



Registration of a Charge

Company name: **RECTELLA INTERNATIONAL LIMITED**

Company number: **01172901**



X61AV4BM

Received for Electronic Filing: **01/03/2017**

Details of Charge

Date of creation: **24/02/2017**

Charge code: **0117 2901 0006**

Persons entitled: **DAVID HOWARD EVENTHALL
JULIA LOUISE EVENTHALL
MJF SAS TRUSTEES LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **KUIT STEINART LEVY LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 1172901

Charge code: 0117 2901 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th February 2017 and created by RECTELLA INTERNATIONAL LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2017 .

Given at Companies House, Cardiff on 2nd March 2017

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 24 February 2017

RECTELLA INTERNATIONAL LIMITED

and

TRUSTEES OF THE FLEXIBLE PENSION FUND

DEBENTURE

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TABLE OF CONTENTS

1.	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation	3
1.3	Clawback	5
1.4	Nature of security over real property	5
1.5	Law of Property (Miscellaneous Provisions) Act 1989	5
1.6	Perpetuity period	5
1.7	Schedules	5
2.	Covenant to pay	5
3.	Grant of security	6
3.1	Legal mortgage	6
3.2	Fixed charges	6
3.3	Assignment	7
3.4	Floating charge	7
3.5	Qualifying floating charge	7
3.6	Automatic crystallisation of floating charge	7
3.7	Crystallisation of floating charge by notice	8
3.8	Assets acquired after any floating charge has crystallised	8
4.	Liability of the Borrower	8
4.1	Liability not discharged	8
4.2	Immediate recourse	8
5.	Representations and warranties	8
5.1	Representations and warranties	8
5.2	Ownership of Secured Assets	9
5.3	No Security	9
5.4	No adverse claims	9
5.5	No adverse covenants	9
5.6	No breach of laws	9
5.7	No interference in enjoyment	9
5.8	No overriding interests	9
5.9	Avoidance of security	9
5.10	No prohibitions or breaches	9
5.11	Enforceable security	9
5.12	Times for making representations and warranties	10
6.	General covenants	10
6.1	Negative pledge and disposal restrictions	10
6.2	Preservation of Secured Assets	10
6.3	Compliance with laws and regulations	10
6.4	Notice of misrepresentation and breaches	11
7.	Book Debts covenants	11
7.1	Realising Book Debts	11
7.5	Preservation of Book Debts	12
8.	Powers of the Lender	12
8.3	Power to dispose of chattels	12
8.4	Lender has Receiver's powers	12
8.5	Conversion of currency	13
8.6	New accounts	13
8.7	Indulgence	13

8.8	Appointment of an Administrator.....	13
8.9	Further advances.....	14
9.	Investment Covenants.....	14
9.1	Pre-emption rights and restrictions on transfer.....	14
9.2	Dividends and voting rights before enforcement	14
9.3	Dividends and voting rights after enforcement	15
10.	When security becomes enforceable	15
10.1	Security becomes enforceable on Event of Default.....	15
10.2	Event of Default.....	15
10.3	Discretion.....	17
11.	Enforcement of security.....	17
11.1	Enforcement powers	17
11.2	Extension of statutory powers of leasing.....	17
11.3	Access on enforcement.....	18
11.4	Prior Security	18
11.5	Protection of third parties	19
11.6	Privileges	19
11.7	No liability as mortgagee in possession	19
11.8	Conclusive discharge to purchasers.....	19
11.9	Right of appropriation	19
12.	Receiver	20
12.1	Appointment	20
12.2	Removal.....	20
12.3	Remuneration.....	20
12.4	Power of appointment additional to statutory powers.....	20
12.5	Power of appointment exercisable despite prior appointments	21
12.6	Agent of the Borrower.....	21
13.	Powers of Receiver.....	21
13.1	General.....	21
13.2	Repair and develop Properties.....	21
13.3	Surrender leases	21
13.4	Employ personnel and advisers	21
13.5	Make VAT elections.....	22
13.6	Remuneration.....	22
13.7	Realise Secured Assets	22
13.8	Manage or reconstruct the Borrower's business	22
13.9	Dispose of Secured Assets.....	22
13.10	Sever fixtures and fittings.....	22
13.11	Sell Book Debts	22
13.12	Valid receipts.....	22
13.13	Make settlements	23
13.14	Bring proceedings.....	23
13.15	Improve the Equipment	23
13.16	Make calls on Borrower members.....	23
13.17	Insure	23
13.18	Powers under the LPA 1925	23
13.19	Borrow	23
13.20	Redeem prior Security	23
13.21	Delegation.....	24
13.22	Absolute beneficial owner	24

	13.23	Incidental powers.....	24
14.		Delegation.....	24
	14.1	Delegation.....	24
	14.2	Terms.....	24
	14.3	Liability.....	24
15.		Application of proceeds.....	24
	15.1	Order of application of proceeds.....	24
	15.2	Appropriation.....	25
	15.3	Suspense account.....	25
16.		Costs and indemnity.....	25
	16.1	Costs.....	25
	16.2	Indemnity.....	26
17.		Further assurance.....	26
	17.1	Further assurance.....	26
18.		Power of attorney.....	27
	18.1	Appointment of attorneys.....	27
	18.2	Ratification of acts of attorneys.....	27
19.		Release.....	27
20.		Assignment and transfer.....	27
	20.1	Assignment by Lender.....	27
	20.2	Assignment by Borrower.....	28
21.		Set-off.....	28
	21.1	Lender's right of set-off.....	28
	21.2	No obligation to set off.....	28
	21.3	Exclusion of Borrower's right of set-off.....	28
22.		Amendments, waivers and consents.....	28
	22.1	Amendments.....	28
	22.2	Waivers and consents.....	28
	22.3	Rights and remedies.....	29
23.		Severance.....	29
	23.1	Severance.....	29
24.		Counterparts.....	29
	24.1	Counterparts.....	29
25.		Third party rights.....	29
	25.1	Third party rights.....	29
26.		Further provisions.....	30
	26.1	Independent security.....	30
	26.2	Continuing security.....	30
	26.3	Discharge conditional.....	30
	26.4	Certificates.....	30
	26.5	Consolidation.....	30
	26.6	Small company moratorium.....	30
27.		Notices.....	31
	27.1	Delivery.....	31
	27.2	Receipt by Borrower.....	31
	27.3	Receipt by Lender.....	32
	27.4	Service of proceedings.....	32
	27.5	No notice by email.....	32
28.		Governing law and jurisdiction.....	32
	28.1	Governing law.....	32

28.2	Jurisdiction.....	32
28.3	Other service.....	32

THIS DEED IS DATED

24 February

2017

PARTIES

- (1) **RECTELLA INTERNATIONAL LIMITED** incorporated and registered in England and Wales with company number 01172901 whose registered office is at The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG (the **Borrower**); and
- (2) **DAVID HOWARD EVENTHALL** of Earlscliffe Lodge, Groby Road, Altrincham, Cheshire, WA14 2AS, **JULIA LOUISE EVENTHALL** of Earlscliffe Lodge, Groby Road, Altrincham, Cheshire, WA14 2AS, and **MJF SSAS TRUSTEES LIMITED** incorporated and registered in England and Wales with company number 04089958 whose registered office is 8 St Stephen Street, Manchester M3 6AY as Trustees of The Flexible Pension Fund (**'the Lender'**)

RECITALS

- (A) The Lender has agreed, pursuant to the Facility Agreement and otherwise from time to time, to provide the Borrower with loan facilities on a secured basis.
- (B) Under this deed, the Borrower provides security to the Lender for the Secured Liabilities (as defined below).

IT IS HEREBY AGREED

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this deed:

Administrator: an administrator appointed to manage the affairs, business and property of the Borrower pursuant to clause 7.11.

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

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 14 and any person appointed as attorney of the Lender, Receiver or Delegate.

Disruption Event:

- (a) an event (not caused by, and outside the control of, either party) that materially disrupts the systems for payment or communication or the financial markets needed, in each case, to enable either payment to be made or transactions to be carried out; or

- (b) any other event (not caused by, and outside the control of, the party whose operations are disrupted), that results in disruption (of a technical or systems-related nature) to the treasury or payments operations of a party and which prevents either or both parties from (i) performing its payment obligations, or (ii) communicating with the other party as required.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions.

Event of Default: any event or circumstances listed in clause 10.2.

Facility Agreement: the loan agreement dated the same date as this deed between the Borrower and the Lender for the provision of loan facilities secured by this deed.

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*).

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

Intellectual Property: the Borrower'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 present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower, including any:

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

LPA 1925: the Law of Property Act 1925.

Properties: all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, and **Property** means any of them.

Receiver: a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 12.

Secured Assets: all the assets, property and undertaking for the time being 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 monies, obligations and liabilities of the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, including without limitation, under or in connection with the Facility Agreement or this deed (and including, without limitation, those arising under clause 26.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those monies, 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 Lender 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.

1.2 Interpretation

In this deed:

- 1.2.1 clause and Schedule headings shall not affect the interpretation of this deed;
- 1.2.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the

- benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** excludes fax and email;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

If the Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower 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 Property includes:

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

1.5 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 Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this deed.

1.6 Perpetuity period

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

1.7 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 Borrower shall, on demand, pay to the Lender 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 Borrower with full title guarantee charges to the Lender, by way of first legal mortgage, each Property.

3.2 Fixed charges

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

- 3.2.1 all Properties acquired by the Borrower in the future;
- 3.2.2 all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- 3.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- 3.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.5 all its present and future goodwill;
- 3.2.6 all its uncalled capital;
- 3.2.7 all the Equipment;
- 3.2.8 all the Intellectual Property;
- 3.2.9 all the Book Debts;
- 3.2.10 all the Investments;
- 3.2.11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest); and
- 3.2.12 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, 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 Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- 3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
- 3.3.2 all the Book Debts (whether or not payable) and the benefit of all Securities for them and all interest (if any) due and to become due on them.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights (for the avoidance of doubt including stock) of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to 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:

- 3.6.1 the Borrower:
 - 3.6.1.1 creates, or attempts to create, without the prior written consent of the Lender, 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 Facility Agreement); or
 - 3.6.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- 3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower.

3.7 Crystallisation of floating charge by notice

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

- 3.7.1 an Event of Default occurs and is continuing; or
- 3.7.2 the Lender 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 Borrower 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 Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge.

4. Liability of the Borrower

4.1 Liability not discharged

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

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

4.2 Immediate recourse

The Borrower waives any right it may have to require the Lender 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 Borrower.

5. Representations and warranties

5.1 Representations and warranties

The Borrower makes the representations and warranties set out in this clause 5 to the Lender.

5.2 Ownership of Secured Assets

The Borrower is the sole legal and beneficial owner of the Secured Assets.

5.3 No Security

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

5.4 No adverse claims

The Borrower 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 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 Borrower or otherwise.

5.10 No prohibitions or breaches

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

5.11 Enforceable security

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

5.12 Times for making representations and warranties

The representations and warranties set out in clause 5.2 to clause 5.11 are made by the Borrower on the date of this deed and such representations and warranties 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.

6. General covenants

6.1 Negative pledge and disposal restrictions

The Borrower shall not at any time, except with the prior written consent of the Lender:

- 6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed;
- 6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Borrower 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 Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 Compliance with laws and regulations

- 6.3.1 The Borrower shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- 6.3.2 The Borrower shall:
 - 6.3.2.1 comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - 6.3.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - 6.3.2.3 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 Notice of misrepresentation and breaches

The Borrower shall, promptly on becoming aware of any of the same, notify the Lender in writing of:

- 6.4.1 any representation or warranty set out in clause 5 which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.4.2 any breach of any covenant set out in this deed.

6.5 Proceeds of Insurance Policies

All monies payable under any Insurance Policy maintained by the Borrower at any time after the security constituted by this deed has become enforceable shall if the Lender so directs, be applied in or towards discharge or reduction of the Secured Liabilities.

7. Book Debts covenants

7.1 Realising Book Debts

- 7.1.1 The Borrower shall collect in and realise all Book Debts;
- 7.1.2 The Borrower shall, if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

7.2 Conduct of business

The Borrower will at all times during the continuance of this security devote itself actively to the conduct of its business and promote to the best of its power its success and development and will not without the prior written consent of the Lender do, permit or suffer to be done any act or thing by which the business of the Borrower, its goodwill, capital, assets or effects or any part of it may be (except in the ordinary way of business) prejudicially affected.

7.3 Accounts

The Borrower will keep proper books of account of its business and will at any time when required produce such books for the inspection of the Lender or its agents and allow it access to them and to make copies of or extracts from them.

7.4 Financial information

The Borrower will on request communicate to the Lender all the information relating to the financial position of its business as the Lender may require.

7.5 Preservation of Book Debts

The Borrower shall not (except as provided by clause 7.1 or with the prior written consent of the Lender) release, exchange, compound, set off, grant time or indulgence in respect of all or any of the Book Debts or do anything by which recovery of them may be impeded, delayed or prevented.

8. Powers of the Lender

8.1 Power to remedy

8.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed.

8.1.2 The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.

8.1.3 Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the lender on a full indemnity basis and shall carry interest in accordance with clause 16.1.

8.2 Exercise of rights

8.2.1 The rights of the Lender under clause 8.1 are without prejudice to any other rights of the Lender under this deed.

8.2.2 The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

8.3 Power to dispose of chattels

8.3.1 At any time after the security constituted by this deed has become enforceable, the Lender or any Receiver may, as agent for the Borrower, dispose of any chattels or produce found on any Property.

8.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.3.1, the Borrower shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 8.3.1.

8.4 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender 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.

8.5 Conversion of currency

- 8.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 8.5) from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit.
- 8.5.2 Any such conversion shall be effected at Barclays Bank Plc's then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 8.5.3 Each reference in this clause 8.5 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.

8.6 New accounts

- 8.6.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Borrower in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- 8.6.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 8.6.1, then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower 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 Lender.

8.7 Indulgence

The Lender 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 Borrower) 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 Borrower for the Secured Liabilities.

8.8 Appointment of an Administrator

- 8.8.1 The Lender may, without notice to the Borrower, appoint any one or more persons to be an Administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- 8.8.2 Any appointment under this clause 8.8 shall:

- 8.8.2.1 be in writing signed by a duly authorised signatory of the Lender; and
- 8.8.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- 8.8.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 8.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

8.9 Further advances

The Lender covenants with the Borrower that it shall perform its obligations to make advances under the Facility Agreement (including any obligation to make available further advances).

9. Investment Covenants

9.1 Pre-emption rights and restrictions on transfer

The Borrower shall:

- 9.1.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any Investments, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and
- 9.1.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments in any manner that the Lender may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

9.2 Dividends and voting rights before enforcement

- 9.2.1 Before the security constituted by this deed becomes enforceable, the Borrower 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 Lender or any of its nominees, the Lender will hold all those dividends, interest and other monies received by it for the Borrower and will pay them to the Borrower promptly on request.
- 9.2.2 Before the security constituted by this deed becomes enforceable, the Borrower may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:

- 9.2.2.1 it shall not do so in any way that would breach any provision of the Facility Agreement or any subsequent loan or facility agreement between the Lender and Borrower or this deed or for any purpose inconsistent with the Facility Agreement or any subsequent loan or facility agreement between the Lender and Borrower or this deed; and
- 9.2.2.2 the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed.
- 9.2.3 The Borrower shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Borrower.
- 9.2.4 The Lender 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 Lender considers prejudicial to, or impairing the value of, the security created by this deed.

9.3 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- 9.3.1 all dividends and other distributions paid in respect of the Investments and received by the Borrower shall be held by the Borrower on trust for the Lender or, if received by the Lender, shall be retained by the Lender; and
- 9.3.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

10. When security becomes enforceable

10.1 Security becomes enforceable on Event of Default

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

10.2 Event of Default

Each of the events or circumstances set out in clause 10.2.1 to clause 10.2.15 is an Event of Default.

- 10.2.1 The Borrower fails to pay any sum payable by it to the Lender in relation to the Secured Liabilities when due, unless its failure to pay is caused solely by:

- 10.2.1.1 an administrative error or technical problem and payment is made within three Business Days of its due date; or
 - 10.2.1.2 a Disruption Event and payment is made within three Business Days of its due date.
- 10.2.2 The Borrower fails (other than a failure to pay) to comply with any provision of the Facility Agreement or this deed or any subsequent loan or facility agreement between the Lender and Borrower and (if the Lender considers, acting reasonably, that the default is capable of remedy) such default is not remedied within 14 days of the earlier of:
 - 10.2.2.1 the Lender notifying the Borrower of the default and the remedy required; and
 - 10.2.2.2 the Borrower becoming aware of the default.
- 10.2.3 Any representation, warranty or statement made, repeated or deemed made by the Borrower in, the Facility Agreement or any subsequent loan or facility agreement between the Lender and Borrower or this deed is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.
- 10.2.4 The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.
- 10.2.5 The Borrower 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.
- 10.2.6 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Lender) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties).
- 10.2.7 A moratorium is declared in respect of any indebtedness of the Borrower.
- 10.2.8 Any action, proceedings, procedure or step is taken in relation to:
 - 10.2.8.1 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 Borrower; or
 - 10.2.8.2 a composition, compromise, assignment or arrangement with any creditor of the Borrower; or
 - 10.2.8.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets.
- 10.2.9 The value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities).

- 10.2.10 Any event occurs in relation to the Borrower that is analogous to those set out in clause 10.2.5 to clause 10.2.9 (inclusive) in any jurisdiction.
- 10.2.11 Clause 10.2.8 shall not apply to any winding-up petition which 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. The ending of any moratorium referred to in clause 10.2.7 shall not remedy any Event of Default caused by that moratorium.
- 10.2.12 A distress, attachment, execution, expropriation, sequestration or other analogous legal process is levied, enforced or sued out on, or against, the Borrower's assets (or its equivalent in other currencies) and is not discharged or stayed within 30 days.
- 10.2.13 Any Security in respect of indebtedness on or over the assets of the Borrower becomes enforceable.
- 10.2.14 All or any part of the Facility Agreement or this deed or any subsequent loan or facility agreement between the Lender and Borrower becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.
- 10.2.15 The Borrower repudiates or evidences an intention to repudiate the Facility Agreement or this or any subsequent loan or facility agreement between the Lender and Borrower or any of them.

10.3 Discretion

After the security constituted by this deed has become enforceable, the Lender 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.

11. Enforcement of security

11.1 Enforcement powers

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

11.2 Extension of statutory powers of leasing

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

Lender 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 Borrower, to:

- 11.2.1 grant a lease or agreement to lease;
- 11.2.2 accept surrenders of leases; or
- 11.2.3 grant any option 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 Borrower, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

11.3 Access on enforcement

- 11.3.1 At any time after the Lender has demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this deed or the Facility Agreement or any subsequent loan or facility agreement between the Lender and Borrower, the Borrower will allow the Lender 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 Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry.
- 11.3.2 At all times, the Borrower must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 11.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

11.4 Prior Security

- 11.4.1 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 Lender may:
 - 11.4.1.1 redeem that or any other prior Security;
 - 11.4.1.2 procure the transfer of that Security to it; and
 - 11.4.1.3 settle and pass any account of the holder of any prior Security.
- 11.4.2 The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Borrower. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account and shall bear interest at the rate

of interest specified in the Facility Agreement (or any subsequent loan or facility agreement as is relevant from time to time) and be secured as part of the Secured Liabilities.

11.5 Protection of third parties

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

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

11.6 Privileges

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

11.7 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Security 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, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

11.8 Conclusive discharge to purchasers

The receipt of the Lender, 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 Lender, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

11.9 Right of appropriation

11.9.1 To the extent that:

- 11.9.1.1 the Secured Assets constitute Financial Collateral; and
- 11.9.1.2 this deed and the obligations of the Borrower under it constitute a Security Financial Collateral Arrangement,

the Lender 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 Lender may, in its absolute discretion, determine.

11.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be:

11.9.2.1 in the case of cash, the amount standing to the credit of each of the Borrower's accounts with any bank, financial institution or other person, together with all interest accrued but unposted, at the time the right of appropriation is exercised; and

11.9.2.2 in the case of Investments, the price of those Investments at the time the right of appropriation is exercised as listed on any recognised market index or determined by any other method that the Lender may select (including independent valuation).

11.9.3 The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

12. Receiver

12.1 Appointment

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

12.2 Removal

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

12.3 Remuneration

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

12.4 Power of appointment additional to statutory powers

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

12.5 Power of appointment exercisable despite prior appointments

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

12.6 Agent of the Borrower

Any Receiver appointed by the Lender under this deed shall be the agent of the Borrower and the Borrower 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 Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

13. Powers of Receiver

13.1 General

13.1.1 Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on it by statute, have the powers set out in clause 13.2 to clause 13.23.

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

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

13.2 Repair and develop Properties

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

13.3 Surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that it thinks fit.

13.4 Employ personnel and advisers

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

13.5 Make VAT elections

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

13.6 Remuneration

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

13.7 Realise Secured Assets

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

13.8 Manage or reconstruct the Borrower'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 Borrower.

13.9 Dispose of Secured Assets

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

13.10 Sever fixtures and fittings

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

13.11 Sell Book Debts

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

13.12 Valid receipts

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

13.13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that it may think expedient.

13.14 Bring proceedings

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

13.15 Improve the Equipment

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

13.16 Make calls on Borrower members

A Receiver may make calls conditionally or unconditionally on the members of the Borrower 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 Borrower on its directors in respect of calls authorised to be made by them.

13.17 Insure

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

13.18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if it had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

13.19 Borrow

A Receiver may, for any of the purposes authorised by this clause 13, raise money by borrowing from the Lender (or from any other person) 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 Lender consents, terms under which that security ranks in priority to this deed).

13.20 Redeem prior Security

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

13.21 Delegation

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

13.22 Absolute beneficial owner

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

13.23 Incidental powers

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

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

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

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

14. Delegation

14.1 Delegation

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

14.2 Terms

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

14.3 Liability

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

15. Application of proceeds

15.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, 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:

15.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate,

attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;

15.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and

15.1.3 in payment of the surplus (if any) to the Borrower or other person entitled to it.

15.2 Appropriation

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

15.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed:

15.3.1 may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;

15.3.2 shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower; and

15.3.3 may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

16. Costs and indemnity

16.1 Costs

The Borrower shall, within five Business Days of demand, pay to, or reimburse, the Lender 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 Lender, any Receiver or any Delegate in connection with:

16.1.1 this deed or the Secured Assets;

16.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed; or

16.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

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

in the manner specified in the Facility Agreement (or any subsequent loan or facility agreement as is relevant from time to time).

16.2 Indemnity

The Borrower shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- 16.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- 16.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 16.2.3 any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

17. Further assurance

17.1 Further assurance

17.2 The Borrower shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- 17.2.1 creating, perfecting or protecting the security intended to be created by this deed;
- 17.2.2 facilitating the realisation of any Secured Asset; or
- 17.2.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

17.3 including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any 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 Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

18. Power of attorney

18.1 Appointment of attorneys

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

18.1.1 the Borrower is required to execute and do under this deed; or

18.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate including without limitation, to enable the Lender to collect and receive and give a good discharge, and (if he deems it expedient) to sue for and recover the Book Debts or any of them in the name of the Borrower, the Borrower irrevocably and by way of security appoints the Lender his attorney to do and execute in the name of the Borrower all such acts, deeds and things as the Lender might do in its own name under this deed if notice of the assignment made by this deed were given to the debtors of the Borrower.

18.2 Ratification of acts of attorneys

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

19. Release

19.1 Subject to clause 26.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

19.1.1 release the Secured Assets from the security constituted by this deed; and

19.1.2 reassign the Secured Assets to the Borrower.

20. Assignment and transfer

20.1 Assignment by Lender

20.1.1 At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this deed.

20.1.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Secured Assets and this deed that the Lender considers appropriate.

20.2 Assignment by Borrower

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

21. Set-off

21.1 Lender's right of set-off

The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, 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 Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 21 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

21.2 No obligation to set off

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

21.3 Exclusion of Borrower's right of set-off

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

22. Amendments, waivers and consents

22.1 Amendments

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

22.2 Waivers and consents

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

22.2.2 A failure to exercise, or a delay in exercising, 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 Lender shall be effective unless it is in writing.

22.3 Rights and remedies

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

23. Severance

23.1 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.

23.2 If this deed is executed by or on behalf of more than one person and any one or more of those persons is not bound by its provisions (whether by reason of lack of capacity or improper execution or for any other reason), the remaining parties shall continue to be so bound as if those who are not bound had not been parties to the security.

24. Counterparts

24.1 Counterparts

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

25. Third party rights

25.1 Third party rights

25.1.1 Except as expressly provided in clause 16.2 or elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

25.1.2 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.

26. Further provisions

26.1 Independent security

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

26.2 Continuing security

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

26.3 Discharge conditional

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

26.3.1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

26.3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

26.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower shall be, in the absence of any manifest error, conclusive evidence of the amount due.

26.5 Consolidation

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

26.6 Small company moratorium

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

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

27. Notices

27.1 Delivery

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

- 27.1.1 in writing;
- 27.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service; and
- 27.1.3 sent to:

27.1.3.1 the Borrower at:

the Borrower's registered office from time to time.

Attention: David Eventhall

the Lender at:

to the registered address of MJF SSAS Trustees Limited from time to time.

Attention: Helen V Davies

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

27.2 Receipt by Borrower

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

- 27.2.1 if delivered by hand, at the time it is left at the relevant address; or
- 27.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting.

A notice or other communication given as described in clause 27.2.1 or clause 27.2.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

27.3 Receipt by Lender

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

27.4 Service of proceedings

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

27.5 No notice by email

A notice or other communication given under or in connection with this deed is not valid if sent by email.

28. Governing law and jurisdiction

28.1 Governing law

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

28.2 Jurisdiction


Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation.

28.3 Other service

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


THIS AGREEMENT has been entered into as a deed and delivered on the date stated at the beginning of it.

EXECUTED as a DEED by
RECTELLA INTERNAITONAL
LIMITED acting by a director
in the presence of:


.....
Director's signature

J. Eventhall
.....
Director's name

Witness name: KAREN SMITH
.....

Witness signature: 
.....

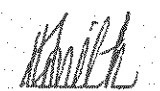
Witness address: 35 CLARKE ST. RUSHTON, BRI 4TG
.....

Witness occupation: PA TO DIRECTORS
.....

EXECUTED as a DEED by
DAVID HOWARD EVENTHALL
in the presence of:



Witness name: KAREN SMITH
.....

Witness signature: 
.....

Witness address: 35 CLARKE STREET RUSHTON, BRI 4TG
.....

Witness occupation: PA TO DIRECTORS
.....

EXECUTED as a DEED by)
JULIA LOUISE EVENTHALL)
in the presence of:)



Witness name: KAREN SMITH

Witness signature: 

Witness address: 35 CLARKE ST. RUSHTON. BR1 4TG

Witness occupation: PA to Directors

EXECUTED as a DEED by)
MJF SSAS TRUSTEES LIMITED)
acting by a director in the presence of:)



Witness name: LIANNE CRITCHLEY

Witness signature: 

Witness address: 8 ST J STEPHEN STREET

MANCHESTER M3 6AY

Witness occupation: PENSION ADMINISTRATOR

