real estate or other property.

**Environmental Laws:** all applicable laws, regulations, codes of practice, circulars, statutory guides, guidance notes and the like (whether in the United Kingdom or in any other jurisdiction in which any Obligor carries on its business or in which its assets may be situated) relating to contamination, human health, safety or the environment including but not limited to those relating to Discharges, waste, nuisance, health and safety, noise, packaging or the manufacture, processing, use, handling, treatment, storage, labelling, recovery, recycling, transport or disposal of Hazardous Substances.

**Environmental Licence:** any permit, licence, authorisation, consent, registration or other approval required by or pursuant to any Environmental Law.

**Event of Default:** any of the following:

- (i) any Obligor fails to pay any sum due from it under the Agency Partner Agreement at the time and in the manner specified in the Agency Partner Agreement;
- (ii) any representation or warranty made or deemed to be repeated by any Obligor in Agency Partner Agreement or in any document delivered pursuant thereto is not complied with or proves to have been incorrect or misleading when made or deemed to be repeated;
- (iii) any Obligor fails duly to perform or comply with any obligation expressed to be assumed by it in any Financing Document;
- (iv) any financial indebtedness of any Obligor other than under or pursuant to any Financing Document;

- (a) is not paid when due or within any applicable contractual period of grace; or
  - (b) is declared to be or otherwise becomes due and payable prior to its specified maturity,
- or any creditor of any Obligor becomes entitled to declare any financial indebtedness due and payable prior to its specified maturity;
- (v) a distress, attachment, execution, diligence or other legal process is levied, enforced or sued on or against all or any part of the assets of any Obligor;
  - (vi) any Obligor:
    - (a) is or becomes insolvent;
    - (b) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of all or any part of its indebtedness; or
    - (c) makes a general assignment for the benefit of, or composition with, its creditors or a moratorium is agreed or declared in respect of, or affecting, all or any part of its indebtedness; or
    - (d) takes any corporate action or other steps are taken or legal or other steps are taken or legal or other proceedings are satisfied for its winding up, dissolution or reorganisation other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved in writing by the Security Holder or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officers of it or any or all of its assets;
  - (vii) anything analogous or having a substantially similar effect to any of the events specified in paragraphs (v) and (vi) above shall occur under the laws of any applicable jurisdiction;
  - (viii) any guarantee, indemnity or other assurance against loss held by, or any Encumbrance granted to, the Security Holder in respect of the Secured Liabilities or any of them fails or ceases in any respect to have full force and effect or to be continuing or is terminated (or has a notice of termination or cancellation given in respect thereof) or is the subject of a Dispute or is, in the Security Holder's reasonable opinion, in jeopardy, invalid or unenforceable;
  - (ix) any Encumbrance on or over the assets of any Obligor becomes enforceable and any step (including the taking of possession or the appointment of a receiver, administrator or similar person) is taken to enforce that Encumbrance;
  - (x) save as agreed in writing by the Security Holder, any Obligor ceases to carry on the business it carries on at the date of entering into the Agency Partner Agreement otherwise than by transferring it to a Charging Company as part of a solvent reorganisation or enters into any unrelated business;
  - (xi) at any time any action, condition or thing required to be taken, fulfilled or done in order:
    - (a) to enable any Obligor lawfully to enter into, exercise its rights under and perform and comply with its obligations under any Financing Document and any other document to be entered into pursuant thereto;
    - (b) to ensure that those obligations are valid, legally binding and enforceable; or

- (c) to make any such Financing Document and all such other documents admissible in evidence in England and Wales and, if different, in any Obligor's jurisdiction of incorporation and any jurisdiction in which any Obligor's properties, assets or revenues may be situated,

is not taken, fulfilled or done;

- (xii) it is not lawful or becomes unlawful for any Obligor to perform or comply with any of its obligations under any of the Financing Documents, or any such obligation ceases to be legal, valid and binding;
- (xiii) if auditors make any qualification to any Obligor's or Associate's audited accounts to the effect that such audited accounts do not reflect the financial position of such Obligor or Associate, as the case may be, to a material degree;
- (xiv) any loss, theft, damage or destruction of any one or more assets occurs which (a) materially and adversely affects the operation of an Obligor's business or (b) is material in amount and is not adequately covered by insurance;
- (xv) in the Security Holder's opinion, a material adverse change occurs in the financial condition, operations or business of the Obligors (taken together) or the Security Holder determines that any Obligor may not (or may be unable to) perform or comply with its obligations under any of the Financing Documents;
- (xvi) any change occurs in the ownership, control, constitution, composition or management of any Obligor reasonably considered by the Security Holder to prejudice the Security Holder's position;
- (xvii) if any Obligor factors or discounts its debts with another party or attempts to do so.

**Expenses:** any of the following:

- (i) all banking, legal and other costs, charges, expenses and/or liabilities (including VAT thereon) paid or, if earlier, incurred, by or on behalf of the Security Holder or any Appointee (in each case on a full indemnity basis):
- (a) In relation to the Charged Assets;
  - (b) in protecting, preserving, improving, enforcing or exercising (or considering, or attempting, any of the foregoing) any rights under or pursuant to any of the Financing Documents;
  - (c) in procuring the payment, performance or discharge of the Secured Liabilities; or
  - (d) in stamping, perfecting or registering any of the Financing Documents (or any Encumbrance or assignment created or purported to be created pursuant thereto); and
- (ii) the principal amount of any borrowings, together with interest thereon, and all other expenses and liabilities of the Security Holder or any Appointee paid or incurred from time to time in relation to the exercise of any of their respective rights or powers referred to or contained in any of the Financing Documents.

**Financing Documents:** the following documents:

- (i) the Agency Partner Agreement;
- (ii) the Operations Manual as amended from time to time;
- (iii) this Debenture;

- (vi) any assignment by way of security;
- (v) any agreement or instrument evidencing or creating an Encumbrance, guarantee, indemnity or other assurance against loss entered into by any Obligor in favour of the Security Holder;
- (vi) any deed or agreement governing or regulating the priority of Encumbrances or regulating claims of an Obligor against any other Obligor or person liable to the Security Holder in respect of the Secured Liabilities; and
- (vii) any agreement, instrument, notice or certificate delivered or entered into in connection with any of the above.

**Fixtures:** In relation to each Charging Company all fixtures and fittings and fixed plant and machinery on the Real Property now or in the future.

**The Agency Partner Agreement Terms:** the terms set out in the document entitled or otherwise referred to as "The Agency Partner Agreement".

**Goods:** any merchandise or materials, or where the context admits, any work or services which are the subject of a Contract of Sale.

**Group:** in relation to any company, that company and its Subsidiaries, its holding company (as defined in section 736 Companies Act 1985) and the Subsidiaries of that holding company;

**Hazardous Substance:** any radioactive emissions and any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) capable of causing harm to the environment, human health or welfare or to any organism including (without limitation) any type of waste or any form of energy.

**Intellectual Property:** in relation to each Charging Company, all its patents (including applications, improvements, prolongations, extensions and rights to apply therefore), designs (whether registered or unregistered), copyrights, design rights, trademarks and service marks (whether registered or unregistered), utility models, trade and business names, know-how, formulae, inventions, confidential information, trade secrets and computer software programs and systems (including the benefit of any licences, sub-licences or consents relating to any of the above) and all fees, royalties or other rights derived therefrom or incidental thereto in any part of the world.

**Inventory:** in relation to each Charging Company, all inventory or stock at any time owned by it, wherever located, including all inventory or stock, merchandise, goods and other personal property which are held by or on behalf of such person for sale or lease.

**Non-Vesting Debt:** in relation to a Charging Company which is a Client, any Debt to be purchased by the Security Holder under the Agency Partner Agreement which either fails to vest in the Security Holder for any reason or where the assignment of that Debt to the Security Holder is void whether as between the Security Holder and such Charging Company or as between the Security Holder and any third party.

**Obligor:** each Charging Company, each Client and any other person which has entered into any agreement or instrument evidencing or creating an Encumbrance, guarantee or other assurance against loss in respect of the obligations of any such Charging Company, Client or other such person to the Security Holder.

**Other Debts:** in relation to each Charging Company:

- (i) all present and future book and other debts due or owing to such Charging Company, the proceeds of the same and all other moneys due and owing to such Charging Company or which may become due and owing to it in the future;

- (ii) all moneys (including accrued and accruing interest) from time to time standing to the credit of each present and future account of such Charging Company with any bank, financial institution or other person and the debts represented thereby;
- (iii) all present and future sums due or owing by way of grant, subsidy or refund by any person, body, authority or institution, including any claim or amount received made by a Charging Company in respect to VAT; and
- (iv) the benefit of all rights, securities, Encumbrances, guarantees and other assurances against loss, indemnities of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the debts, proceeds, moneys or sums referred to in any of paragraphs (i), (ii) or (iii) above,

including, in each such case, all Remittances and Associated Rights in respect thereof but excluding, in the case of a Charging Company which is a Client (and for the period of time it is or remains a Client):

- (i) Non-Vesting Debts; and
- (ii) any Debts whilst they remain vested in, or held on trust for, the Security Holder under the Agency Partner Agreement.

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

**Plant and Equipment:** in relation to each Charging Company, all plant, machinery and other equipment (excluding the Specified Plant and Equipment) and all tolls, furniture, fixtures, attachments, accessories and other tangible personal property (except inventory and fixtures) owned by it now or in the future and wherever located and all spare parts, replacements, modifications and additions for or to the same and any manuals, logbooks or registration documents relating thereto.

**Policies:** in relation to each Charging Company, the policies of insurance in which it is interested details of which are set out in Schedule 4, and any other policies of insurance in which such Charging Company may now or hereafter have an interest and "Policy" shall mean each one of the Policies.

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

**Receiver:** a receiver appointed under this Debenture.

**Remittances:** in relation to any Charging Company which is a Client, all cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, electronic payments, BACS, CHAPS and any other remittance or instrument of payment in whatever form received by the Security Holder, such Charging Company or its agents towards discharge of a Debt.

**Returned Goods:** in relation to any Charging Company which is a Client, any Goods relating to or purporting to comply with a Contract of Sale which any Debtor shall for any reason reject or return or attempt to reject or return to such Charging Company or the Security Holder or which such Charging Company or the Security Holder recovers from a Debtor.

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

**Securities:** in relation to each Charging Company, all its stocks, shares, bonds and securities of any kind whatsoever and whether marketable or otherwise (including those details which appear in Schedule 2) and all

other interests (including, but not limited to, loan capital) both present and future held by each Charging Company in any person and including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of, or incidental to, the same and all money or property offered at any time by way of dividend, conversion, redemption, bonus, preference, option or otherwise in respect thereof.

**Specified Plant and Equipment:** in relation to each Charging Company the plant, machinery and other equipment set opposite its name in Schedule 3.

**Subsidiary:** a subsidiary within the meaning of section 736 Companies Act 1985 and, unless the context otherwise requires, a subsidiary undertaking within the meaning of sections 258-260 Companies Act 1985 as substituted by section 21 Companies Act 1989.

**Supplemental Deed:** a deed supplemental to this Debenture executed by a company in form and substance satisfactory to the Security Holder by virtue of which that company becomes bound by this Debenture in the capacity of a Charging Company.

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

**VAT:** Value Added Tax.

**Working Day:** any day (except Saturday and Sunday) on which banks generally are open for business in London.

## 1.2 Interpretation

1.2.1 Words and phrases which are not defined or construed in this Debenture but which are defined or construed in the Agency Partner Agreement Terms or in the Law of Property Act 1925 or the Insolvency Act 1986 shall be construed as having the meanings ascribed to them therein.

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

1.2.3 The security constituted by, and the rights of the Security Holder under, this Debenture shall be enforceable notwithstanding any change in the constitution of the Security Holder or its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person.

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

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

1.2.6 Any reference in this Debenture to a person being "**controlled**" by another means that that other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that person or otherwise controls

or has the power to control the affairs and policies of that person and "control" shall be construed accordingly.

1.2.7 Any reference in this Debenture to "financial indebtedness" shall be construed as a reference to any indebtedness in respect of:

- (i) monies borrowed or raised;
- (ii) any debenture, bond, note, loan stock, commercial paper or similar instrument;
- (iii) any acceptance credit, bill discounting, note purchase or documentary credit facility;
- (iv) any credit agreement or finance lease;
- (v) any receivables purchase, factoring or discounting arrangement under which there is recourse in whole or in part;
- (vi) credit (other than normal trade credit for a period not exceeding 90 days) or deferred payment arrangements in respect of the acquisition or construction price of assets acquired or constructed or the purchase price of services supplied;
- (vii) any other transaction having the commercial effect of a borrowing or other raising of money entered into by a person to finance its business or operations or capital requirements; or
- (viii) (without double counting) any guarantee or other assurance against financial loss in respect of the indebtedness of any person arising under an obligation falling within (i) to (vii) above,

1.2.8 Any reference in this Debenture to "Insolvent" shall be construed as meaning, in relation to any Obligor, the happening of any of the following:

- (i) the issue of a petition or application (other than one which is discharged before it is advertised), the calling of a meeting or making proposals for any of the following matters:
  - (a) in relation to a company – a resolution for voluntary winding up by reason of insolvency, a winding up order, a resolution by its directors or members to apply for an administration order, the appointment of an administrator under the Insolvency Act 1986 or the appointment of a receiver (whether in or out of court) or an administrative receiver of any of its assets or income;
  - (b) in relation to a partnership – its bankruptcy, winding up or an administration order or the bankruptcy of any partner;
  - (c) in relation to any person – the entry into a voluntary arrangement under the Insolvency Act 1986 or any formal or informal arrangement generally for the benefit of creditors; or
  - (d) in relation to an individual – bankruptcy or sequestration or the granting of a trust deed for the benefit of creditors; or
- (ii) any part of its income or assets, being subject to:
  - (a) seizure, distress or diligence;
  - (b) enforcement of any Encumbrance;
  - (c) execution of legal process;

- (d) sequestration;
  - (e) an injunction restricting dealing with such income or assets;
  - (f) attachment;
  - (g) other legal process restricting dealing with such income or assets; or
- (iii) the service of any statutory demand under the Insolvency Act 1986 other than one which is discharged before it is advertised; or
- (iv) the entry of any judgment, order or award which shall remain unsatisfied or whose terms shall not be complied with for seven days (except pending any appeal); or
- (v) an application for a garnishee order; or
- (vi) the giving of notice of the intended suspension of payments of debts; or
- (vii) being deemed by section 123 of the Insolvency Act 1986 to be unable to pay debts or, in the reasonable opinion of the Security Holder, being capable of being deemed unable to pay its debts as they fall due; or
- (viii) the taking of any formal steps for the commencement of any proceedings in respect of any of the above matters in this definition,
- or in each case anything analogous to or having a similar effect to any of the events specified above, and "insolvency" shall be construed accordingly;

1.2.9 The illegality, invalidity or unenforceability of any provision of this Debenture under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction or the legality, validity or enforceability of any other provision of this Debenture.

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

1.2.11 Any reference in this Debenture to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision as in force at the date of this Debenture and as subsequently re-enacted or consolidated and shall also include all instruments, orders and regulations for the time being made thereunder or deriving validity therefrom.

1.2.12 In this Debenture the expressions "Client", "Charging Company", "Obligor" or "Security Holder" shall, unless the context otherwise requires, include their respective assignees, transferees or successors in title, whether immediate or derivative in relation to their respective interests.

## 2 COVENANT TO PAY

Each Charging Company hereby jointly and severally agrees that it will on demand pay, perform and discharge to the Security Holder all the Secured Liabilities in accordance with the terms of the relevant Financing Document evidencing or giving rise thereto.

## 3 CHARGING PROVISIONS

- 3.1 Each Charging Company, as continuing security for the payment, discharge and performance of all the Secured Liabilities in relation to all of the following assets whether now or in future belonging to that Charging Company hereby, in each case with full title guarantee:

3.1.1 **Fixed charges:** charges to the Security Holder by way of separate fixed charges:

- (a) by way of legal mortgage each property specified in Schedule 1 which is set opposite its name;
- (b) by way of equitable mortgage its Real Property, other than the property or properties specified in Schedule 1;
- (c) by way of legal mortgage all the Specified Plant and Equipment together with all spare parts and replacements for and all modifications and additions to the Specified plant and Equipment;
- (d) all its goodwill, unpaid and/or uncalled capital;
- (e) all fixtures;
- (f) all its Intellectual Property;
- (g) all its Securities;
- (h) all loan capital, indebtedness or liabilities on any account or in any manner owing to it from any member of that Charging Company's Group;
- (i) all amounts realised by an administrator or liquidator of that Charging Company upon enforcement or execution of any order of the court under Part VI of the Insolvency Act 1986;
- (j) all its documents of title which at any time and for any purpose have been or may be deposited with the Security Holder and the property mentioned in such documents;
- (k) all of its Non-Vesting Debts;
- (l) all of its Other Debts;
- (m) all monies in the accounts specified in Clause 4.2.1 and in any other account in the name of that Charging Company under the control of or operated in accordance with the directions of the Security Holder.

3.1.2 **Floating charge:** charges to the Security Holder by way of a floating charge all of its undertaking, property, rights and assets (including, without limitation, the Plant and Equipment) whatsoever and wheresoever, both present and future (including to the extent that any of such undertaking, property, rights and assets are not effectively charged from time to time by any of the above fixed charges or assigned by way of security under Clause 3.1.3);

3.1.3 **Assignments by way of security:** assigns and agrees to assign by way of security to the Security Holder all its rights, title and interest in and to:

- (a) the benefits arising under the Policies; and
- (b) any contracts relating to or benefitting any of the Charged Assets.

### **3.2 Conversion of floating charge to a fixed charge**

The Security Holder may at any time after a Default has occurred give written notice to a Charging Company immediately converting (in whole or in part) the above floating charge into a fixed charge in respect of that Charging Company.

### **3.3 Automatic crystallisation**

The floating charge created by a Charging Company pursuant to Clause 3.1.2 of this Debenture shall, unless otherwise agreed by the Security Holder in writing and in addition to any circumstances in which the same will occur under general law, automatically and without notice be converted into a fixed charge:

- 3.3.1 if that Charging Company fails to comply with its obligations in Clauses 4.1.1 and/or 4.1.15 and/or 4.2.2;
- 3.3.2 upon the appointment of a Receiver or an Administrator;
- 3.3.3 upon the directors or members of any Charging Company resolving to apply for an administration order to be made in relation to it or upon the presentation of a petition for an administration order to be made in relation to any Charging Company;
- 3.3.4 upon any person taking any step with a view to levying distress against any of the Charged Assets of that Charging Company or any judgment creditor taking any step with a view to enforcing against any of the Charged Assets of that Charging Company a judgment obtained against it whether by a warrant of execution, writ of fieri facias, garnishee order, charging order or otherwise; or
- 3.3.5 if any other floating charge created by that Charging Company crystallises for any reason.

### **3.4 Qualifying Floating Charge**

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

### **3.5 Further advances**

This Debenture secures both present and further advances. The Security Holder covenants to make available advances and further advances to the extent (and on the terms) provided for in any agreement from time to time giving rise to the Secured Liabilities.

## **4 UNDERTAKINGS, REPRESENTATIONS AND WARRANTIES**

### **4.1 General Undertakings**

Each Charging Company agrees that, whilst this security exists:

- 4.1.1 **No disposals:** without the prior written consent of the Security Holder it will not sell, transfer, assign, lease out, license, lend or otherwise dispose of the whole or any part of its Charged Assets or any interest therein (or agree to do so) but this restriction shall not prohibit the disposal of any Charged Assets subject to the floating charge created by Clause 3.1.2 by way of sale at arm's length terms for commercial value in the ordinary course of its business;

- 4.1.2 **Bank information:** it will (and will procure that each member of its Group will) authorise its bankers to provide to the Security Holder copy statements in respect of all its (and their respective) bank accounts and to disclose all other information available to those bankers about such Charging Company's and members of its Group's respective assets and liabilities, whenever requested by the Security Holder;
- 4.1.3 **Other information:** it will provide any other information as the Security Holder may reasonably request regarding its affairs and the affairs of any members of its Group;
- 4.1.4 **Litigation details:** it will, immediately upon becoming aware, provide the Security Holder with details of any present or future litigation, arbitration or administrative proceedings in progress, pending or to its knowledge threatened against it or against any members of its Group which might have a material adverse effect on its ability to perform its obligations under any of the Financing Documents or result in a liability for it or any member of its Group in excess of £25,000;
- 4.1.5 **Access to books:** it will (and will procure that each member of its Group will) permit the Security Holder free access at all reasonable times to inspect and take copies of and extracts from its (and their respective) Accounting Records and will (and will procure that each member of its Group will) provide the Security Holder with all information and facilities which it may require for this purpose;
- 4.1.6 **Enquiries:** it will (and will procure that each member of its Group will) on request grant the Security Holder and any agent of the Security Holder all reasonable facilities to enable it or them to carry out, at the Charging Company's own expense, such investigation of its title to, and other enquiries (including, without limitation, obtaining valuations) concerning, the whole or any part of its Charged Assets as should be carried out by a prudent mortgagee;
- 4.1.7 **Intellectual Property:** it will use its best endeavours to detect any infringement of and to maintain, protect and enforce its rights in respect of its Intellectual Property and, if aware of such infringement or threat to such rights, will immediately give the Security Holder all information available to it about that infringement or threat and the actions taken and to be taken by it in respect thereof;
- 4.1.8 **Compliance with laws:** it will comply in all material respects with all laws concerning its Charged Assets and with the requirements of any competent authority and every notice, order, direction, licence, consent, and permission lawfully made or given in respect of it, and will provide the Security Holder immediately after receipt or it first becoming aware thereof with copies and full details of all such notices, orders, directions, licences, consents and permissions;
- 4.1.9 **Carrying on business:** it will carry on its business in a proper and efficient manner and will not, without the prior written consent of the Security Holder, make any material alteration to its business as carried on at the date of this Debenture;
- 4.1.10 **Maintaining books:** it will (and will procure that each member of its Group will) maintain proper and up to date Accounting Records and will keep such Accounting Records and all other documents relating to its and their respective affairs at its registered office or at such other place where the same ought to be kept;
- 4.1.11 **Payment of debts:** it will punctually pay all its debts and liabilities becoming due and payable and which would, on its winding-up, have priority over any of the Encumbrances created by this Debenture;

- 4.1.12 **Outgoings:** it will punctually pay all outgoings payable in respect of its Charged Assets and will promptly produce the receipts for them to the Security Holder upon request;
- 4.1.13 **Observing covenants:** it will observe and perform all restrictive and other covenants and stipulations for the time being affecting its Charged Assets or their use or enjoyment;
- 4.1.14 **Proprietary interests:** it will not permit any person (including, without limitation, any member of its Group which is not a Charging Company) to become entitled to any proprietary right or interest which might affect the value, use or marketability of its Charged Assets and will ensure that no overriding interest arises under the Land Registration Acts 1925-2002;
- 4.1.15 **Encumbrances:** it will ensure that no Encumbrances (other than liens arising by operation of law in the ordinary course of business and securing obligations not more than 60 days overdue) will arise on or after the date of this Debenture in respect of its Charged Assets without the prior written consent of the Security Holder;
- 4.1.16 **Landlord:** it will notify the landlord of any leasehold property forming part of the Charged Assets of the existence of this security forthwith upon this security attaching to such leasehold property;
- 4.1.17 **Accession:** it will procure that, if any company that is not at the date of this Debenture a member of a Charging Company's Group, or which does not carry on business subsequently becomes a member of that Charging Company's Group or begins to carry on a business, a duly executed Supplemental Deed is entered into forthwith after such company becomes a member of its Group or begins to carry on a business; and
- 4.1.18 **Moratorium:** it will notify the Security Holder in writing, forthwith upon taking any steps with a view to resolving to initiate a moratorium in respect of itself pursuant to the provisions of the Insolvency Act 2000.

## 4.2 Receivables and Remittances

Each Charging Company agrees that, whilst this security exists:

- 4.2.1 **Getting in Other Debts:** until other directions are given by the Security Holder in writing it will:
- (a) only deal with its Other Debts by way of getting in and realising the same in the ordinary course of its business;
  - (b) give written instructions to debtors to pay Remittances in respect of its Other Debts to such bank account, address or person as the Security Holder may specify;
  - (c) only deal with the monies in such bank account in accordance with the written directions from time to time given by the Security Holder which may include a direction to the Charging Company to give written instructions to its bankers that all such monies shall be forthwith paid into any other bank account as the Security Holder may specify;
  - (d) not otherwise, except as permitted by the Security Holder, withdraw any credit balance from, or otherwise deal with, any of its bank accounts;

4.2.2 **Disposals:** It will not sell, discount, factor, create any Encumbrance over, dispose of or, except in accordance with this Debenture, otherwise deal with its Other Debts or the relative Remittances unless it has the prior written consent of the Security Holder;

4.2.3 **Non-Vesting Debts:** if it is a Client, it will not deal with, negotiate or pay Remittances in respect of its Non-Vesting Debts into any account other than as specified in the Agency Partner Agreement in relation to Debts and will otherwise deal with such Non-Vesting Debts and their Associated Rights as if they had vested absolutely and effectively in the Security Holder under the Agency Partner Agreement.

#### 4.3 **Securities**

Each Charging Company agrees that, whilst this security exists:

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

4.3.2 **Deposits:** forthwith upon the execution of this Debenture, unless agreed otherwise in writing by the Security Holder, it will deposit with the Security Holder all certificates or documents of title in respect of the Securities;

4.3.3 **Delivery:** unless the Security Holder agrees otherwise in writing, it will ensure the delivery or payment to the Security Holder of all Securities or the certificates or other documents of title to or representing the same; and

4.3.4 **Registration:** the Security Holder shall at any time be entitled to have any of the Securities or other moneys or property referred to in Clauses 4.3.2 and/or 4.3.3 registered either in its name or in the name of nominees selected by it.

#### 4.4 **Real Property Plant and Equipment and Specified Plant and Equipment**

Each Charging Company agrees that, whilst this security exists:

4.4.1 **Maintenance:** it will keep all its Real Property in good and substantial repair and will allow the Security Holder free access, at all reasonable times, to view the state and condition of any such Real Property, but without the Security Holder becoming liable to account as a mortgagee in possession;

4.4.2 **Plant and Equipment and Specified Plant and Equipment:** in relation to the Plant and Equipment and the Specified Plant and Equipment it will:

- (a) keep it in good and substantial repair and in good working order and condition and fit for its purpose and it will not, without the Security Holder's prior written consent, make any modification or permit any modification to be made to it if the effect of such modification may be to reduce its value; or
- (b) not alter or remove any identifying symbol or number on it;
- (c) not permit or procure it to be taken out of the United Kingdom except with the consent of Security Holder and then subject only to such further terms as the Security Holder may require;

- (d) promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of it and on demand produce evidence of such payment to the Security Holder;
  - (e) give the Security Holder such information concerning the location, condition, use and operation of it as the Security Holder may require and permit any persons designated by the Security Holder at all reasonable times to inspect and examine it and the records maintained in connection with it.
- 4.4.3 **Specified Plant and Equipment:** it will immediately upon execution of this Deed attach to a visible part of each item of Specified Plant and Machinery owned by it in a permanent manner a clear and distinctive label "This equipment is subject to a first legal mortgage in favour of Keen Thinking Limited";
- 4.4.4 **Covenants:** it will observe and perform all the lessee's covenants in any lease under which any of the Charged Assets may be held and will take no action which might lead to such lease being surrendered or forfeited;
- 4.4.5 **Repairs:** it will, at its own expense, allow the Security Holder to carry out repairs or take any action which the Security Holder shall reasonably consider necessary should such Charging Company fail to observe or perform any of its obligations as a lessee;
- 4.4.6 **Leasing:** it will not exercise the powers of leasing or accepting surrenders of leases conferred as a mortgagee in possession by sections 99 and 100 of the Law of Property Act 1925, or any other powers of leasing or accepting surrenders of leases, without the prior written consent of the Security Holder;
- 4.4.7 **Exclusion order:** it will make sure that an order of the court is obtained, under section 38(4) of the Landlord and Tenant Act 1954, excluding the security of tenure provisions of that Act, before granting any lease;
- 4.4.8 **No alterations:** it will procure that no alteration or addition is made to any of its Real Property and it will not do or allow anything to be done on its Real Property which shall be treated as a development or a change of use within the meaning of the Planning Acts unless the prior written consent of the Security Holder has been obtained;
- 4.4.9 **Fixtures:** it will procure in favour of the Security Holder from any person with a proprietary interest or encumbrance (including any owner, leaseholder or chargee ) in the Real Property or personal property to which any plant and equipment may become affixed and become a Fixture or with which title to the Fixture might merge, an acknowledgement prior to such fixing or merger that their rights and remedies will only be exercised subject to the Security Holder's rights in the Fixtures and in particular but without limitation to the generality of the foregoing, the right of the Security Holder, its servants and agents to enter upon any such property to remove the Fixtures notwithstanding that it might be affixed to or have merged with the Real Property or personal property;
- 4.4.10 **Planning:** It will not infringe the Planning Acts in any way which prejudices the Security Holder's security over the Charged Assets;
- 4.4.11 **Deposits:** it will deposit with the Security Holder all deeds and documents relating to its Real Property and the Policies relating to the same, (subject only to the requirements of any prior Encumbrance agreed by the Security Holder or of its landlord);

- 4.4.12 **Environmental Licences:** it shall have the benefit of, maintain and comply with all Environmental Licences (if any) needed for its use or occupation of its Charged Assets or for the conduct of any business it is engaged in from time to time;
- 4.4.13 **Environmental Laws:** it shall comply with all applicable Environmental Laws and shall not do or permit to be done any act or omission whereby its Environmental Licences (if any) could be varied or revoked or which could result in any liability being imposed on the Security Holder under any applicable Environmental Law;
- 4.4.14 **Environmental audits:** if requested by the Security Holder at any time (but, save in the case where at the time of requesting the environmental audit an Event of Default has occurred or in the opinion of the Security Holder is likely to occur, no more frequently than once in every calendar year) it shall forthwith on demand pay for an environmental audit of such type as the Security Holder shall specify in relation to the Charged Assets and, in any event, shall permit the Security Holder, its agents, employees, and any firm of environmental consultants engaged by it, to have full access to all its properties, assets and Accounting Records for the purpose of carrying out any such environmental audit; and
- 4.4.15 **Ongoing obligations:** it will ensure that at all times there is no discharge, spillage, release or emission of any prescribed, dangerous, noxious or offensive substance or any controlled waste on, into or from any of its Charged Assets or any premises adjoining any part of them and no such substances or any controlled waste have been stored or disposed of on or in any part of its Charged Assets or, so far as it is aware, in any adjoining premises except in accordance with the requirements of the applicable Environmental Laws and/or Environmental Licences.

## 4.5 Insurances

Each Charging Company agrees that, whilst this security exists:

- 4.5.1 **Insuring:** it will insure and keep insured those parts of the Charged Assets as are of an insurable nature against loss or damage by fire and all other risks usually insured against and such other risks (which may include insurance against acts of terrorism) that the Security Holder shall reasonably require to their full replacement value with insurers approved by the Security Holder and shall comply with all policy terms in respect thereof and shall forthwith notify the Security Holder of any loss, theft, damage or destruction to such of the Charged Assets as are insured. If it holds property as a tenant or lessee and shall be required by the landlord either to insure or to reimburse the Charging Company's landlord for any insurance premium paid by him then the Charging Company shall be treated as having complied with its insuring obligation under this Debenture if it duly and promptly complies with those requirements. However this shall not affect the right of the Security Holder to require the Charging Company to produce satisfactory evidence that it has complied with the landlord's requirements;
- 4.5.2 **Security Holder's Interest:** it will ensure that all its Policies (to the extent they relate to Eligible Collateral) are endorsed (in the form set out in Schedule 5) with notice of the interest of the Security Holder in them (or, if required by the Security Holder, with the Security Holder named as a joint insured party though without the Security Holder being liable for payment of premiums or for carrying out any other obligations under the relevant Policy) and will produce to the Security Holder the receipts for each current premium within fifteen days of its becoming due failing which the Security Holder may affect or renew any such insurance as the Security Holder shall think fit at the Charging Company's expense;
- 4.5.3 **Dealing with proceeds:** it will ensure that each Policy (to the extent it relates to Eligible Collateral) contains a provision under which the proceeds of that Policy are payable to the Security Holder. Without prejudice to this, if any monies are received by a Charging Company

under any such Policy in respect of any of the Charged Assets such monies shall be treated as part of the Charged Assets subject only to any rights of third parties having priority and to the requirements of any lease of the Charged Assets and shall be paid forthwith to the Security Holder. Pending payment to the Security Holder, the Charging Company shall hold such proceeds on trust for the Security Holder. The proceeds of any such Policy shall be applied at the discretion of the Security Holder either in reducing the Secured Liabilities as have fallen due for payment or towards making good the loss or damage for which the monies became payable;

- 4.5.4 **Policies:** it will punctually pay all premiums and other sums payable under or in relation to each of the Policies (and, if requested by the Security Holder, produce evidence of payment satisfactory to the Security Holder) and not omit to do or permit anything to be done which may make void, voidable or unenforceable any of the Policies and not alter the terms of any of the Policies or allow any of the Policies to lapse;
- 4.5.5 **Retention of Policies:** it will, immediately upon receiving the same, deliver all original Policies (to the extent they relate to Eligible Collateral) to the Security Holder and thereafter permit the Security Holder to hold and retain all Policies; and
- 4.5.6 **Notice:** it will immediately give notice of this security in the form set out at the beginning of Schedule 5 to the assurance or insurance company or organisation issuing any of the Policies (to the extent any such Policy relates to Eligible Collateral) in its favour and obtain and deliver the form of acknowledgement of such notice in the form set out later in Schedule 5.

#### 4.6 **Representations and Warranties**

Each Charging Company represents and warrants in favour of the Security Holder as follows (and these representations and warranties shall survive the execution of this Debenture):

**4.6.1 Due execution:** that the execution of this Debenture has been duly authorised by a resolution of its board of directors (or by a duly authorised committee of such board) and that it does not breach any provision of its memorandum and/or articles of association or of any other Encumbrance, security or agreement entered into prior to the date of this Debenture or the laws of any jurisdiction applying to it;

**4.6.2 Ownership:** that it is and will at all times be the sole beneficial owner with full title guarantee of all its Charged Assets and that no Encumbrances affect it other than those permitted by the Security Holder;

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

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

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

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

## 5 **GUARANTEE AND INDEMNITY**

### 5.1 **Grant of guarantee and indemnity**

Each Charging Company unconditionally and irrevocably guarantees to the Security Holder the punctual payment, performance and discharge on demand of the Secured Liabilities. Each Charging Company also agrees to hold harmless and indemnify fully the Security Holder against any loss which the Security Holder may incur as a result of any of the Secured Liabilities being or becoming void, voidable or unenforceable for any reason whatsoever or any breach or non-observance by any Obligor of any obligation to the Security Holder including those under this Debenture. The amount of such loss shall be the amount which the Security Holder would otherwise have been entitled to recover from such other Obligor.

### 5.2 **Protective provisions**

Each Charging Company agrees that its liability under the guarantee and indemnity given under Clause 5.1 shall not be affected by:

- 5.2.1 **Variation:** any variation in, replacement of, substitution, assignment or novation of any of the Secured Liabilities (even if an Obligor's liability to the Security Holder is increased or extended in time) or of any Encumbrance, guarantee, indemnity or other assurance held or to be held as security for any of the Secured Liabilities (any such Encumbrance, guarantee, indemnity or other assurance being referred to in this Clause 5 as "related security");
- 5.2.2 **Indulgence:** any past, present or future failure to enforce remedies, the grant of time or indulgence, the conclusion of any agreement not to sue, any compromise or composition or the release of any related security, or any part thereof;
- 5.2.3 **Non-enforceability:** any inability to enforce the Secured Liabilities or any related security;
- 5.2.4 **Defects:** any defect in any guarantee or indemnity given to the Security Holder by any other Charging Company under Clause 5.1 or by any other Obligor under any related security or in any other document given for or in connection therewith;
- 5.2.5 **Failure to perfect:** any failure by the Security Holder to take or perfect any related security from an Obligor or any other person;
- 5.2.6 **Incapacity:** any incapacity or change in the constitution or control of an Obligor or of any person party to any related security;
- 5.2.7 **Waiver:** any waiver or release of any Obligor or of any person party to any related security or any termination of the obligations or liabilities to the Security Holder of any Obligor or of any person party to any related security; or
- 5.2.8 **Other acts:** any other act, event or omission which, but for this provision, would or might operate to offer any legal or equitable defence for, or impair or discharge, any of the Secured Liabilities or any obligation of any person under any related security or prejudicially affect the rights and remedies of the Security Holder under this Debenture or otherwise conferred by law.

### 5.3 **Joint and several**

The liabilities of each Charging Company to the Security Holder under this Debenture are joint and several and if at any time there are co-sureties then each Charging Company's liability to the Security Holder shall be joint and several with them.

### 5.4 **Additional security**

The guarantees or indemnities given under Clause 5.1 shall be additional to and not in substitution for any other security taken or to be taken by the Security Holder in respect of the Secured Liabilities.

### 5.5 **No competition**

Until all of the Secured Liabilities have been satisfied in full, no Charging Company shall:

5.5.1 **Subrogation:** exercise any right of subrogation, indemnity, set-off or counter-claim against any other Obligor or any person party to any related security;

5.5.2 **Claims:** claim payment of any other monies due to it by any other Obligor or any person party to any related security by reason of the performance of its obligations under this Debenture or under any related security or on any account whatsoever or exercise any other right or remedy or enforce any Encumbrance, guarantee, indemnity or other assurance which it has in respect thereof;

5.5.3 **Contribution:** claim any contribution from any other Obligor or any other person party to any related security;

5.5.4 **Disposals:** negotiate, assign, charge or otherwise dispose of any monies, obligations or liabilities now or at any future time due or owing to it by any other Obligor or any person party to any related security or any Encumbrance, guarantee, indemnity or other assurance in respect thereof; or

5.5.5 **Proofs:** claim or prove in the winding-up or dissolution of any other Obligor or any other person party to any related security,

and if any Charging Company receives any sums in contravention of this Clause 5.5, it shall hold them on trust to be applied by the Security Holder in or towards satisfaction of the Secured Liabilities in such order or manner as the Security Holder may specify.

## 6 **FURTHER ASSURANCE AND POWER OF ATTORNEY**

### 6.1 **Further assurance**

At the Security Holder's request, each Charging Company will, at its own expense, immediately sign, seal, execute, deliver and perfect all deeds, debentures and instruments including, without limitation, standard securities, assignments and any other documents needed in relation to assets in Scotland and any other jurisdiction and do all such other acts and things as the Security Holder or any Appointee appointed under this Debenture may require in order to perfect, protect or enforce this security in respect of that Charging Company or to facilitate the realisation of any of the Charged Assets or to use the powers given to each of them in this Debenture or to enforce the obligations of that Charging Company and/or the rights of the Security Holder under this Debenture and it will take such steps as the Security Holder shall specify to make such registrations and give such notifications as the Security Holder may consider appropriate (or which may be specified by applicable law) in relation to this Debenture and each Charging Company authorises the Security Holder to effect the same if the Security Holder so chooses.

## 6.2 Execution of documents/registration

Without prejudice to Clause 6.1 each Charging Company will at the request of the Security Holder and at that Charging Company's own expense, execute a legal mortgage, charge or assignment of any part of the Charged Assets of that Charging Company, subject to or intended to be subject to any fixed security under this Debenture in such form as the Security Holder may require. In every such case the Charging Company will then take such other steps as the Security Holder may require to perfect such legal mortgage, charge or assignment including, without limitation, using all reasonable endeavours to obtain the consent of any landlord or other person required for any legal mortgage.

## 6.3 Power of attorney

Each Charging Company, by way of security and in order more fully to secure the performance of its obligations hereunder, irrevocably appoints the Security Holder, any directors, officers or managers for the time being of the Security Holder and any other person authorised by the directors of the Security Holder and any Appointee appointed hereunder, jointly and each of them severally, to be the lawful attorneys of that Charging Company for the purposes set out in this Clause 6. Such appointment gives each attorney the power in that Obligor's name and on its behalf to act and to carry out all acts and execute all the deeds, debentures, instruments and other documents required by Clauses 6.1 and 6.2. Each attorney so appointed may appoint substitute attorneys to carry out all or any of such purposes. Each Charging Company agrees to ratify and confirm any instrument, act or thing which any such attorney or substitute attorney may lawfully execute or do in the name or on behalf of that Charging Company.

## 7 CONSEQUENCES OF AN EVENT OF DEFAULT

Following the occurrence of an Event of Default:

**7.1 Enforceability:** the security constituted by this Debenture shall become enforceable; and/or

**7.2 Retentions:** the Security Holder may retain any monies in any account referred to in Clause 4.2.1, for such period as the Security Holder reasonably considers necessary to ensure any Charging Company's compliance with the terms of this Debenture; and/or

**7.3 Voting rights:** the Security Holder may exercise in the name of any Charging Company any voting rights attached to the Securities and all powers given to trustees by the Trustee Act in respect of securities, property subject to a trust and any powers or rights exercisable by the registered holder of any of the Securities or by the bearer of any of the Securities. The Security Holder will not then need any consent or authority from any Charging Company.

## 8 POWER OF POSSESSION AND SALE

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

## 9 APPOINTMENT OF RECEIVER OR ADMINISTRATOR AND THEIR POWERS

### 9.1 Appointment of a Receiver or an Administrator

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

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

9.1.2 a Charging Company at any time so requests in writing; or

9.1.3 the Security Holder becomes aware of the intention of any party to apply for an administration order to be made in relation to any Charging Company or any such application is made,

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

### 9.2 Joint and several obligations

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

### 9.3 Writing

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

### 9.4 Appointment of Receiver or Administrator and their powers

9.4.1 **Appointment:** Any Receiver or Administrator shall be the agent of each Charging Company to which such appointment relates. Each Charging Company to which such appointment relates shall, and the Security Holder shall not in any way, be responsible for the acts, omissions, losses, misconduct, defaults and remuneration of such Receiver or Administrator; and

9.4.2 **Powers of a Receiver:** A Receiver shall, without the need for the consent of any Charging Company to which such appointment relates, have all of the powers described in this Clause, unless any such powers shall specifically be excluded by the written terms of his appointment. A Receiver may exercise these powers in such way, at such time and on such terms as he shall think fit, necessary or expedient and whether in his name or the name of the relevant Charging Company and without being under any obligation to take or omit to take any action which any Charging Company, but for the appointment of the Receiver, would or might have considered to be in that Charging Company's interests. A receiver shall have the powers granted by the Law of Property Act 1925 to any receiver appointed under such Act and all the powers of an administrative receiver under Schedule 1 of the

Insolvency Act 1986. A Receiver shall also have the power on behalf and at the cost of the relevant Charging Company, and in the relevant Charging Company's name or otherwise, to do or omit to do anything which the relevant Charging Company could do or omit to do or could have done or omitted to do but for any incapacity or the appointment of a liquidator, administrator or equivalent officer in relation to such Charging Company or its Charged Assets.

- 9.4.3 **Powers of an Administrator:** An Administrator shall have all the powers conferred from time to time on administrators by law or by statute.

9.5 **Security Holder's powers**

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

10 **VARIATIONS TO STATUTORY PROVISIONS**

10.1 **Law of Property Act**

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

10.2 **Non-consolidation**

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

10.3 **Subsequent encumbrances**

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

11 **APPLICATION OF MONIES**

11.1 **Order of payment**

All monies received by the Security Holder or by an Appointee under or by virtue of this Debenture shall be applied (so far as the law permits) in the following order:

- 11.1.1 **Costs and expenses:** in payment of all costs, charges and expenses of or incidental to the Appointee's appointment, the payment of his remuneration and the payment and discharge of any other Expenses incurred by or on behalf of the Appointee;

**11.1.2 Preferential debts:** in or towards payment of any debts or claims which are by statute payable in preference to the Secured Liabilities but only to the extent to which those debts or claims have such preference;

**11.1.3 Payments to Security Holder:** in payment to the Security Holder of the Secured Liabilities due to the Security Holder in such order as the Security Holder in its absolute discretion thinks fit; and then

**11.1.4 Surplus:** in payment to the relevant Charging Company of any surplus (which shall not carry interest) which may be paid into any of the relevant Charging Company's bank accounts including an account opened specifically for such purpose. The Security Holder shall then have no further liability for the surplus.

## **11.2 Appropriation**

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

## **11.3 Suspense accounts**

The Security Holder or the Appointee may credit any monies to a suspense account for so long and in such manner as the Security Holder may from time to time determine. The Appointee or the Security Holder may retain the same for such period as the Appointee and the Security Holder consider expedient.

## **12 PROTECTION OF THIRD PARTIES**

### **12.1 Third party payments**

No person paying or handing over monies to an Appointee and obtaining a discharge shall have any responsibility or liability to confirm the correct application of such monies.

### **12.2 Third party dealings**

No person dealing with the Security Holder, or an Appointee, need enquire:

**12.2.1 Powers exercisable:** whether any event has happened giving either the Security Holder or the Appointee the right to exercise any of his powers;

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

**12.2.3 Validity of appointment:** as to the validity or regularity of the appointment of any Appointee purporting to act or to have been appointed as such; or

**12.2.4 Satisfaction:** whether any of the Secured Liabilities remain unsatisfied.

### **12.3 Statutory protection**

All the protections given to purchasers contained under sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with an Appointee or the Security Holder as if the Secured Liabilities had become due and the statutory power of sale and appointment of the Appointee in relation to the Charged Assets had arisen, on the date of this Debenture.

#### **12.4 Express notice**

No person dealing with the Security Holder or any Appointee shall be affected by express notice that any act is unnecessary or improper.

### **13 CONTINUING AND ADDITIONAL SECURITY**

#### **13.1 Continuing security**

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

#### **13.2 Non-merger**

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

### **14 EXPENSES AND INDEMNITIES**

#### **14.1 Expenses and Interest**

All Expenses incurred and all payments made by the Security Holder or any Appointee in the lawful exercise of the rights created by this Debenture shall carry interest at the Default Rate. Interest under this Debenture shall accrue (both before and after judgment) from the date the Expenses were incurred or the sum paid became payable, whichever shall be earlier, until the date the same are paid and discharged in full. The Security Holder may compound unpaid interest with rests at such times as it may consider appropriate. The amount of all Expenses and payments referred to in this Clause 14.1 and any interest thereon shall be payable by the relevant Charging Company on demand.

#### **14.2 General indemnity**

Each Charging Company jointly and severally agrees to indemnify the Security Holder (and its nominees) and any Appointee on demand against all losses, actions, claims, expenses, demands and liabilities now or in the future incurred by any of them or by any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable for anything done or omitted in the exercise or purported exercise of the rights contained in this Debenture or caused by any breach by a Charging Company of any of its obligations under this Debenture or in connection with the Charged Assets. The Security Holder (and its nominees) and any Appointee shall also be entitled to be Indemnified out of the Charged Assets in respect of all losses, actions, claims, expenses, demands and liabilities incurred by them in the execution, or purported execution, of any of the rights vested in them under this Debenture.

#### **14.3 Tax indemnity**

Each Charging Company jointly and severally agrees to indemnify the Security Holder and any Appointee on demand against all present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent authority in connection with the execution or enforcement of this Debenture or in consequence of any payment made pursuant to this Debenture being challenged or declared void for any reason whatsoever.

#### **14.4 Currency indemnity**

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

**14.4.2 Shortfall indemnity:** Each Charging Company jointly and severally agrees to indemnify the Security Holder against any shortfall between:

- (a) any amount received or recovered by the Security Holder in respect of any of the Secured Liabilities which is converted in accordance with Clause 14.4.1 into the currency in which such liability was payable; and
- (b) the amount payable to the Security Holder under this Debenture in the currency of such liability.

#### **15 PAYMENTS, DISCHARGE AND SET-OFF**

##### **15.1 Payments without deduction**

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

##### **15.2 Set-off**

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

##### **15.3 Gross-up and tax receipts**

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

##### **15.4 Discharge of security**

Upon payment and complete discharge and performance of all the Secured Liabilities under or in relation to this Debenture, the Security Holder shall, at the request and cost of a Charging Company, duly discharge this security so far as it relates to that Charging Company's Charged Assets and any further security given by that Charging Company in accordance with the terms hereof. The Security

Holder will also, at the request and cost of a Charging Company, transfer to that Charging Company any of the Charged Assets of that Charging Company which have been assigned or transferred to the Security Holder. If any Charged Assets transferred or assigned to the Security Holder were fungible, the Security Holder may transfer to the relevant Charging Company assets of the same class, denomination and quality rather than the identical Charged Assets transferred or assigned to it under this Debenture.

#### **15.5 Avoidance of payments**

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

### **16 SERVICE OF NOTICES AND PROCESS**

#### **16.1 Charging Company's address for service**

Unless otherwise provided in this Debenture, any written notice from the Security Holder to a Charging Company and any proceedings issued by the Security Holder requiring service on a Charging Company may be given or served by delivering it at or posting it to:

16.1.1 the Charging Company's address set out under its name at the end of this Debenture or to such other address of that Charging Company advised to and acknowledged by the Security Holder as being effective for the purposes of service;

16.1.2 the Charging Company's registered office; or

16.1.3 any address last known to the Security Holder at which the Charging Company carried on business.

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

#### **16.2 Time of service on Charging Company**

Any such notice or process shall be considered served:

16.2.1 if delivered – at the time of delivery;

16.2.2 if sent by post – 48 hours from the time of posting;

16.2.3 if sent by facsimile transmission or electronic medium – at the time of receipt; or

16.2.4 if handed over – at the time of handing over.

#### **16.3 Service on Security Holder**

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

## **17 TRANSFERS AND DISCLOSURES**

### **17.1 Transfers by Security Holder**

This Debenture is freely transferable by the Security Holder to any bank or financial institution. Each Charging Company consents to any such transfer (whether by novation, assignment, or otherwise). References in this Debenture to the "Security Holder" shall include its successors, assignees and transferees and any person to whom this Debenture is novated.

### **17.2 No transfers by any Charging Company**

No Charging Company may assign or transfer any of its obligations under this Debenture nor may it enter into any transaction which would result in any such obligations passing to another person.

### **17.3 Disclosure of information**

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

## **18 MISCELLANEOUS**

### **18.1 Delays and omissions**

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

### **18.2 Cumulative rights**

The Security Holder's rights under this Debenture are cumulative. They are not exclusive of any rights provided by law. They may be exercised from time to time and as often as the Security Holder sees fit.

### **18.3 Waivers**

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

### **18.4 Illegality**

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

## **18.5 Security Holder's certificates**

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

## **18.6 Counterparts**

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

## **18.7 Paper**

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

## **18.8 Access and Inspection**

For the purpose of gaining access to or inspecting or (following any Event of Default) taking possession of any of the computer equipment, computer data, books, documents and other records included in or relating to the Charged Assets or for the purpose of taking copies of any of such data, books, documents and records any duly authorised official of the Security Holder and any Appointee and any person authorised by such Appointee shall have the right at any time to enter upon any premises at which a Charging Company carries on business and upon any other premises in which any part or all of such computer equipment, computer data, books, documents and other records are for the time being kept or stored.

## **18.9 Contracts (Rights of Third Parties) Act 1999**

Other than in relation to the provisions of Clause 14, the terms of this Debenture may only be enforced by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

# **19 LAW AND JURISDICTION**

## **19.1 Law**

This Debenture shall be governed by, and construed in accordance with, English law.

## **19.2 Jurisdiction**

**19.2.1 Submission:** Each Charging Company irrevocably agrees for the benefit of the Security Holder that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Debenture and, for such purposes, irrevocably submits to the jurisdiction of such courts.

**19.2.2 Forum:** Each Charging Company irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 19.2.1 being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Debenture and agrees not to claim that any such court is not a convenient or appropriate forum.

**19.2.3 Other competent jurisdictions:** The submission to the jurisdiction of the courts referred to in Clause 19.2.1 shall not (and shall not be construed so as to) limit the right of the Security Holder to take proceedings against any Charging 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 jurisdiction, whether concurrently or not.

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

**IN WITNESS** whereof each Charging Company has duly executed this Debenture as a deed and intends to deliver and hereby delivers the same on the date first above written and, prior to such delivery, this Debenture has been duly signed on behalf of the Security Holder, in the manner appearing below.

**SCHEDULE 1  
REAL PROPERTY**

NOT APPLICABLE

**SCHEDULE 2  
SECURITIES**

NOT APPLICABLE

**SCHEDULE 3  
SPECIFIED PLANT AND EQUIPMENT**

NOT APPLICABLE

**SCHEDULE 4  
POLICIES**

NOT APPLICABLE

**SCHEDULE 5  
ASSIGNMENT OF INSURANCIES**

NOT APPLICABLE

**SCHEDULE 6  
NOTICE OF ASSIGNMENT OF AGENCY DEBENTURE AND FORM OF ACKNOWLEDGEMENT**

NOT APPLICABLE

THE OBLIGORS

EXECUTED AND DELIVERED as a deed by the Agency Partner:

Caddy Group (Construction) Limited

acting by:  
Name: H. Halbrook  
a Director

Signed: H. Halbrook

Name: B. Anrin  
Director/ Secretary Witness

Signed: [Signature]  
Director/ Secretary / Witness

If a Witness, Home Address: .....  
Postcode: .....

Trading Address: .....

Telephone: ..... Email: .....

Attention Name: .....

THE SECURITY HOLDER

EXECUTED AND DELIVERED as a deed by

[Signature]  
a duly authorised attorney  
for and on behalf of  
KEEN THINKING LIMITED

Tom Atkinson

in the presence of:

Jessica Howard

The Aspen Building Vantage Point Business Village Mitcheldean Gloucestershire GL17 0DD