



Registration of a Charge

Company name: **SKYLAUNCH LIMITED**

Company number: **03598701**



X96065ZL

Received for Electronic Filing: **28/05/2020**

Details of Charge

Date of creation: **19/05/2020**

Charge code: **0359 8701 0005**

Persons entitled: **SDKA LTD**

Brief description: **AS A CONTINUING SECURITY FOR THE PAYMENT AND DISCHARGE OF THE SECURED LIABILITIES, THE BORROWER WITH THE FULL TITLE GUARANTEE CHARGES TO THE LENDER, BY WAY OF FIRST LEGAL MORTGAGE OVER LAND AT UNIT E11, WEM INDUSTRIAL ESTATE, SOULTON ROAD, WEM, SHREWSBURY AS REGISTERED UNDER TITLE SL237391 AND AS CONTINUING SECURITY FOR THE PAYMENT AND DISCHARGE OF THE SECURED LIABILITIES, THE BORROWER WILL FULL TITLE GUARANTEE CHARGES TO THE LENDER BY WAY OF FIRST FIXED CHARGE ALL THE UNDERTAKING, PROPERTY, ASSETS AND RIGHTS OF THE BORROWER AT ANY TIME NOT EFFECTIVELY MORTGAGED, CHARGED OR ASSIGNED PURSUANT TO CLAUSE 9.1 TO CLAUSE 9.3 INCLUSIVE. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

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: **JSS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3598701

Charge code: 0359 8701 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th May 2020 and created by SKYLAUNCH LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th May 2020 .

Given at Companies House, Cardiff on 29th May 2020

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Dated 19 May

2020

DEBENTURE

SKYLAUNCH LIMITED (03598701)

-AND-

SDKA LTD

THIS DEED is dated

19 May

2020

PARTIES

- (1) SKYLAUNCH LIMITED of C/O Arca. First Floor Offices, Allied House Bryn Lane, Wrexham, LL13 9UT (Borrower) (03598701)
- (2) SDKA Ltd (Company No. 10078955) whose registered office address is at 21 Daylesford Crescent, Cheadle, Cheshire SK8 1LQ (Lender)

BACKGROUND

- (A) The Lender has agreed, pursuant to a facility agreement, to provide the Borrower with loan facilities on a secured basis.
- (B) The Borrower is the owner of the Properties
- (C) This Debenture provides security which the Borrower has agreed to give to the Lender for the Secured Liabilities.

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facility Agreement 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 Borrower pursuant to paragraph 15 of Schedule 5.

Associated Rights: means in relation to any asset all proceeds of sale of such asset, all rights, powers, benefits, covenants, warranties, guarantees or Security given or implied in respect of such asset, all rights under any agreement for sale, agreement for lease or licence of or in respect of such asset and any money and proceeds paid or payable in respect of such asset

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.

Charged Contracts:

- (a) Those contract (if any) brief particulars of which are set out in Schedule 1 Part 2: and
- (b) Any other agreements and contracts entered into by the Borrower in connection with any Charged Property now or in the future belonging to it or any

development thereon including all rights and claims against any tenants subtenants licensees or other occupiers of any such Property from time to time and any contractors builders developers and professional advisors engaged from time to time and all guarantors and sureties for the obligations of the above

Charged Property: all the assets, property and undertaking from time to time subject to any Encumbrance created by this deed other than any personal chattels or trade machinery as defined in sections 4 and 5 of the Bills of Sale Act 1878 (and references to the Charged Property shall include references to any part of it).

Costs: all costs, charges expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs

Encumbrance: 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

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.

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: has the meaning given to that expression in the Facility Agreement.

Facility Agreement: the loan facility agreement dated 15 April 2020 between the Borrower and the Lender for the provision of the loan facilities as the same may be varied amended or supplemented from time to time and secured by this Debenture.

Finance Document: the Facility Agreement, (and any other document or agreement setting out the terms and conditions relating to any Secured Liabilities) this Debenture and any other document guaranteeing or creating security for or supporting the obligations of the Borrower or any other person to the Lender

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).

Insurances: all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of the Borrower or (to the extent of its relevant interest) in which the Borrower has an interest.

Insurance Proceeds: the proceeds of any insurance claim received by the Borrower together with the benefit of all bonuses profits premium returns and other benefits of whatever nature arising by virtue of the Borrower's ownership of any Insurances

Intellectual Property: the Borrower's present and future patents, trademarks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights

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), now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest (including, but not limited to, the properties specified in Schedule 1), 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 paragraph 6 of Schedule 5.

Rental Income: the aggregate of all amounts paid or payable to or for the account of the Borrower in connection with the letting licence or grant of other rights to use or occupy any part of the Charged Property including: -

- (a) rent licence fees and equivalent amounts paid or payable;
- (b) sums equal to any apportionment of rent allowed in favour of the Borrower;
- (c) any other monies paid or payable in respect of the occupation and/or usage of the Charged Property and any fixtures and fittings including any for display advertisement licence or otherwise;
- (d) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (e) any sum paid or payable or the value of any consideration given for the grant surrender amendment supplement or extension of any occupational lease or other document;
- (f) any sum or payable in respect of any breach of covenant or dilapidations under any occupation lease or other document;
- (g) any sum paid or payable by or distribution received or receivable from any guarantor under any occupational lease or other document;

- (h) interest paid or payable on any damages compensation or settlement paid or payable in respect of any sum referred to above (less any fees and expenses incurred by the Borrower)

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, and whether under or in connection with the Facility Agreement or on any other account advance overdraft loan or other amount together with all costs charge and expenses incurred by the Lender in connection with the protection preservation or enforcement of its respective rights under the Facility Agreement, this Debenture, any other Finance Document or otherwise arising and on a full and unlimited basis and together with all interest (including default interest) accruing in respect of any of the above.

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.

2 INTERPRETATION

Unless the context otherwise requires, in this Debenture:

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- (b) 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);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and ensure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- (f) where the Borrower comprises more than one person the liabilities and obligations under this Debenture of the persons comprising the Borrower shall be joint and several;

- (g) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (h) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (i) a reference to **writing** or **written** includes fax but not email;
- (j) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (k) 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;
- (l) 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;
- (m) 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;
- (n) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- (o) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (p) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (q) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- (r) 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
- (s) 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;
- (t) terms defined in the Facility Agreement and which are used in this Debenture shall bear the same meaning as in the Facility Agreement unless the context otherwise requires and where there is any conflict between the terms of this Debenture and the Facility Agreement, the terms of the Facility Agreement shall prevail.

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 Debenture.

4 NATURE OF SECURITY OVER REAL PROPERTY

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

- (a) 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;
- (b) 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;
- (c) 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
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

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 Debenture.

6 INSOLVENCY ACT (1986)

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 and Schedule 16 to the Enterprise Act 2002) applies to the floating charge created by this Debenture

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.

8 COVENANT TO PAY

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

9 GRANT OF SECURITY

9.1 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 specified in Schedule 1.

9.2 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:

- (a) all Properties acquired by the Borrower in the future;
- (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 9 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) 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;
- (e) all its present and future goodwill;
- (f) all its uncalled capital;
- (g) all the Equipment;
- (h) all the Intellectual Property;
- (i) all the Book Debts;
- (j) all the Investments;
- (k) 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);
- (l) all Associated Rights in relation to any Charged Property;
- (m) all Charged Contracts and other agreements instruments and rights in relation to the Charged Property to the extent not effectively assigned under clause 9.3; and
- (n) all its rights in respect to the Insurances to the extent not effectively assigned under clause 9.3 owned by or written in favour of the Borrower and all Insurance Proceeds either now or in the future held by or payable to the Borrower or in which the Borrower otherwise has an interest (to the extent of such interest).

9.3 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:

- (a) the benefit of all Charged Contracts and all income profit rent fees royalties damages compensation or any other benefit which the Borrower may derive from or be awarded or entitled to in respect of such assets; and
- (b) all Rental Income; and
- (c) the Insurances and the benefit of all Insurance Proceeds; and
- (d) any Associated Rights or any payments of any kind which are not the subject of a valid fixed charge pursuant to clause 9.2 or valid assignment pursuant to clauses 9.3 (a) to (c) inclusive.

9.4 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 floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 9.1 to clause 9.3 inclusive.

9.5 Automatic crystallisation of floating charge

The floating charge created by clause 9.4 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the Borrower:
 - (i) creates, or attempts to create, over all or any part of the Charged Property an Encumbrance without the prior written consent of the Lender or any trust in favour of another person; or
 - (ii) disposes, or attempts to dispose of, all or any part of the Charged Property (other than property that are only subject to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or
- (c) a receiver is appointed over all or any of the Charged Property which is the subject of the floating charge; or
- (d) the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower; or
- (e) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower.

9.6 Crystallisation of floating charge by notice

The Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Charged Property specified by the Lender in that notice.

9.7 Assets acquired after any floating charge has crystallised

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

9.8 Registration at the Land Registry

The Borrower consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

"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] ^{19/5/2020} in favour of SDKA Ltd (Company No. 10078955) referred to in the charges register."

9.9 Further Advances

The Security hereby constituted is made to secure further advances. The Lender covenants with the Borrower that the Lender shall perform its obligations to make an advance or advances under the Facility Agreement (including any obligation to make available further advances)

9.10 First Registration

If the title to the Properties is not registered at the Land Registry, the Borrower shall ensure that no person (other than the Borrower) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of the Properties, without the prior written consent of the Lender.

9.11 Cautions against first registration and notices

9.12 Whether or not title to the Properties is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Borrower's title to the Properties, the Borrower shall as soon as reasonably practicable provide the Lender 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 debenture, the Borrower shall

immediately, and at his own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

9.13 Notice of charge or assignment

9.14 The Borrower shall promptly upon receiving a request to that effect from the Lender give notice of each charge or assignment of all its right title and interest in and to: -

- (a) the Insurances and the Insurance Proceeds;
- (b) the Charged Contracts;
- (c) the Charged Property;

by sending notice in such form as the Lender may reasonably require and shall use its reasonable endeavours to procure within thirty days of the date of any request that each party delivers an acknowledgement to the Lender endorsed upon a copy of the relevant notice.

10 LIABILITY OF THE BORROWER

10.1 Liability not discharged

The Borrower's liability under this Debenture 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 Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) 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
- (c) any other act or omission that, but for this clause 10.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

10.2 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.

11 REPRESENTATIONS AND WARRANTIES

11.1 The Borrower represents and warrants to the Lender in the terms set out in Schedule 2. The representations and warranties set out in Schedule 2 are made by the Borrower on

the date of this debenture shall be deemed to be made by the Borrower on each interest payment date (in accordance with the Facility Agreement) with reference to the facts and circumstances then existing.

12 GENERAL COVENANTS

The Borrower covenants with the Lender during the continuance of the security constituted by this Debenture in the terms set out in Schedule 3.

13 POWERS OF THE LENDER

The Lender shall have the powers set out in Schedule 4.

14 ENFORCEMENT

14.1 Enforcement events

The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this debenture) shall arise on the execution of this debenture. The security constituted by this debenture shall be immediately enforceable if any of the events set out in paragraph 1 of Schedule 5 occurs. The parties to this debenture agree that the provisions of Schedule 5 shall apply to this debenture and shall be binding between them

14.2 Receiver's Powers

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 6.

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

14.3 Right of appropriation

- (a) To the extent that:
 - (i) the Charged Property constitutes Financial Collateral; and
 - (ii) this Debenture 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 Debenture has become enforceable, to appropriate all or any of the Charged

Property in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.

- (b) The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation).
- (c) The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

15 COSTS AND INDEMNITY

15.1 Costs

The Borrower shall, promptly on 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) reasonably incurred by the Lender, any Receiver or any Delegate in connection with:

- (a) this Debenture or the Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, or a Receiver's rights under this Debenture; 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 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.

15.2 Indemnity

The Borrower shall indemnify the Lender, each Receiver, 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:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Debenture or by law in respect of the Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Debenture; or

- (c) any default or delay by the Borrower in performing any of its obligations under this Debenture.

16 RELEASE

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 release the Charged Property from the security constituted by this Debenture and to reassign the Charged Property to the Borrower.

17 ASSIGNMENT AND TRANSFER

17.1 Assignment by Lender

- (a) At any time, without the consent of the Borrower, the Lender may sub-charge, assign or transfer any or all of its rights and obligations under this Debenture.
- (b) The Lender may disclose to any actual or proposed sub-chargee, assignee or transferee any information in its possession that relates to the Borrower, the Charged Property and this Debenture that the Lender considers appropriate.

17.2 Assignment by Borrower

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

18 FURTHER PROVISIONS

18.1 Independent security

The security constituted by this Debenture 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 Charged Property shall merge in the security created by this Debenture.

18.2 Continuing security

The security constituted by this Debenture 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 Debenture in writing.

18.3 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:

- (a) 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 Charged Property, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) 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.

18.4 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.

18.5 Rights Cumulative

The rights and powers of the Lender conferred by this debenture are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law

18.6 Waivers

Any waiver or variation of any right by the Lender (whether arising under this debenture or under the general law) shall only be effective if it is in writing and signed by the Lender and applies only in the circumstances for which it was given and shall not prevent the Lender from subsequently relying on the relevant provision.

18.7 Further Exercise of rights

No act or course of conduct or negotiation by or on behalf of the Lender shall in any way preclude the Lender from exercising any right or power under this debenture or constitute a suspension or variation of any such right or power.

18.8 Delay

No delay or failure to exercise any right or power under this debenture shall operate as a waiver

18.9 Single or partial exercise

No single or partial exercise of any right under this debenture shall prevent any other or further exercise of that or any other such right

18.10 Consolidation

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

18.11 Partial Invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

18.12 Counterparts

This debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

18.13 Third party rights

A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this debenture.

18.14 Perpetuity period

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

19 NOTICES

19.1 Delivery

Any notice or other communication required to be given to a party under or in connection with this debenture shall be in writing and served by delivering by hand, by

pre-paid first-class post or other next working day delivery service or sent by fax for the attention of the relevant party as set out in Schedule 7 or such other address, or fax number as is notified in writing by one party to the other from time to time.

19.2 Receipt by Borrower

Any notice or other communication that the Lender gives to the Borrower 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 19(a) or clause 19(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.

19.3 Receipt by Lender

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

19.4 Service of proceedings

This clause 19 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.

19.5 No notice by email

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

20 GOVERNING LAW AND JURISDICTION

20.1 Governing law

This debenture 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.

20.2 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 Lender to take proceedings against the Borrower 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.

20.3 Other service

The Borrower irrevocably consents to any process in any legal action or proceedings being served on it in accordance with the provisions of this Debenture relating to service of notices. Nothing contained in this Debenture 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 Property

Part 1. Property

**Unit E11, Wem Industrial Estate, Soultton Road, Wem, Shrewsbury, SY4 5SD registered at HM
Land Registry with title number SL237391**

Part 2. Charged Contracts

Schedule 2 Representations and Warranties

1 OWNERSHIP OF CHARGED PROPERTY

The Borrower is the legal and beneficial owner of the Charged Property free from any Encumbrance other than the Encumbrances created by this debenture.

2 ADVERSE CLAIMS

The Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

3 ADVERSE COVENANTS

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Property.

4 NO BREACH OF LAWS

There is no breach of any law or regulation, which materially adversely affects the Charged Property.

5 NO INTERFERENCE IN ENJOYMENT

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

6 NO OVERRIDING INTERESTS

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

7 AVOIDANCE OF SECURITY

No Encumbrance expressed to be created by this Debenture is liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise.

8 ENVIRONMENTAL COMPLIANCE

The Borrower has at all times complied in all material respects with all applicable Environmental Law.

9 POWER TO PERFORM

- 9.1 The Borrower has and will at all times have the necessary power to enter into and perform the obligations under this Debenture
- 9.2 This Debenture constitutes legal valid binding and enforceable obligations and is security over the Charged Property pertaining to it and every part thereof effective in accordance with its terms
- 9.3 No action proceedings or procedure relating to the enforcement of any Security over it or any of its assets, or any attachment or execution in respect of any of its assets, or any moratorium, winding up, dissolution, administration, receivership or reorganization of it has been taken or threatened. No liquidator receiver, administrative receiver, administrator, custodian or similar officer has been appointed in respect of the Borrower or any of its assets and no step has been taken in relation to any such appointment. It is not, and has not been deemed insolvent under any applicable law.

Schedule 3 Covenants

1 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

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

- (a) create, purport to create or permit to subsist any Encumbrance on, or in relation to, any Charged Property other than any Encumbrances created by this debenture, or
- (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 Charged Property, except for the disposal in the ordinary course of business of any of the Charged Property subject to the floating charge created under this debenture, or
- (c) create or grant (or purport to create or grant) any interest in any Charged Property in favour of a third party.
- (d) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or
- (e) in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property
- (f) exercise any VAT option to tax in relation to any Property; or revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this deed.

2 TRADING AND PRESERVATION OF CHARGED PROPERTY

2.1 The Borrower shall:

- (a) carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are, or may be, used for the purposes of trade or business, and
- (b) not do, or permit to be done, any act or thing, which will or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

3 STATUTORY COMPLIANCE

The Borrower shall comply with all statutes, byelaws and regulations relating to its trade or business and the whole or any part of the Charged Property.

4 PROVISION OF INFORMATION

4.1 The Borrower shall:

- (a) promptly provide to the Lender whatever information, documents or papers relating to the Charged Property as the Lender may from time to time request, and
- (b) inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in property.

5 INSURANCE

5.1 The Borrower must ensure at all times Insurances are maintained in full force and effect, which:

- (a) insure the Borrower in respect of its interests in the Properties and the plant and machinery on the Properties (including fixtures fittings and improvements) for their full replacement value (being the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it completely destroyed, together with all related fees and demolition costs) and to
 - (i) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, busting and overflowing of water tanks, apparatus or pipes and all other normally insurance risks of loss or damage
 - (ii) provide cover for site clearance, shoring up, professional fees and value added tax together with adequate allowance for inflation;
 - (iii) provide cover against acts of terrorism including any third party liability arising from such acts;
 - (iv) include property owners' liability.
 - (v) Insure such other risks as a prudent company in the business of the Borrower would insure; and
 - (vi) In each case are in an amount, and in a form, with an insurance company or underwriters acceptable at all times to the Lender

5.2 The Borrower must ensure that at all times from the commencement of any development until practical completion, contractor's all risk insurance covering contractors and sub-contractors and professional indemnity insurance covering contractors, sub-contractors and consultants with a design responsibility, in each case satisfactory to the Lender, is in place in respect of the relevant development.

5.3 The Borrower must procure that the Insurances (other than professional indemnity insurances) contain the following:

- (a) A non-invalidating and non-vitiating clause under with the Insurances will not be vitiated or avoided as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any insured party or agent of an insured party
 - (b) A waiver of rights of subrogation of the insurer as against the Lender;
 - (c) A loss payee clause in such terms as the Lender may reasonably require in respect of insurance claim payments otherwise payable to the Lender (other than in respect of professional indemnity, public liability and third party liability insurances) in respect of material damage and business interruption losses in excess of such sum as the Lender may specify
 - (d) a requirement that insurers give at least 30 days' notice to the Lender of any intention to repudiate, rescind or cancel any Insurance, to treat it as avoided in whole or part, to treat it as expired due to non-payment of premium or otherwise decline any valid claim under it by or on behalf of any insured party and must give the opportunity to rectify any such non-payment of premium within the notice period
- 5.4 The Borrower must ensure that the Lender receives copies of the Insurances, receipts for the payment of premiums for insurance and any information in connection with the Insurances and claims under the Insurances which the Lender may reasonably require
- 5.5 The Borrower must promptly notify the Lender of: -
- (a) the proposed terms of any future renewal of any Insurances;
 - (b) any amendment, supplement, extension, termination, avoidance or cancellation of any of the Insurances made or, to its knowledge, threatened or pending;
 - (c) any claim, and any actual or threatened refusal of any claim under any of the Insurances;
- 5.6 The Borrower must:
- (a) comply with the terms of the Insurances;
 - (b) not do or permit anything to be done which may make void or voidable any of the Insurances;
 - (c) comply with all risk improvement requirements and recommendations of its insurers
 - (d) ensure that each premium for the Insurances is paid promptly and in any event prior to the commencement of the period of insurance for which that premium is payable; and
 - (e) procure all other things necessary are done so as to keep each of the Insurances in force.
- 5.7 If the Borrower fails to comply with any term of this paragraph 5, the Lender may, at

the expense of the Borrower, effect any insurance and generally do such things and take such other action as the Lender may reasonably consider necessary or desirable to prevent or remedy any breach

- 5.8 The Borrower must hold the proceeds of any Insurances in trust for the Lender (subject to any rights of third parties arising under statute for the time being relating to the application of insurance proceeds and under any leases) and apply the same (at the option of the Lender either making good the loss or damage with any shortfall to be made good by the Borrower) or paid to the Lender in reduction of the Secured Liabilities.

6 REPAIR

6.1 The Borrower shall:

- (a) at all times keep in good and substantial repair and condition all the Charged Property including, without limitation, all buildings, erections, structures and fixtures and fittings on and in the Properties,
- (b) keep all Equipment in good repair, working order and condition and fit for its purpose, and
- (c) where it is uneconomic to repair any part of the Charged Property, replace such part by another similar asset of equal or greater quality and value.
- (d) comply with all Environmental Law
- (e) not, without the prior written consent of the Lender: -
 - (i) pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
 - (ii) make or permit any alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures; or
 - (iii) remove or make any material alterations to any of the Equipment belonging to, or in use by, the Borrower on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes)

7 PLANNING INFORMATION

7.1 The Borrower shall:

- (a) give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (Planning Notice) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and

- (b) (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, such objections

8 PROPERTY INFORMATION

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

9 COMPLIANCE WITH COVENANTS

9.1 The Borrower shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed;
- (a) diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive, release or vary any of the same; and (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.
- (b) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and
- (c) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

10 PROPRIETARY RIGHTS

10.1 The Borrower 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 Property without the prior written consent of the Lender

10.2 The Borrower shall not enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

11 NOTICE OF BREACH

The Borrower shall promptly upon becoming aware of the same give the Lender notice in writing of any breach of:

- (a) any representation or warranty set out in Schedule 2, and
- (b) any covenant set out in this Schedule 3.

12 TITLE DOCUMENTS

The Borrower shall on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property) deposit with the Lender and the Lender shall during the continuance of this debenture be entitled to hold all deeds and documents of title relating to the Charged Property which are in the possession or control of the Borrower (and, if not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all such deeds and documents of title).

13 FURTHER ASSURANCE

The Borrower, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender shall in its absolute discretion from time to time require over all or any part of the Charged Property and give all notices, orders and directions which the Lender may require in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Charged Property.

14 INSPECTION

The Borrower shall permit the Lender and any Receiver and any person appointed by either of them to enter upon and inspect any Property during normal business hours upon reasonable prior notice.

15 BORROWER'S WAIVER OF SET-OFF

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this debenture).

16 CHARGED CONTRACTS

The Borrower will perform all its obligations under the Charged Contracts in diligent and timely manner, not agree any amendments to the Charged Contracts, waive any of its rights or exercise any right to terminate except with the prior written consent of the Lender. The Borrower will immediately inform the Lender of any material disputes relating to the Charged Contracts.

17 BOOK DEBTS

- 17.1 The Borrower will collect (as agent for the Lender) all Book Debts and pay into such account as the Lender may specify from time to time and pending payment hold all sums on trust for the Lender
- 17.2 The Borrower shall not without the prior written consent of the Lender charge, factor, discount or assign any Book Debts in favour of any person.

18 INTELLECTUAL PROPERTY

The Borrower shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property, shall procure all necessary registrations and shall not permit any Intellectual Property to be abandoned cancelled or lapse. The Borrower shall at its own cost commence all proceedings necessary to prevent any infringements.

19 INVESTMENTS

- 19.1 The Borrower shall deposit with the Lender all certificates or documents of title in respect of the Investments together with a duly executed instrument of transfer or assignment in blank and forms of waiver of any pre-emption rights and any other documents consents funds necessary to enable such transfer to be registered by the Lender
- 19.2 The Lender shall at any time be entitled to have all or any of the Investments registered in the name of the Lender or such nominee as the Lender may select provided that so long as no Event of Default has occurred the Lender will
- (a) hold all dividends interest and other monies paid on and received by it in respect of such dividends interest and other monies to the Borrower on request
 - (b) Exercise all voting and other rights and powers attached to the Investments as the Lender may from time to time in writing reasonably direct provided that the Lender shall be under no obligation to comply with any such direction where compliance would in the Lender's reasonable opinion be prejudicial to the security hereby created.

20 DEVELOPMENT

The Borrower shall not, without the prior written consent of the Lender make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property or carry out, or permit, or suffer to be carried out on any Property any development as defined in 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 Property.

Schedule 4 Powers of Lender

1 POWER TO REMEDY

The Lender shall be entitled (but shall not be bound) to remedy a breach at any time by the Borrower of any of its obligations contained in this debenture and the Borrower irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose.

2 EXERCISE OF RIGHTS

The rights of the Lender under paragraph 1 of this Schedule 4 are without prejudice to any other rights of the Lender under this debenture and the exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3 POWER TO DISPOSE OF CHATTELS

At any time after the security constituted by this debenture shall have become enforceable, the Lender or any Receiver:

- (a) may dispose of any chattels or produce found on any Property as agent for the Borrower, and
- (b) without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal.

4 PRIOR ENCUMBRANCES

At any time after the security constituted by this debenture shall have become enforceable or after any powers conferred by any Encumbrance having priority to this debenture shall have become exercisable, the Lender may:

- (a) redeem such or any other prior Encumbrance or procure its transfer to itself, and
- (b) settle any account of the holder of any prior Encumbrance.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower and all monies paid by the Lender to an encumbrancer in settlement of such an account shall, be paid or reimbursed by the Borrower to the Lender on demand together with interest on the amount due which shall accrue and be payable from the date on which the relevant demand is made by the Lender until full discharge (whether before or after judgment) at the rate and in the manner applying from time to time under the most recent Facility Agreement or as otherwise agreed in writing between the Lender and the Borrower.

5 CONVERSION OF CURRENCY

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 the Lender under this debenture (including the proceeds of any previous conversion under this paragraph 5) from their existing currencies of denomination into such other currencies of denomination as the Lender may think fit and any such conversion shall be effected at a market rate selected by the Lender. Each previous reference in this paragraph 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.

6 NEW ACCOUNTS

6.1 If the Lender receives notice of any subsequent Encumbrance or other interest affecting all or part of the Charged Property, the Lender may open a new account or accounts for the Borrower in the Lender's books and (without prejudice to the Lender's right to combine accounts) no money paid to the credit of the Borrower in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities.

6.2 If the Lender does not open a new account or accounts immediately on receipt of notice under paragraph 6.1 of this Schedule 4, then, unless the Lender gives express written notice to the contrary to the Borrower, as from the time of receipt of the relevant notice by the Lender 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.

7 LENDER' SET-OFF RIGHTS

If the Lender shall have more than one account for the Borrower in its books the Lender may at any time after:

7.1 the security constituted by this debenture has become enforceable, or

7.2 the Lender has received notice of any subsequent Encumbrance or other interest affecting all or any part of the Charged Property, transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit but the Lender shall notify the Borrower of the transfer once made.

8 INDULGENCE

The Lender may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons are 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 debenture or to the liability of the Borrower for the Secured Liabilities.

Schedule 5 Enforcement

1 ENFORCEMENT EVENTS

This debenture shall be enforceable if:

- 1.1 any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be), or
- 1.2 the Borrower shall be in breach of any of its obligations under this debenture or under any other Finance Document between the Borrower and the Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of notice by the Lender to the Borrower to remedy the breach, or
- 1.3 the Borrower:
 - (a) becomes unable to pay its debts as they fall due (and/or the value of the Borrower's assets is less than the amount of its liabilities, taking into account the Borrower's contingent and prospective liabilities), or
 - (b) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or
 - (c) makes a general assignment for the benefit of, or a composition with, its creditors, or
- 1.4 the Borrower passes any resolution or takes any corporate action or a petition is presented or proceedings are commenced or any action is taken by any person for its winding-up, dissolution, administration or re- organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues and assets, or
- 1.5 a distress, execution, attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Borrower, or
- 1.6 any event occurs in relation to the Borrower that is analogous to those set out in paragraph 1.3, paragraph 1.4 or paragraph 1.5 of this Schedule 5, or
- 1.7 any representation, warranty or statement made or deemed to be made by the Borrower under this debenture is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, or

1.8 any Event of Default occurs;

and in any one or more of such events (whether or not the event is continuing), (without prejudice to any other rights of the Lender), the power of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may in its absolute discretion enforce all or any part of the security created by this debenture as it sees fit.

2 STATUTORY POWER OF SALE

The power of sale conferred upon mortgagees under the Law of Property Act 1925 shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this debenture, but the Lender shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 5.

3 EXTENSION OF STATUTORY POWERS

The statutory powers of sale, leasing and accepting surrenders conferred upon mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Lender under this debenture and are extended so as to authorise the Lender whether in its own name or in that of the Borrower to make any lease or agreement for lease, vary any lease, accept surrenders of lease or grant any option of the whole or any part or parts of the freehold and leasehold property of the Borrower with whatever rights relating to other parts of it and containing whatever covenants on the part of the Borrower and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Lender thinks fit.

4 PROTECTION OF THIRD PARTIES

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

4.1 to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged, or whether the power the Lender or a Receiver is purporting to exercise has become exercisable, or

4.2 to see to the application of any money paid to the Lender or any Receiver.

5 NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither the Lender nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

6 APPOINTMENT OF RECEIVER

6.1 At any time after the security constituted by this debenture has become enforceable, or at the request of the Borrower, the Lender may without further notice:

- (a) appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Property, and
- (b) (subject to section 45 of the Insolvency Act 1986) from time to time by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may in like manner appoint another in his place.

Where more than one person is appointed Receiver, they will have power to act separately (unless the appointment by the Lender specifies to the contrary).

6.2 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this debenture which shall be due and payable immediately upon its being paid by the Lender.

7 POWERS ADDITIONAL

7.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise.

7.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be and remain exercisable by the Lender notwithstanding any prior appointment in respect of all or any part of the Charged Property.

8 AGENT OF THE BORROWER

Any Receiver appointed by the Lender under this debenture shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

9 POWERS OF A RECEIVER

Any Receiver appointed by the Lender under this debenture shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and in particular the powers set out in Schedule 6.

10 ORDER OF APPLICATION OF PROCEEDS

All monies received by the Lender or a Receiver in the exercise of any enforcement powers conferred by this debenture shall be applied:

- 10.1 first in paying all unpaid fees, costs and other liability incurred by or on behalf of the Lender (and any Receiver, attorney or agent appointed by it),
- 10.2 second in paying the remuneration of any Receiver (as agreed between him and the Lender),
- 10.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender shall determine, and
- 10.4 finally, in paying any surplus to the Borrower or any other person entitled to it.

11 SECTION 109(8) LAW OF PROPERTY ACT 1925

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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 as between any of the Secured Liabilities.

12 SUSPENSE ACCOUNT

All monies received by the Lender or a Receiver under this debenture may, at the discretion of the Lender or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender and the Borrower and may be held in such account for so long as the Lender or Receiver thinks fit.

13 POWER OF ATTORNEY

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

- 13.1 the Borrower is required to execute and do under this debenture, and/or
- 13.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Lender or any Receiver.

14 RATIFICATION OF ACTS OF THE ATTORNEY

The Borrower ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13 of this Schedule 5 and all monies expended by any such attorney shall be deemed expenses incurred on the Lender under this Debenture.

15 APPOINTMENT OF AN ADMINISTRATOR

15.1 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 Schedule B 1 of the Insolvency Act 1986 if this debenture becomes enforceable.

15.2 Any appointment under this paragraph 15 shall:

- (a) be in writing signed by a duly authorised signatory of the Lender, and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B 1 are satisfied.

15.3 The Lender may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 and appoint under that paragraph a replacement for any Administrator whose appointment ends for any reason.

Schedule 6 Further Powers of Receiver

1 TO REPAIR AND DEVELOP PROPERTIES

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

2 TO SURRENDER AND VARY LEASES

A Receiver may grant or accept surrenders of any leases or tenancies affecting the Properties or vary the terms of any leases or tenancies affecting the Properties upon such terms and subject to such conditions as he thinks fit.

3 TO EMPLOY PERSONNEL AND ADVISORS

A Receiver may provide services and employ, or engage, such managers contractors and other personnel and professional advisors on such terms as he deems expedient.

4 TO MAKE VAT ELECTIONS

A Receiver may make such elections for value added tax purposes as he thinks fit.

5 TO CHARGE REMUNERATION

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

6 TO REALISE CHARGED PROPERTY

A Receiver may collect and get in the Charged Property in respect of which he is appointed or any part thereof and for that purpose make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights.

7 TO 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.

8 TO DISPOSE OF CHARGED PROPERTY

A Receiver may grant options and licences over all or any part of the Charged Property, vary or rectify any document, grant easements profits and/or any other interests in the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, enter into contracts for any of the aforementioned, perform existing contracts entered into by the Borrower and otherwise deal or dispose of and exercise all rights powers and discretions incidental to ownership of any charged Property all or any of the property of the Borrower in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Borrower) and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a company to purchase the property to be sold and the receiver may apportion any rent and the performance of any obligation.

9 TO MAKE SETTLEMENTS

A Receiver may perform, repudiate, rescind, vary and make any arrangement, settlement or compromise of any contracts between the Borrower and any other person which he may think expedient.

10 TO IMPROVE EQUIPMENT

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

11 TO MAKE CALLS ON BORROWER MEMBERS

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

12 TO APPOINT STAFF AND AGENTS

A Receiver may appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine.

13 TO INSURE

A Receiver may, if he thinks fit, but without prejudice to the indemnity contained in clause 9, effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance.

14 LAW OF PROPERTY ACT 1925

A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

15 TO BORROW

A Receiver may for any of the purposes authorised by this Schedule 6 raise money by borrowing from the Lender or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including if the Lender shall consent to terms under which such security ranks in priority to this debenture) as he shall think fit.

16 TO REDEEM PRIOR ENCUMBRANCES

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates and 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 will be deemed to be an expense properly incurred by him.

17 INCIDENTAL POWERS

A Receiver may do all such other acts and things:

- 17.1 as he may consider desirable or necessary for realising any of the Charged Property, or
- 17.2 as he 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
- 17.3 which he lawfully may or can do as agent for the Borrower.

18 SCOPE OF POWERS

Any exercise of any of these powers may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in paragraph 11 of this Schedule or himself.

Schedule 7 Notice Details

The Borrower:

(03598701)
SKYLAUNCH LIMITED of C/O Arca. First
Floor Offices, Allied House Bryn Lane,
Wrexham, LL13 9UT

The Lender:

SDKA Ltd, 21 Daylesford
Crescent, Cheadle, Cheshire SK8
1LQ

Executed as a deed by
SKYLAUNCH LIMITED
acting by a director
in the presence of:


.....


.....
SIGNATURE OF WITNESS

NAME: Ellen Louise Roberts

ADDRESS: Honey Mowle, Honey Foregate, Shrewsbury SY2 6DH

OCCUPATION: Solicitor.

