



Registration of a Charge

Company name: **BLUE SHOPFITTING AND CONSTRUCTION LTD**

Company number: **12108178**



X8CSSX00

Received for Electronic Filing: **28/08/2019**

Details of Charge

Date of creation: **20/08/2019**

Charge code: **1210 8178 0002**

Persons entitled: **PEP PROJECT MANAGEMENT LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

SHAKESPEARE MARTINEAU LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12108178

Charge code: 1210 8178 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th August 2019 and created by BLUE SHOPFITTING AND CONSTRUCTION LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th August 2019 .

Given at Companies House, Cardiff on 29th August 2019

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 2nd August 2019

*Shifa on behalf
of the Parties*

- (1) **BLUE SHOPFITTING & AND
CONSTRUCTION LTD**
- (2) **PEP PROJECT MANAGEMENT
LIMITED
(IN ADMINISTRATION)**

DEBENTURE

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This deed is dated 20th August 2019

Parties

- AND *Sole on behalf of the Debtors*
- (1) **BLUE SHOPFITTING & CONSTRUCTION LTD** (company number 12108178) whose registered office is at Unit 1 Pioneer Square, Crown Walk, Bicester, OX26 6HY (the "**Buyer**"); and
- (2) **PEP PROJECT MANAGEMENT LIMITED** (company number 02975522) whose registered office is at 3 Liscombe West, Liscombe Park, Soulbury, Leighton Buzzard, Bedfordshire, LU7 0LJ (the "**Seller**") acting by its administrator(s) **CARL JACKSON** and **MAXINE REID** (as joint administrators of the Seller) of Quantuma LLP of 3rd Floor, 37 Frederick Place, Brighton, BN1 4EA (the "**Joint Administrators**").

BACKGROUND

- (A) The Seller (acting by the Joint Administrators) has agreed to sell and the Buyer has agreed to buy such right, title and interest as the Seller may have in or to the Business (as defined in the SPA) and certain assets of the Seller on the terms and conditions set out in the SPA.
- (B) Pursuant to the SPA the Seller has agreed that part of the Price (as defined in the SPA) payable by the Buyer to the Seller can be deferred.
- (C) Under this deed, the Buyer provides security to the Seller for the Deferred Consideration (as defined in the SPA) and the Additional Consideration (as defined in the SPA).
- (D) The Joint Administrators have entered into this deed solely for the purpose of obtaining the benefit of the provisions in their favour and shall incur no personal liability of any kind under or in connection with this deed.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

Terms defined in the SPA shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed

Administrator: an administrator appointed to manage the affairs, business and property of the Buyer pursuant to clause 14.8.

Book Debts: all present and future book and other debts, and monetary claims due or owing to the Buyer, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Buyer in relation to any of them.

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Charged Property: any freehold, leasehold or commonhold property the subject of the security constituted by this deed and references to "**Charged Property**" shall include references to the whole or any part or part of it.

Delegate: any person appointed by the Seller or any Receiver pursuant to clause 19 and any person appointed as attorney of the Seller, Receiver or Delegate.

Designated Account: any account of the Buyer nominated by the Seller as a designated account for the purposes of this deed.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.

Event of Default: has the meaning given to it in clause 13.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by the Buyer or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.

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

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

Financial Indebtedness: any indebtedness for or in respect of:

- i. borrowing or raising money, including any premium and any capitalised interest on that money;
- ii. any bond, note, loan stock, debenture, commercial paper or similar instrument;
- iii. any acceptance credit facility or dematerialised equivalent or bill-discounting, note purchase or documentary credit facilities;
- iv. monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Buyer in the event of non-payment of such receivables or financial assets when due;

- v. any deferred payments for assets or services acquired, other than trade credit that is given in the ordinary course of trade and which does not involve any deferred payment of any amount for more than 60 days;
- vi. any capital balance outstanding under any finance lease;
- vii. any counter-indemnity obligation in respect of any guarantee, bond, standby letter of credit or other instrument issued by a third party in connection with the Buyer's performance of a contract;
- viii. any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Buyer's balance sheet because they are contingent, conditional or otherwise);
- ix. any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- x. any guarantee, counter-indemnity or other assurance against financial loss that the Buyer has given for any indebtedness of the type referred to in paragraphs (a) to (i) of this definition incurred by any person.

When calculating Financial Indebtedness, no liability shall be taken into account more than once.

Insurance Policy: each contract and policy of insurance effected or maintained by the Buyer from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Charged Properties or the Equipment).

Intellectual Property: the Buyer's present and future patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Investments: all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Buyer

LPA 1925: the Law of Property Act 1925.

Material Adverse Effect: any event or circumstance which, in the opinion of the Seller:

- i. is likely to materially and adversely affect the Buyer's ability to perform or otherwise comply with all or any of its payment obligations under the SPA;
- ii. is likely to materially and adversely affect the business, operations, property, condition (financial or otherwise) or prospects of the Buyer; or
- iii. is likely to result in this deed or the SPA not being legal, valid and binding on, and enforceable in accordance with its terms against the Buyer and, in the case of this deed, not providing to the Seller security over the assets expressed to be subject to a security interest under this deed.

Permitted Security: means all Security dated on or around the date of this deed granted by the Buyer in favour of Bibby Financial Services Limited.

Receiver: a receiver, receiver and manager or administrative receiver appointed by the Seller under clause 17.

Relevant Agreement: each agreement specified in Schedule 2.

Secured Assets: all the assets, property and undertaking of the Buyer which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).

Secured Liabilities: all present and future obligations and liabilities of the Buyer to the Seller, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the SPA or this deed (including, without limitation, those arising under clause 31), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

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

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this deed and ending on the date on which the Seller is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

SPA: the sale and purchase agreement dated on or around the date of this deed between the Buyer and the Seller for the sale and purchase of the business and assets of the Seller.

VAT: value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

The provisions of 1.2 to 1.7 of the SPA apply to this deed as if they were set out in full in this deed, except that each reference in that clause to the SPA shall be read as a reference to this deed.

1.3 Clawback

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

1.4 Nature of security over real property

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

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

1.5 Nature of security over Investments

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

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

1.6 Law of Property (Miscellaneous Provisions) Act 1989

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

1.7 Perpetuity period

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

1.8 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2. Covenant to pay

The Buyer shall, on demand, pay to the Seller and discharge the Secured Liabilities when they become due.

3. Grant of security

3.1 Legal mortgage

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

3.2 Fixed charges

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

- (a) all present and future estates or interests of the Buyer in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under clause 3.1);
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which the Buyer is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- (c) all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- (d) all its present and future goodwill;
- (e) all its uncalled capital;
- (f) all the Equipment;
- (g) all the Intellectual Property;
- (h) all the Book Debts;

- (i) all the Investments;
- (j) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
- (k) all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
- (l) all its rights in respect of each Relevant Agreement and all other agreements, instruments and rights relating to the Secured Assets, to the extent not effectively assigned under clause 3.3.

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Buyer with full title guarantee assigns to the Seller absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (b) the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Buyer with full title guarantee charges to the Seller, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1 to clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the Buyer:
 - (i) creates, or attempts to create, without the prior written consent of the Seller, Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the SPA); or

- (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Buyer.

3.7 Crystallisation of floating charge by notice

The Seller may, in its sole discretion, by written notice to the Buyer, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Seller in that notice if:

- (a) an Event of Default is continuing; or
- (b) the Seller considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.8 Assets acquired after any floating charge has crystallised

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

4. Liability of the Buyer

4.1 Liability not discharged

The Buyer's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Seller that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Seller renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Buyer.

4.2 Immediate recourse

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

5. Representations and warranties

5.1 Times for making representations and warranties

The Buyer makes the representations and warranties set out in this clause 5 to the Seller on the date of this deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

5.2 Ownership of Secured Assets

The Buyer is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets.

5.3 No Security

The Secured Assets are free from any Security other than Permitted Security and the Security created by this deed.

5.4 No adverse claims

The Buyer has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.7 No interference in enjoyment

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

5.8 No overriding interests

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

5.9 Avoidance of security

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

5.10 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this deed by the Buyer does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other policy, agreement, document, instrument or obligation binding on the Buyer or its assets.

5.11 Environmental compliance

The Buyer has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences.

5.12 Enforceable security

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

5.13 Investments

- (a) The Investments are fully paid and are not subject to any option to purchase or similar rights.
- (b) No constitutional document of an issuer of an Investment, nor any other agreement:
 - (i) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or
 - (ii) contains any rights of pre-emption in relation to the Investments.
- (c) The Buyer has complied with all notices relating to all or any of the Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (d) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Investments.

6. General covenants

6.1 Negative pledge and disposal restrictions

The Buyer shall not at any time, except with the prior written consent of the Seller:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed or any Permitted Security;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the

ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

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

6.2 Preservation of Secured Assets

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

6.3 Compliance with laws and regulations

- (a) The Buyer shall not, without the Seller's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) The Buyer shall:
 - (i) comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.4 Enforcement of rights

The Buyer shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Buyer and forming part of the Secured Assets of the covenants and other obligations imposed on such counterparty (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Seller may require from time to time.

6.5 Notice of misrepresentation and breaches

The Buyer shall, promptly on becoming aware of any of the same, notify the Seller in writing of:

- (a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this deed.

6.6 Title documents

The Buyer shall, as so required by the Seller, deposit with the Seller and the Seller shall, for the duration of this deed be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Buyer (and if these are not within the possession or control of the Buyer, the Buyer undertakes to obtain possession of all these deeds and documents of title);
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Buyer is entitled to possess;
- (c) all deeds and documents of title (if any) relating to the Book Debts as the Seller may specify from time to time; and
- (d) a copy of each Relevant Agreement, certified to be a true copy by either a director of the Buyer or by the Buyer's solicitors.

6.7 Insurance

- (a) The Buyer shall insure and keep insured the Secured Assets against:
 - (i) loss or damage by fire or terrorist acts, including any third party liability arising from such acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Buyer; and
 - (iii) any other risk, perils and contingencies as the Seller may reasonably require.
- (b) Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Seller, and must include property owners' public liability and third party liability insurance and be for not less than the replacement value of the relevant Secured Assets (meaning in the case of any premises on any Charged Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for shoring or propping up, demolition, site clearance and reinstatement with adequate allowance for inflation) and, in the case of any Charged Property, loss of rents payable by the tenants or other occupiers of any Charged Property for a period of at least three years, including provision for increases in rent during the period of insurance.
- (c) The Buyer shall, if requested by the Seller, produce to the Seller each policy, certificate or cover note relating to any insurance as is required by clause 6.7(a)
- (d) The Buyer shall, if requested by the Seller, procure that a note of the Seller's interest is endorsed on each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with

clause 6.7(a) but without the Seller having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.

6.8 Insurance premiums

The Buyer shall:

- (a) promptly pay all premiums in respect of each insurance policy as is required by clause 6.7(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Seller so requires) give to the Seller copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 6.7(a)

6.9 No invalidation of insurance

The Buyer shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.7(a).

6.10 Proceeds from insurance policies

All monies payable under any insurance policy maintained by the Buyer in accordance with clause 6.7(a) at any time (whether or not the security constituted by this deed has become enforceable) shall:

- (a) be paid immediately to the Seller;
- (b) if they are not paid directly to the Seller by the insurers, be held, pending such payment, by the Buyer as trustee of the same for the benefit of the Seller; and
- (c) at the option of the Seller, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

6.11 Information

The Buyer shall:

- (a) give the Seller such information concerning the location, condition, use and operation of the Secured Assets as the Seller may require;
- (b) permit any persons designated by the Seller and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- (c) promptly notify the Seller in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Buyer's proposals for settling,

liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Seller's prior approval, implement those proposals at its own expense.

6.12 Payment of outgoings

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

7. Property covenants

7.1 Repair and maintenance

The Buyer shall keep all premises and fixtures and fittings on each Charged Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value

7.2 No alterations

The Buyer shall not, without the prior written consent of the Seller:

- (a) pull down or remove the whole, or any part of, any building forming part of any Charged Property or permit the same to occur;
- (b) make or permit to be made any material alterations to any Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 7.1); or
- (c) remove or make any material alterations to any of the Equipment belonging to, or in use by, the Buyer on any Charged Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

7.3 Conduct of business on Charged Properties

The Buyer shall carry on its trade and business on those parts (if any) of the Charged Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

7.4 Notices or claims relating to the property

- (a) The Buyer shall:
 - (i) give full particulars to the Seller of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to any Charged

Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice; and

- (ii) (if the Seller so requires) immediately, and at the cost of the Buyer, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Seller in making, any objections or representations in respect of that Notice that the Seller thinks fit.

- (b) The Buyer shall give full particulars to the Seller of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to any Charged Property.

7.5 Compliance with and enforcement of covenants

The Buyer shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Charged Property, or the use of it, is or may be subject, and (if the Seller so requires) produce to the Seller evidence sufficient to satisfy the Seller that those covenants, stipulations and conditions have been observed and performed; and
- (b) diligently enforce all covenants, stipulations and conditions benefiting each Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

7.6 Payment of outgoings

The Buyer shall pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Charged Property or on its occupier.

7.7 Leases and licences affecting the Charged Properties

The Buyer shall not, without the prior written consent of the Seller (which consent, in the case of clause 7.7(d), is not to be unreasonably withheld or delayed in circumstances in which the Buyer may not unreasonably withhold or delay its consent):

- (a) grant any licence or tenancy affecting the whole or any part of any Charged Property, or exercise the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- (b) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of any Charged Property);

- (c) let any person into occupation of or share occupation of the whole or any part of any Charged Property; or
- (d) grant any consent or licence under any lease or licence affecting any Charged Property.

7.8 Registration restrictions and cautions against first registration and notices

- (a) If the title to any Charged Property is not registered at the Land Registry, the Buyer shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Charged Property, without the prior written consent of the Seller.
- (b) Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Buyer's title to any Charged Property, the Buyer shall immediately provide the Seller with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Buyer shall immediately, and at its own expense, take such steps as the Seller may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.
- (c) The Buyer shall be liable for the costs and expenses of the Seller in lodging cautions against the registration of the title to the whole or any part of any Charged Property from time to time.

7.9 Development restrictions

The Buyer shall not, without the prior written consent of the Seller:

- (a) make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of any Charged Property; or
- (b) carry out or permit or suffer to be carried out on any Charged Property any development (as defined in each of the Town and Country Planning Act 1990 and the Planning Act 2008) or change or permit or suffer to be changed the use of any Charged Property.

7.10 Environment

The Buyer shall in respect of each Charged Property:

- (a) comply in all material respects with all the requirements of Environmental Law; and
- (b) obtain and comply in all material respects with all Environmental Licences.

7.11 No restrictive obligations

The Buyer shall not, without the prior written consent of the Seller, enter into any onerous or restrictive obligations affecting the whole or any part of any Charged Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Charged Property.

7.12 Proprietary rights

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

7.13 Inspection

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

7.14 Property information

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

7.15 VAT option to tax

The Buyer shall not, without the prior written consent of the Seller:

- (a) exercise any VAT option to tax in relation to any Charged Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Seller, before the date of this deed.

7.16 Registration of legal mortgage at the Land Registry

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

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

8. Investments covenants

8.1 Deposit of title documents

- (a) The Buyer shall:
 - (i) on the execution of this deed, deposit with the Seller, or as the Seller may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Buyer at that time; and
 - (ii) on the purchase or acquisition by it of Investments after the date of this deed, deposit with the Seller, or as the Seller may direct, all stock or share certificates

and other documents of title or evidence of ownership relating to those Investments.

- (b) At the same time as depositing documents with the Seller, or as the Seller may direct, in accordance with clause 8.1(a), the Buyer shall also deposit with the Seller, or as the Seller may direct:

- (i) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Buyer, but with the name of the transferee, the consideration and the date left blank; and
- (ii) any other documents (in each case duly completed and executed by or on behalf of the Buyer) that the Seller may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Seller may, at any time and without notice to the Buyer, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

8.2 Nominations

- (a) The Buyer shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:
- (i) does not exercise any rights in respect of any Investments without the prior written approval of the Seller; and
 - (ii) immediately on receipt by it, forward to the Seller all communications or other information received by it in respect of any Investments for which it has been so nominated.
- (b) The Buyer shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.3 Pre-emption rights and restrictions on transfer

The Buyer shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Seller or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other

constitutional document or otherwise of each issuer of the Investments in any manner that the Seller may require in order to permit the transfer of the Investments to the Seller or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

8.4 Dividends and voting rights before enforcement

- (a) Before the security constituted by this deed becomes enforceable, the Buyer may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Seller or any of its nominees, the Seller will hold all those dividends, interest and other monies received by it for the Buyer and will pay them to the Buyer promptly on request.
- (b) Before the security constituted by this deed becomes enforceable, the Buyer may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Seller or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of the SPA or this deed or for any purpose inconsistent with the SPA or this deed; and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Seller's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Seller's security under this deed.
- (c) The Buyer shall indemnify the Seller against any loss or liability incurred by the Seller (or its nominee) as a consequence of the Seller (or its nominee) acting in respect of the Investments at the direction of the Buyer.
- (d) The Seller shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Seller considers prejudicial to, or impairing the value of, the security created by this deed.

8.5 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by the Buyer shall be held by the Buyer on trust for the Seller and immediately paid into a Designated Account or, if received by the Seller, may be applied by the Seller in accordance with clause 20.1; and
- (b) all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Seller and the Buyer shall, and shall procure that its nominees shall, comply with any directions the Seller may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.6 Calls on Investments

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

8.7 No alteration of constitutional documents or rights attaching to Investments

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

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

8.8 Preservation of Investments

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

- (a) consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Seller or the Buyer in accordance with this deed.

8.9 Investments information

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

8.10 Compliance with requests for information

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

9. Equipment covenants

9.1 Maintenance of Equipment

The Buyer shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- (b) at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- (c) not permit any Equipment to be:
 - (i) used or handled other than by properly qualified and trained persons; or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable.

9.2 Payment of Equipment taxes

The Buyer shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Seller.

9.3 Notice of charge

- (a) The Buyer shall, if so requested by the Seller, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it and ancillary equipment are subject to a fixed charge dated [DATE] in favour of [SELLER]."

- (b) The Buyer shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 9.3(a).

10. Book Debts covenants

10.1 Realising Book Debts

- (a) The Buyer shall as an agent for the Seller, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Seller;
- (b) The Buyer shall not, without the prior written consent of the Seller, withdraw any amounts standing to the credit of any Designated Account.
- (c) The Buyer shall, if called on to do so by the Seller, execute a legal assignment of the Book Debts to the Seller on such terms as the Seller may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

10.2 Preservation of Book Debts

The Buyer shall not (except as provided by clause 10.1 or with the prior written consent of the Seller) release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

11. Relevant Agreements covenants

11.1 Relevant Agreements

- (a) The Buyer shall, unless the Seller agrees otherwise in writing, comply with the terms of each Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets.
- (b) The Buyer shall not, unless the Seller agrees otherwise in writing:
 - (i) amend or vary or agree to any change in, or waive any requirement of or its rights under;
 - (ii) settle, compromise, terminate, rescind or discharge (except by performance); or
 - (iii) abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement or any other document, agreement or arrangement comprising the Secured Assets.

12. Intellectual Property covenants

12.1 Preservation of rights

The Buyer shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

12.2 Registration of Intellectual Property

The Buyer shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Seller informed of all matters relating to each such registration.

12.3 Maintenance of Intellectual Property

The Buyer shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

13. Events of default

- 13.1 Each of the events or circumstances set out in clause 13.2 to clause 13.13 is an Event of Default.

13.2 Non-payment

The Buyer fails to pay any sum payable by it under the SPA or this deed when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.

13.3 Non-compliance

The Buyer fails (other than a failure to pay or a failure referred to in clause **Error! Reference source not found.**) to comply with any provision of the SPA or this Deed and (if the Seller considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of:

- (a) the Seller notifying the Buyer of the default and the remedy required; and
- (b) the Buyer becoming aware of the default.

13.4 Misrepresentation

Any representation, warranty or statement made, repeated or deemed made by the Buyer in, or pursuant to, the SPA or this deed, is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.

13.5 Covenants

Any covenants contained in this deed are breached.

13.6 Cessation of business

The Buyer suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

13.7 Cross-default

- (a) Any Financial Indebtedness is not paid when due or within any originally applicable grace period.
- (b) Any Financial Indebtedness becomes due, or capable of being declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described).
- (c) Any commitment for any Financial Indebtedness is cancelled or suspended by a creditor of the Buyer by reason of an event of default (howsoever described).
- (d) Any creditor of the Buyer becomes entitled to declare any Financial Indebtedness due and payable prior to its stated maturity by reason of an event of default (howsoever described).

- (e) An event or circumstance referred to in sub-clause 13.7 (a) to (d) (inclusive) shall not constitute an Event of Default if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness affected is less than £1,000 (or its equivalent in other currencies).

13.8 Insolvency

- (a) The Buyer stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due.
- (b) The Buyer commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Seller) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties).
- (c) A moratorium is declared in respect of any indebtedness of the Buyer.
- (d) Any action, proceedings, procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Buyer;
 - (ii) the composition, compromise, assignment or arrangement with any creditor of the Buyer; or
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Buyer or any of its assets.
- (e) The value of the Buyer's assets is less than its liabilities (taking into account contingent and prospective liabilities).
- (f) Any event occurs in relation to the Buyer that is analogous to those set out in sub-clause 13.8 (a) to sub-clause 13.8 (e) (inclusive) of this clause 13.8 in any jurisdiction.
- (g) A winding-up petition that is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised shall be excluded from clause 13.8(a) to clause 13.8(f). The ending of any moratorium referred to in clause 13.8(c) shall not remedy any Event of Default caused by that moratorium.

13.9 Creditors' process

Control of the Buyer's goods is taken or a distress, attachment, execution, expropriation, sequestration or other analogous legal process in any jurisdiction is levied, enforced or sued out on, or against, the assets of the Buyer and is not discharged or stayed within 21 days

13.10 Enforcement of security

Any Security on or over the assets of the Buyer becomes enforceable.

13.11 Illegality

All or any part of this deed or the SPA becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect or it becomes unlawful for any party to the SPA (other than the Seller) to perform any obligation under the SPA or this deed.

13.12 Repudiation

Any party to the SPA (other than the Seller) repudiates or rescinds or shows an intention to repudiate or rescind the SPA.

13.13 Material adverse change

Any event occurs (or circumstances exist) that, in the reasonable opinion of the Seller, has or is reasonably likely to have a Material Adverse Effect.

13.14 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing, the Seller may

- a. by notice to the Buyer declare that all outstanding payments due under this deed and/or the SPA and any accrued interest be immediately due and payable, whereupon they shall become immediately due and payable; or
- b. exercise any or all of its rights, remedies, powers or discretions under this deed.

14. Powers of the Seller

14.1 Power to remedy

- (a) The Seller shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Buyer of any of its obligations contained in this deed.
- (b) The Buyer irrevocably authorises the Seller and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Seller in remedying a breach by the Buyer of its obligations contained in this deed shall be reimbursed by the Buyer to the Seller on a full indemnity basis and shall carry interest in accordance with clause 21.1.

14.2 Exercise of rights

- (a) The rights of the Seller under clause 14.1 are without prejudice to any other rights of the Seller under this deed.

- (b) The exercise of any rights of the Seller under this deed shall not make the Seller liable to account as a mortgagee in possession.

14.3 Power to dispose of chattels

- (a) At any time after the security constituted by this deed has become enforceable, the Seller or any Receiver may, as agent for the Buyer, dispose of any chattels or produce found on any Charged Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 14.3(a), the Buyer shall indemnify the Seller and any Receiver against any liability arising from any disposal made under clause 14.3(a).

14.4 Seller has Receiver's powers

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

14.5 Conversion of currency

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Seller may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 14.5) from their existing currencies of denomination into any other currencies of denomination that the Seller may think fit.
- (b) Any such conversion shall be effected at the Bank of England's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- (c) Each reference in this clause 14.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

14.6 New accounts

- (a) If the Seller receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Seller may open a new account for the Buyer in the Seller's books. Without prejudice to the Seller's right to combine accounts, no money paid to the credit of the Buyer in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Seller does not open a new account immediately on receipt of the notice, or deemed notice, under clause 14.6(a), then, unless the Seller gives express written notice to the contrary to the Buyer, all payments made by the Buyer to the Seller shall be treated as having been credited to a new account of the Buyer and not as having

been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Seller.

14.7 Indulgence

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

14.8 Appointment of an Administrator

- (a) The Seller may, without notice to the Buyer, appoint any one or more persons to be an Administrator of the Buyer pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- (b) Any appointment under this clause 14.8 shall:
 - (i) be in writing signed by a duly authorised signatory of the Seller; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Seller may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 14.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

14.9 Further advances

The Seller covenants with the Buyer that it shall perform its obligations to make advances under the SPA (including any obligation to make available further advances).

15. When security becomes enforceable

15.1 Security becomes enforceable on Event of Default

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

15.2 Discretion

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

16. Enforcement of security

16.1 Enforcement powers

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 15.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

16.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Seller and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Buyer, to:

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

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

16.3 Access on enforcement

- (a) At any time after the Seller has demanded payment of the Secured Liabilities or if the Buyer defaults in the performance of its obligations under this deed or the SPA, the Buyer will allow the Seller or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Seller or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Buyer for, or by any reason of, that entry.
- (b) At all times, the Buyer must use its best endeavours to allow the Seller or its Receiver access to any premises for the purpose of clause 16.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

16.4 Redemption of prior Security

- (a) At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Seller may:

- (i) redeem any prior Security over any Secured Asset;
 - (ii) procure the transfer of that Security to itself; and
 - (iii) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Buyer).
- (b) The Buyer shall pay to the Seller immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

16.5 Protection of third parties

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

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

16.6 Privileges

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

16.7 No liability as mortgagee in possession

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

16.8 Conclusive discharge to purchasers

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

16.9 Right of appropriation

- (a) To the extent that:
 - (i) the Secured Assets constitute Financial Collateral; and

- (ii) this deed and the obligations of the Buyer under it constitute a Security Financial Collateral Arrangement,

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

- (b) The value of any Secured Assets appropriated in accordance with this clause shall be:
 - (i) in the case of cash, the amount standing to the credit of each of the Buyer's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
 - (ii) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Seller by reference to a recognised market index or by any other method that the Seller may select (including independent valuation).
- (c) The Buyer agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

17. Receiver

17.1 Appointment

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

17.2 Removal

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

17.3 Remuneration

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

17.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Seller under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall

be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

17.5 Power of appointment exercisable despite prior appointments

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

17.6 Agent of the Buyer

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

18. Powers of Receiver

18.1 General

- (a) Any Receiver appointed by the Seller under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 18.2 to clause 18.23.
- (b) A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (d) Any exercise by a Receiver of any of the powers given by clause 18 may be on behalf of the Buyer, the directors of the Buyer (in the case of the power contained in clause 18.16) or itself.

18.2 Repair and develop Charged Properties

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

18.3 Grant or accept surrenders of leases

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

18.4 Employ personnel and advisers

- (a) A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.
- (b) A Receiver may discharge any such person or any such person appointed by the Buyer.

18.5 Make and revoke VAT options to tax

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

18.6 Remuneration

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

18.7 Possession

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

18.8 Manage or reconstruct the Buyer's business

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

18.9 Dispose of Secured Assets

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

18.10 Sever fixtures and fittings

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

18.11 Sell Book Debts

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

18.12 Valid receipts

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

18.13 Make settlements

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

18.14 Legal action

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

18.15 Improve the Equipment

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

18.16 Make calls on Buyer members

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

18.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 21, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Buyer under this deed.

18.18 Subsidiaries

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

18.19 Borrow

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

18.20 Redeem prior Security

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

18.21 Delegation

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

18.22 Absolute beneficial owner

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

18.23 Incidental powers

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

- (a) may consider desirable or necessary for realising any of the Secured Assets;
- (b) may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- (c) lawfully may or can do as agent for the Buyer.

19. Delegation

19.1 Delegation

The Seller or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 23.1).

19.2 Terms

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

19.3 Liability

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

20. Application of proceeds

20.1 Order of application of proceeds

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

- (a) in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Seller (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
- (b) in or towards payment of the Secured Liabilities in any order and manner that the Seller determines; and
- (c) in payment of the surplus (if any) to the Buyer or other person entitled to it.

20.2 Appropriation

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

20.3 Suspense account

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

- (a) may, at the discretion of the Seller, Receiver or Delegate, be credited to a suspense account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Seller and the Buyer; and
- (c) may be held in that account for so long as the Seller, Receiver or Delegate thinks fit.

21. Costs and indemnity

21.1 Costs

The Buyer shall, within five Business Days of demand, pay to, or reimburse, the Seller and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Seller, any Receiver or any Delegate in connection with:

- (a) this deed or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Seller's, a Receiver's or a Delegate's rights under this deed; or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after

judgment, liquidation, winding-up or administration of the Buyer) at the rate and in the manner specified in the SPA.

21.2 Indemnity

- (a) The Buyer shall indemnify the Seller, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:
 - (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
 - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
 - (iii) any default or delay by the Buyer in performing any of its obligations under this deed.
- (b) Any past or present employee or agent may enforce the terms of this clause 21.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

22. Further assurance

22.1 Further assurance

The Buyer shall promptly, at its own expense, take whatever action the Seller or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security created or intended to be created by this deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Seller or any Receiver in respect of any Secured Asset,

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

23. Power of attorney

23.1 Appointment of attorneys

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

- (a) the Buyer is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Seller, any Receiver or any Delegate.

23.2 Ratification of acts of attorneys

The Buyer ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 23.1.

24. Release

Subject to clause 31.3, at the end of the Security Period, the Seller shall, at the request and cost of the Buyer, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this deed; and
- (b) reassign the Secured Assets to the Buyer.

25. Assignment and transfer

25.1 Assignment by Seller

- (a) At any time, without the consent of the Buyer, the Seller may assign or transfer any or all of its rights and obligations under this deed.
- (b) The Seller may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Buyer, the Secured Assets and this deed that the Seller considers appropriate.

25.2 Assignment by Buyer

The Buyer may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

26. Set-off

26.1 Seller's right of set-off

The Seller may at any time set off any liability of the Buyer to the Seller against any liability of the Seller to the Buyer, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Seller may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Seller of its rights under this clause 26 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

26.2 No obligation to set off

The Seller is not obliged to exercise its rights under clause 26.1. If, however, it does exercise those rights it must promptly notify the Buyer of the set-off that has been made.

26.3 Exclusion of Buyer's right of set-off

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

27. Amendments, waivers and consents

27.1 Amendments

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

27.2 Waivers and consents

- (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Seller shall be effective unless it is in writing.

27.3 Rights and remedies

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

28. Severance

28.1 Severance

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

29. Counterparts

29.1 Counterparts

- (a) This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- (b) No counterpart shall be effective until each party has executed and delivered at least one counterpart.

30. Third party rights

30.1 Third party rights

- (a) Except as expressly provided in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- (b) The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

31. Further provisions

31.1 Independent security

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

31.2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Seller discharges this deed in writing.

31.3 Discharge conditional

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

- (a) the Seller or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Seller deems necessary to provide the Seller with security against any such avoidance, reduction or order for refund; and
- (b) the Seller may recover the value or amount of such security or payment from the Buyer subsequently as if the release, discharge or settlement had not occurred.

31.4 Certificates

A certificate or determination by the Seller as to any amount for the time being due to it from the Buyer under this deed and the SPA shall be, in the absence of any manifest error, conclusive evidence of the amount due.

31.5 Consolidation

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

31.6 Small company moratorium

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

- (a) an event under this deed which causes any floating charge created by this deed to crystallise;
- (b) an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Buyer; or
- (c) a ground under this deed for the appointment of a Receiver.

32. Notices

32.1 Delivery

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

- (a) in writing;

- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and
- (c) sent to:
 - (i) the Buyer at the address provided in this deed
 - (ii) the Seller at the address provided in this deed
 or to any other address as is notified in writing by one party to the other from time to time.

32.2 Receipt by Buyer

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

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by fax, when received in legible form.

A notice or other communication given as described in clause 32.2(a) or clause 32.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

32.3 Receipt by Seller

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

32.4 Service of proceedings

This clause 32 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

33. Governing law and jurisdiction

33.1 Governing law

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

33.2 Jurisdiction

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

this clause shall limit the right of the Seller to take proceedings against the Buyer in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

33.3 Other service

The Buyer irrevocably consents to any process in any legal action or proceedings under clause 33.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Real Property

Part 1 Registered Property

Intentionally Blank

Part 2 Unregistered Property

Intentionally Blank

Schedule 2 Relevant Agreements

Intentionally Blank

Signature pages to the Debenture

IN WITNESS of which the parties have executed this document as follows:

Seller

SIGNED by _____
for and on behalf of **PEP PROJECT
MANAGEMENT LIMITED** (in Administration) as its
agent and without personal liability pursuant to
powers conferred upon him/her under paragraph 9
of Schedule 1 to the Insolvency Act 1986

.....
Signature

PEP PROJECT MANAGEMENT LIMITED

by its Administrator

in the presence of:

ROBERT CURNIO

Witness name

.....
.....

Witness address

.....

Witness Occupation

Administrators

SIGNED by _____
for and on behalf of the Administrators pursuant to
powers conferred upon him/her under paragraph 9
of Schedule 1 to the Insolvency Act 1986

.....

.....
Signature

in the presence of:

RUPERT CURNO

Witness name

.....

.....

Witness address

.....

Witness Occupation

Buyer

*Stiller
on behalf
of the
PCMs*

EXECUTED and DELIVERED as a DEED by
BLUE SHOPFITTING & CONSTRUCTION LTD

by _____ Director

Director Signature

In the presence of:

ALAN WILSON

Witness name

Witness address

Witness Occupation