



Registration of a Charge

Company name: **PAPER INNOVATION LIMITED**

Company number: **SC150034**

Received for Electronic Filing: **03/05/2016**



X567GUJM

Details of Charge

Date of creation: **12/04/2016**

Charge code: **SC15 0034 0008**

Persons entitled: **LLOYDS BANK COMMERCIAL FINANCE LTD**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ROBERT JONES**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 150034

Charge code: SC15 0034 0008

The Registrar of Companies for Scotland hereby certifies that a charge dated 12th April 2016 and created by PAPER INNOVATION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd May 2016 .

Given at Companies House, Edinburgh on 3rd May 2016

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



CHATTEL MORTGAGE

GIVEN BY

PAPER INNOVATION LIMITED

IN FAVOUR OF

LLOYDS BANK COMMERCIAL FINANCE LIMITED

THIS DEED is made on 16 MARCH 2016

BETWEEN:

- (1) **PAPER INNOVATION LIMITED** whose registered office is at Stanley House 69/71 Hamilton Road Motherwell Lanarkshire ML1 3DG (Company Number: SC150034) (the "**Borrower**" which expression shall include its successors and assigns); and
- (2) **LLOYDS BANK COMMERCIAL FINANCE LIMITED** of No 1 Brookhill Way, Banbury, Oxon, OX16 3EL (the "**Lender**", which expression shall include its successors and assigns).

WITNESSES AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this deed the following words have the meanings set down next to them: "**Receiver**" any person appointed by the Lender pursuant to this Deed to be a receiver or receiver and manager of all or part of the Charged Assets and includes any substituted receiver; "**Charged Assets**" all assets, rights and property of the Borrower the subject of any security created hereby or pursuant hereto and each and every item included therein or part or parts thereof;
"**Secured Liabilities**" all monies, obligations and liabilities covenanted to be paid by the Borrower to the Lender pursuant to Clause 2 of this Deed;
"**Security Period**" the period beginning on the date of this Deed and ending on the date upon which the Lender is satisfied that all the Secured Liabilities which have arisen have been unconditionally and irrevocably paid and discharged in full and the security hereby created has been unconditionally and irrevocably released and discharged in accordance with the terms of this Deed;
"**VAT**" value added tax.
- 1.2 Any reference in this Deed to:
 - 1.2.1 the "**Lender**" shall be construed so as to include an assignee or successor in title thereof or any person who, under the laws of its jurisdiction of incorporation or domicile has assumed the rights and obligations of such party or to which under such laws the same have been transferred;
 - 1.2.2 the term "**including**" shall be construed as meaning "including without limitation",
 - 1.2.3 the "**winding up**" "**dissolution**" or "**administration**" of a company shall be construed so as to include any equivalent or

analogous proceedings under the law of the jurisdiction in which such company is incorporated or any jurisdiction in which such company carries on business including the seeking of liquidation winding up reorganisation dissolution administration arrangement adjustment protection or relief of debtors (except in each case for the purpose of a solvent reconstruction approved in writing by the Lender).

- 1.3 Save where the contrary is indicated any reference in this Deed to a statute or statutory provision shall be construed as a reference to such statute or statutory provision as the same may be amended or reenacted and all instruments orders plans regulations bye-laws permissions and directions made at any time thereunder.
- 1.4 Where a party to this Deed agrees to indemnify another party against any claim or liability in connection with any matter, the expression claim or liability (or other similar reference) shall be deemed to include all actions proceedings liabilities outgoings, costs (on a full indemnity basis) claims demands damages losses and expenses whatsoever directly or indirectly relating to or arising out of the subject matter under consideration.
- 1.5 Clause and Schedule headings are for ease of reference only.
- 1.6 Words denoting the singular number only shall include the plural number also and vice versa.

2. MONIES SECURED

The Borrower hereby covenants with the Lender that it will on demand pay and discharge to the Lender:

- 2.1 all monies and liabilities whether principal interest or otherwise which now are or at any time hereinafter may become due owing or incurred to the Lender by the Borrower either alone or jointly with any other person or company on any account whether current or otherwise and in whatever currency denominated and all other liabilities whatsoever of the Borrower to the Lender whether actual or contingent and whether as principal debtor guarantor surety or otherwise;
- 2.2 all costs charges expenses and other sums whatsoever (including without prejudice to the generality of the foregoing any legal and other professional costs charges and expenses) on a full and unlimited indemnity basis howsoever incurred or to be incurred by the Lender or by or through any receiver attorney delegate sub-delegate substitute or agent of the Lender or the Borrower (including without limitation the remuneration of any of them) for any of the purposes referred to in this Deed or otherwise howsoever in relation to the Charged Assets and all other costs charges and expenses (whether in respect of litigation or not) incurred or to be incurred in the negotiation preparation completion protection realisation enforcement of, or the collection or recovery of any monies from time to time arising under, such security (or any security collateral or

supplemental thereto) or in insuring inspecting repairing maintaining completing managing letting realising or exercising any other power authority or discretion in relation to the Charged Assets or otherwise incurred or to be incurred hereunder;

- 2.3 interest on each of the foregoing calculated day by day from demand until full discharge (as well after as before judgement) at 5 per cent per annum above the base rate of Lloyds Bank Plc from time to time in force and in respect of the sums specified in clause 2.1 interest shall accrue and be payable as from the dates on which the same are incurred or become due without the necessity for any demand being made for payment thereof.

3. CHARGING PROVISIONS

- 3.1 The Borrower with full title guarantee and as a continuing security for the payment of all the Secured Liabilities hereby charges by way of first fixed charge all the plant and machinery vehicles computers and other equipment of the Borrower listed in the Schedule hereto and all spare parts replacements modifications and additions for or to the same and the full benefit of all warranties and maintenance contracts in relation thereto.
- 3.2 The Borrower shall not during the Security Period without the prior consent in writing of the Lender:

3.3.1 create or permit to exist any mortgage debenture charge pledge lien or other interest (whether express or arising by operation of law) on or affecting the Charged Assets ranking in priority to or pari passu with any charge created by this Deed; or

3.3.2 sell lease hire or otherwise dispose of any of the Charged Assets or any interest therein or otherwise deal with any of the assets of the Borrower in a manner contrary to the provisions of clause 5.6.

None of the foregoing prohibitions in this Clause 3.2 shall be construed as limiting any powers exercisable by any Receiver appointed under this Deed as the agent of the Borrower.

- 3.3 Provided that the prior consent in writing of the Lender is given to the Borrower to sell lease hire or otherwise dispose of any or all of the Charged Assets or any interest therein the Borrower undertakes that the proceeds of such sale lease hire or disposal shall be paid directly into a bank account nominated by and within the sole control of the Lender.
- 3.4 Failure on the part of the Borrower to comply with the provisions of clause 3.3 shall be considered to be an event of default and shall be deemed to constitute a withdrawal of the Lender's consent to any sale lease hire or disposal of the said Charged Assets.

4. REPRESENTATIONS OF THE BORROWER

4.1 The Borrower hereby represents and warrants to the Lender that:

- 4.1.1 the Borrower has power to enter into this Deed which does not contravene any of the provisions of the Memorandum and Articles of Association of the Borrower and it has taken all necessary corporate and other action to authorise the execution delivery and performance thereof;
- 4.1.2 the execution and delivery of this Deed and compliance by the Borrower with the covenants and other obligations on its part contained in this Deed do not and will not violate in any respect any applicable provisions of any law or regulation to which the Borrower is subject or of its constitution or of any mortgage charge agreement or other instrument to which it is a party or which may be binding on it or any of its assets;
- 4.1.3 this Deed creates the charge it purports to create ranking as herein provided and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise.

5. COVENANTS OF THE BORROWER

The Borrower hereby covenants with the Lender that during the Security Period the Borrower:

- 5.1 shall carry on the conduct and procure its subsidiaries (so long as they respectively carry on business) to carry on the conduct of its affairs in a proper and efficient manner and shall not save with the prior written consent of the Lender make any substantial alteration in the nature of such affairs and shall keep and procure its subsidiaries to keep proper books and records and permit the Lender and any persons authorised by the Lender to have access to and to inspect the same;
- 5.2 shall keep such of the Charged Assets as are insurable insured in the joint names of the Borrower and the Lender or (if this is not possible the Borrower having used all reasonable endeavours to procure the same) with the interest of the Lender endorsed or noted on the policies in such manner as the Lender may require against loss or damage by fire and such other risks as the Lender shall from time to time consider necessary to the full reinstatement value thereof or as the Lender may decide with such insurance office or underwriters as may from time to time be approved by the Lender in writing;
- 5.3 shall punctually pay all premiums and other monies necessary for keeping the aforesaid insurances in force and on demand lodge the policies and receipts for such payments with the Lender and upon default of the same the Lender may (but shall not be obliged to) take out or renew such insurances in such sum(s) as the Lender may think expedient and all monies expended by the Lender under this clause 5.3 shall be deemed to be properly paid by the Lender;

- 5.4 shall apply all monies which may at any time be received or receivable under any insurances (whether effected by the Borrower or the Lender and whether or not effected in pursuance of the covenants in this clause) in replacing restoring or reinstating the Charged Assets in respect of which the monies were received or if so required by the Lender after any demand hereunder towards the discharge of the monies hereby secured;
- 5.5 shall duly and punctually pay all rates rents taxes and other outgoings or sums and all other liabilities of whatever nature payable out of or in respect of any premises at which the Charged Assets may be kept or stored and shall indemnify the Lender from and against all and any liability in respect thereof whatsoever and however arising;
- 5.6 shall in relation to the Charged Assets;
 - 5.6.1 keep the same in good and substantial repair and condition and in good working order and renew service and overhaul the same as necessary and comply with all relevant legal requirements necessary for the operation thereof and not suffer the same to deteriorate in condition or value (otherwise than in the normal course of operation);
 - 5.6.2 in the event of any defect in the title satisfactory quality fitness for purpose condition or failure to correspond with the description of the same or of any parts or equipment supplied for incorporation therein or attachment thereto (whether such terms are contractual or statutory) and notwithstanding the provisions of clause 3.1 prosecute diligently all claims available to the Borrower in respect of such defect or failure against the supplier manufacturer or other person liable in respect thereof;
 - 5.6.3 maintain all log books manuals technical data and other materials and documents as are required by specific contracts normal trade practice or by law to be maintained on or with respect thereto and upon demand to deliver the same to the Lender;
 - 5.6.4 ensure that all persons having any interest in any premises at which any of the same (or any documents of title thereto) are kept (whether such interest arises as lessor lessee mortgagee or otherwise) waives in a form satisfactory to the Lender any right they may have to distrain upon or against the same;
 - 5.6.5 ensure that any replacements modifications renewals and additions to the same are the absolute property of the Borrower free of all liens charges or other encumbrances;
 - 5.6.6 if so required by the Lender affix thereto or to any part thereof such plaques name plates notices boiler plates notices or other forms of wording of reasonable size and type in a readily visible position as the Lender may require to the effect that the Lender has an interest in the same as Mortgagee;
- 5.7 shall furnish to the Lender its agents representatives and employees from time to time such financial statements information valuations and

certificates regarding the assets and liabilities financial condition business and affairs of the Borrower and/or its subsidiaries as the Lender may require;

- 5.8 shall allow the Lender or its agents with or without surveyors workmen and others at all reasonable times to enter or inspect the premises upon which the Charged Assets may be kept or stores to view the state of repair thereof and to carry out at the Borrower's expense any repairs thereto which the Lender considers necessary (without thereby becoming liable as a mortgagee in possession) and all monies expended by the Lender under this clause 5.8 shall be deemed to be properly paid by the Lender; and in the case of default by the Borrower in the performance of any of the foregoing covenants the Lender may (but shall not be obliged to) do whatever may be necessary to make good such default and all sums expended by the Lender in that behalf shall be reimbursed by the Borrower to the Lender on demand and until so reimbursed by the Borrower shall be added to the Secured Liabilities and bear interest accordingly and the Lender may effect insurances in such amounts and against such risks as the Lender shall decide irrespective of whether the Borrower is in default in the manner described in clause 5.3 of this Deed.

6. POWER OF SALE

- 6.1 For the purposes of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and the Lender may exercise the statutory power of sale conferred on mortgagees by the Law of Property Act 1925 free from the restrictions imposed by Section 103 thereof.
- 6.2 Immediately upon the Lender making demand upon the Borrower for payment and discharge in accordance with the provisions hereof the monies hereby secured shall be deemed to have become due within the meaning of Section 101 of the Law of Property Act 1925 and this security shall immediately become enforceable and the power of sale and other powers conferred by the said Section 101 as varied or extended by these presents and all other powers conferred upon the Lender by these presents shall be immediately exercisable.
- 6.3 The statutory powers of leasing conferred on the Lender shall be extended so as to authorise the Lender to lease and make agreements for leases at a premium or otherwise and accept surrenders of leases and grant options as the Lender shall consider expedient and without the need to comply with any of the provisions of Sections 99 and 100 of the Law of Property Act 1925 and for the purposes of Sections 99 and 100 of the Law of Property Act 1925 the expression "mortgagor" shall include any encumbrancer deriving title under the original mortgage and Sections 99 (18) and 100 (12) of the Law of Property Act shall not apply.
- 6.4 The Lender shall so far as it is lawful be entitled to consolidate all or any of the securities created by or pursuant to this Deed with any other

securities whether now in existence or hereafter created and accordingly the restriction upon the right of consolidating mortgage securities contained in Section 93 of the Law of Property Act 1925 shall not apply to this Deed.

- 6.5 Section 109 (1) of the Law of Property Act 1925 shall not apply to this Deed.

7. APPOINTMENT OF RECEIVER

The Lender may at any time after the Lender has demanded payment of the Secured Liabilities or if the Borrower so requests the Lender in writing (whether or not the Lender has entered into or taken possession of the Charged Assets) by writing appoint any person or persons (including a manager or official of the Lender) to be a Receiver of all or any of the Charged Assets upon such terms as to remuneration and otherwise as the Lender may from time to time think fit and may similarly remove any receiver and appoint another in his stead and any Receiver so appointed shall be the agent of the Borrower for all purposes and the Borrower shall be solely responsible for his contracts engagements acts defaults omissions and losses and for liabilities incurred by him for his misconduct and for his remuneration and any such Receiver shall have all of the powers in relation to the Borrower and the property hereby charged conferred by the Law of Property Act 1925 on mortgagors and mortgagees and on mortgagees in possession and receivers appointed under the Law of Property 1925 and in addition shall have the following powers namely:

- 7.1 to take possession of collect and get in the Charged Assets and to sell or concur in selling or exchanging the Charged Assets or any of them and without prejudice to the generality of the foregoing he may do any of the aforementioned things for a consideration consisting of cash debentures or other obligations shares stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit and to carry into effect and complete any such transaction by executing any deeds or documents as may be necessary or appropriate in the name of or on behalf of the Borrower. Sales may be by public auction tender or private treaty with or without advertisement and in such lot or lots as the Receiver may in this absolute discretion think fit;
- 7.2 to make and effect all such repairs and other alterations improvements additions and developments in or to the Charged Assets as he may consider fit and to purchase or otherwise acquire any materials articles or things and to anything else in connection with the Charged Assets which the Receiver may think desirable for the purpose of making productive or increasing the market value of the Charged Assets or protecting the security constituted by this Deed;
- 7.3 to effect and renew insurances;

- 7.4 to redeem any prior encumbrance and to settle and approve the accounts of the encumbrancer and accounts so settled and approved shall be conclusive and binding on the Borrower and the money so paid shall be a receivership expense;
- 7.5 to settle adjust refer to arbitration compromise and arrange any claims accounts disputes questions and demands with or by any person who is or claims to be a creditor of the Borrower or relating in any way to the Charged Assets;
- 7.6 to bring prosecute enforce defend and abandon all such actions suits and proceedings in relation to the Charged Assets as may seem to him to be expedient;
- 7.7 to take or defend proceedings in the name of the Borrower including proceedings for the compulsory winding up of the Borrower and proceedings for directions under Section 35 (1) of the Insolvency Act 1986;
- 7.8 to appoint hire and employ and to remunerate agents servants attendants workmen and others on such terms and generally in such manner as he shall think fit either in connection with any exercise by him of any of the foregoing powers or otherwise for any purpose connected with the Charged Assets and to discharge any person so appointed hired or employed;
- 7.9 to do all such other acts and things as he may consider necessary or desirable for the realisation of any of the Charged Assets or incidental or conducive to any of the matters powers or authorities conferred on a receiver under or by virtue of these presents and to exercise in relation to the Charged Assets all such powers authorities and do all such things as he would be capable of exercising if he were the absolute beneficial owner of the same;
and it is hereby agreed and declared that the powers conferred upon any such Receiver may be exercised by him either in his own name or in the name of the Borrower (in the case of joint receivers such powers being exercised jointly or severally).

8. APPROPRIATION

- 8.1 All monies received by the Lender or any Receiver appointed by it pursuant to this Deed shall after the security hereby constituted shall have become enforceable save insofar as otherwise directed by the Lender be applied in the following order (but without prejudice to the right of the Lender to recover any shortfall from the Borrower);
 - 8.1.1 in payment of all proper costs charges and expenses of and incidental to the appointment of the Receiver and the exercise of all or any of his powers including his remuneration and all outgoings properly paid by the receiver and liabilities incurred by him as a result of such exercise;

- 8.1.2 in or towards payment or discharge to the Lender of the Secured Liabilities in such order and in such proportions as the Lender may from time to time require including to any suspense or impersonal account to be so held for so long as the Lender shall think fit pending application in or towards the discharge of the Secured Liabilities;
 - 8.1.3 the surplus (if any) shall be paid to the Borrower or such other person or entity as may be entitled thereto.
- 8.2 In making any disposal of the Charged Assets in exercise of their respective powers the Receiver or the Lender may accept or dispose of as and by way of consideration cash shares loan capital or other obligations including consideration fluctuating to or dependant on profit or turnover and consideration the amount whereof is to be determined by any third party and any contract for such disposal may contain conditions excluding or restricting the personal liability of the Receiver or the Lender.

9. ADDITIONAL POWERS OF THE LENDER

- 9.1 All or any of the powers authorities and discretions which are conferred by this Deed either expressly or impliedly upon a Receiver of the Charged Assets may be exercised by the Lender in relation to the Charged Assets without first appointing a Receiver of the Charged Assets or notwithstanding the appointment of a Receiver of the Charged Assets.
- 9.2 The powers conferred by this Deed in relation to the Charged Assets on the Lender or on any Receiver of the Charged Assets shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under any legislation and where there is any ambiguity or conflict between the powers contained in any legislation and those conferred by these presents as aforesaid then the terms of these presents shall prevail.
- 9.3 The Lender may at any time and from time to time delegate by power of attorney or in any other manner to any person firm or company or fluctuating body of persons all or any of the powers authorities and discretions which are for the time being exercisable by the Lender under these presents or under any legislation in relation to the Charged Assets and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the lender may think fit and the Lender shall not be in any way liable or responsible to the Borrower for any loss or damage arising from any act default omission or misconduct on the part of any such delegate (or sub-delegate).

10. FURTHER DOCUMENTATION

- 10.1 The Borrower shall execute and do all such assurances acts and things as the Lender may reasonably require for perfecting or protecting the security created by these presents over the Charged Assets or for facilitating the realisation of the Charged Assets and the exercise of all powers authorities and discretions vested in the Lender or in any Receiver of the Charged Assets or in any such delegate (or sub-delegate) as aforesaid and shall in particular execute all mortgages charges transfers conveyances assignments and assurances of the Charged Assets whether to the Lender or to its nominee(s) and give all notices orders and directions which the Lender may think expedient.
- 10.2 The Lender may at any time after the security hereby constituted has become enforceable redeem any prior mortgage charge or other encumbrance against the Charged Assets or procure the transfer thereof to themselves and may settle and pass the accounts of the prior mortgagee chargee or encumbrancer and any accounts so settled and passed shall be conclusive and binding on the Borrower to the Lender on demand.

11. PROTECTION FOR THIRD PARTY PURCHASERS

No person dealing with the Lender or with any Receiver of the Charged Assets or any part thereof or with any such delegate or sub-delegate as aforesaid shall be concerned to enquire whether any event has happened upon which any of the powers authorities and discretions conferred by or pursuant to these presents in relation to the Charged Assets are or may be exercisable by the Lender or by any such receiver delegate or sub-delegate or otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers and all the protection to purchaser contained in Sections 104 and 107 of the Law and Property Act 1925 shall apply to any person purchasing from or dealing with the Lender or any such receiver delegate or sub-delegate in like manner as if the statutory powers of sale and of appointing a receiver in relation to the Charged Assets had not been varied or extended by the terms of this Deed.

12. FURTHER PROTECTION

In addition to all other protection afforded by law any person dealing with the Lender or any Receiver or any delegate (or sub-delegate) as aforesaid shall be entitled and bound to assume without enquiry that some monies are owing on the security hereof and have become payable.

13. CONTINUITY SECURITY

13.1 The security created by or pursuant to this Deed shall be:

- 13.1.1 a continuing security for the Secured Liabilities and shall not be considered as satisfied or discharged by any intermediate payment

- or settlement of the whole or any part of the Secured liabilities or any other matter or thing whatsoever; and
- 13.1.2 in addition to and independent of and shall not operate so as to prejudice or affect or merge in any other security which the Lender may hold at any time for the Secured Liabilities or any other obligations whatsoever and shall not be affected by any release, reassignment or discharge of such other security.
- 13.2 Any release or discharge of the security created by or pursuant to this Deed or of any of the Secured Liabilities shall not release or discharge the Borrower from any liability to the Lender for the same or any other monies which may exist independently of this Deed.
- 13.3 Neither the security created by or pursuant to this Deed nor any remedy of the Lender in respect thereof shall be prejudiced by:
- 13.3.1 any unenforceability or invalidity of any other agreement or document;
- or
- 13.3.2 any time or indulgence or any other act or thing granted to the Borrower or any other person or any other act or thing which but for this Clause 13.3 would or might prejudice the security created by or pursuant to this Deed or the right of the Lender to any such remedy.

14 WAIVER OF DEFENCES

- 14.3 The liability of the Borrower hereunder will not be affected by any act omission circumstance matter or thing which but for this provision would release or prejudice any of its obligations hereunder or prejudice or diminish such obligations in whole or in part including without limitation and whether or not known to the Borrower or the Lender:
- 14.1.1 any time or waiver granted to or composition with the Borrower or any other person; or
- 14.1.2 the taking variation compromise exchange renewal or release or refusal or neglect to perfect take up or enforce any rights against or security over assets of the Borrower or any other person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments or failure to release the full value of any other security; or
- 14.1.3 any capacity or lack of powers authority or legal personality of or dissolution or change in the members or status of the Borrower or any other person; or
- 14.1.4 any unenforceability illegality or invalidity of any obligation of any person or under any other document or security to the intent that the Borrower's obligations under this Deed shall remain in full

force and this Deed be construed accordingly as if there were no unenforceability illegality or invalidity.

- 14.2 The Lender shall not be concerned to see or investigate the powers or authorities of any of the Borrower or its officers or agents and moneys obtained or Secured Liabilities incurred in purported exercise of such powers or authorities or by any person purporting to be the Borrower shall be deemed to form a part of the Secured Liabilities and "Secured Liabilities" shall be construed accordingly.

15 IMMEDIATE RECOURSE

The Borrower hereby irrevocably waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted hereby.

16 LENDER'S POWERS

Until all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full the Lender may:

- 16.1 refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of the Secured Liabilities or apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Borrower shall not be entitled to the benefit of the same; and
- 16.2 hold in a suspense account any moneys received from the Borrower or on account of the Borrower's liability in respect of the Secured Liabilities. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Lender to be fair market rate.

17 AVOIDANCE OF PAYMENTS

Any settlement discharge or release between the Borrower and the Lender or any Receiver shall be conditional upon no security or payment to such parties by the Borrower or any other person on the Borrower's behalf being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy insolvency or liquidation for the time being in force and in the event of such security or payment being so avoided or reduced the Lender or any Receiver shall be entitled to recover the value or amount of such security or payment from the Borrower and from the security created by or pursuant to this Deed subsequently a if such settlement discharge or release had not occurred.

18 RETENTION OF SECURITY

Notwithstanding any other provision of this Deed or any release settlement discharge or arrangement given or made by the Lender pursuant to a discharge in full of the Secured Liabilities the Lender may retain the Security created by or pursuant to this Deed for such period (not exceeding twenty five months) after such discharge as it may in its discretion determine provided that if at any time during such period a petition shall be presented for an order for the winding up of the Borrower or for the making of an administration order or the appointment of an administrator in respect of the Borrower or the Borrower commences to be wound up voluntarily or any analogous proceedings shall be commenced in respect of the Borrower the Lender may continue to retain the security created by or pursuant to this Deed for such further period as the Lender may determine and the security shall be deemed to have continued to have been held as security for the Secured Liabilities.

19. SUBSEQUENT CHARGES AND NEW ACCOUNT

If the Lender shall at any time receive or be deemed to have receive notice of any encumbrance restriction covenant stipulation or other matter affecting the whole or any part of the Charged Assets or any assignment or transfer thereof which is prohibited by the terms of this Deed:

- 19.1 the Lender may open a new account or accounts for the Borrower in its books;
and
- 19.2 if the Lender does not in fact open any such new account then unless it gives express written notice to the Borrower to the contrary the Lender shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice and as from such time and unless such express written notice shall be given to the Company all payments by or on behalf of the Borrower to the Lender shall (in the absence of any express contrary appropriation by the Borrower) be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Liabilities at such time.

20. ASSIGNMENT

The Lender shall have a full and unfettered right to assign the whole or any part of the benefit of this deed and the expression the "Lender" wherever used herein shall be deemed to include such assignees and other successors whether immediate or derivative of the Lender who shall be entitled to enforce and proceed upon this Deed in the same manner as if named herein and the Lender

shall be entitled to impart any information concerning the Borrower to any such assignee or other successor or proposed assignee or successor.

21. ADDITIONAL SECURITY

This security shall be in addition to and shall not prejudice or be prejudiced by any other security right remedy or lien which the Lender may now or at any time hereafter have or hold for all or any of the monies and liabilities covenanted to be paid or discharged under these presents

22. VARIATION

The Lender may in its discretion grant time or other indulgence or make any other arrangement variation or release with any person or persons (whether or not party hereto and whether or not such person or persons is or are jointly and/or severally liable with the Borrower) in respect of any of the monies and other amounts hereby secured or of any other security therefore without prejudice either to this security or to the liability of the Borrower for the Secured Liabilities.

23. BENEFIT OF CHARGE

This Deed shall remain enforceable valid and binding for all purposes notwithstanding any change in the name of the Lender or its absorption of or by or its amalgamation or consolidation of the Lender its successors or assigns or the company by which the business of the Lender may from time to time be carried on and shall be available to such successors assigns or company carrying on that business for the time being.

24. NOTICES

Any notice or demand by the Lender shall be in writing signed by any official of the Lender and may be served by delivering the same to the Borrower or by first class letter post addressed to the Borrower at the address last known to the Lender or to the registered office of the Borrower and a demand or notice so addressed and posted shall be deemed to have been served upon the addressee at 10.00 am the next succeeding day (or if such day be a Sunday or any other day upon which no delivery of letters is generally made at or before 10.00 am the next succeeding day upon which a deliver of post is so made) after it has been posted and shall be effective notwithstanding that it be returned undelivered.

25. GOVERNING LAW AND INTERPRETATION

This Deed shall be governed by and construed in accordance with English Law and the parties hereto hereby submit to the none-exclusive jurisdiction of the Supreme Court of England but without prejudice to the right of the Lender to pursue its remedies in any other jurisdiction it thinks fit.

SCHEDULE 1

The Charged Assets

Kolbus Casemaker DA 260 Serial Number 178

IN WITNESS whereof the parties have executed this deed on the
which is the date on which this deed becomes effective.

16 day of MARCH 2016

BORROWER

SIGNED and DELIVERED as a DEED on

2 day of DECEMBER 2015

Paper Innovation Limited acting by

X STEVE JOHNSON
Name of Director**

X S.P. John Steve
Signature

X WENDY JOHNSON
Name of Director/Company Secretary**

X [Signature]
Signature

In the presence of:

Witness

Name*:

Occupation:

Address:

.....

*Witness Signature (only
required if the Company
is registered with a sole
Director as per the
Companies Act 2006)

LENDER

SIGNED and DELIVERED as a deed on

2nd day of December 2015

on behalf of

Rebecca Barbara Doyle

LLOYDS BANK COMMERCIAL FINANCE LIMITED

Rebecca Barbara Doyle

Deal Management and Payments Administrator

Signed as a deed by undernoted Attorney(s) for Lloyds

Lloyds Bank PLC Bank Commercial
Finance Limited

by 1. 
duly appointed attorney

2. *
duly appointed attorney

In the presence of:

Witness

Name: **

Christopher Peter Blow

Deal Management and Payments Administrator

Occupation:

Signed as a deed by undernoted Attorney of

Lloyds Bank Commercial Finance Limited

Witness signature (only required
if one attorney signs)

Key:

** Insert full Names

* Delete as applicable