



**Registration of a Charge**

Company name: **SECARMA LIMITED**

Company number: **04217114**



X87LF2KX

Received for Electronic Filing: **14/06/2019**

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**Details of Charge**

Date of creation: **12/06/2019**

Charge code: **0421 7 114 0004**

Persons entitled: **LAWRENCE NIGEL JONES AND GAIL SUZANNE JONES (THE "CHARGOR")**

Brief description: **ALL ESTATES IN FREEHOLD AND/OR LEASEHOLD LAND OF WHATEVER KIND (WHETHER LEGAL OR EQUITABLE) NOW OR AT ANY TIME BELONGING TO OR MORTGAGED OR CHARGED TO THE CHARGOR AND ALL PROCEEDS OF SALE DERIVED THEREFROM AND ALL INTELLECTUAL PROPERTY (AS DEFINED IN THE COMPOSITE GUARANTEE AND DEBENTURE)**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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## Authentication of Instrument

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

Certified by: **NICOLA FROST**



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

Company number: 4217114

Charge code: 0421 7114 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th June 2019 and created by SECARMA LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th June 2019 .

Given at Companies House, Cardiff on 17th June 2019

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



**Companies House**



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

## Composite Guarantee and Debenture

Dated *12th June* 2019

- (1) Lawrence Nigel Jones and Gail Suzanne Jones
- (2) Secarma Group Limited
- (3) The companies whose names, registered numbers and registered offices are set out in Schedule 1

## Contents

1	Interpretation	1
2	Covenant to pay	7
3	Charging provisions	8
4	Further assurance	13
5	Covenants	16
6	Enforceability	16
7	Enforcement of security	16
8	Application, variation and extension of statutory provisions	18
9	Applications of proceeds	19
10	Protection of third parties	20
11	Protection of Mr and Mrs Jones and the receiver	20
12	Powers of attorney	21
13	Notices	22
14	Miscellaneous provisions	23
15	Applicable law and jurisdiction	26
	Schedule 1	27
	Schedule 2	28
	Schedule 3	32
	Schedule 4	36
	Schedule 5	39

DATED

12th June

2019

## PARTIES

- (1) **Lawrence Nigel Jones and Gail Suzanne Jones** of Limetree House, Brooks Drive, Hale Barns Cheshire WA15 8TL ("**Mr and Mrs Jones**");
- (2) **Secarma Group Limited** incorporated in England and Wales with company number 07654509 whose registered office is at 3 Archway, Birley Fields, Manchester M15 5QJ ("**Company**"); and
- (3) The companies whose names, registered numbers and registered offices are set out in Schedule 1 (collectively the "**Original Chargors**").

## BACKGROUND

The Company and the Original Chargors have agreed to enter into this Deed for the purpose of securing the obligations of the Company to Mr and Mrs Jones under the Group Loan Note Instrument (as defined below) and the Secarma Loan Note Instrument (as defined below).

## OPERATIVE TERMS

### 1 Interpretation

#### 1.1 Defined terms

Unless stated otherwise, terms defined in the Group Loan Note Instrument have the same meaning when used in this Deed and in this Deed the following words and expressions shall have the following meanings:

<b>Account Banks</b>	the banks with which the Bank Accounts are held from time to time.
<b>Additional Chargor</b>	means a member of the Company's Group which becomes a Chargor by executing a Deed of Accession.
<b>Bank Accounts</b>	any accounts (present and future) which a Chargor has, or has an interest in, with any bank, financial institution, or other person.
<b>Bank Balances</b>	all monies (including interest) from time to time standing to the credit of any and all Bank Accounts and any other bank account in which a Chargor may at any time acquire any right, title, interest or benefit, and all debts represented by any such accounts.
<b>Book Debts</b>	all book and other debts of any nature and all other rights to receive money (excluding Bank Balances) and the benefit of all rights, securities, guarantees and indemnities of any nature enjoyed or held by a Chargor in relation thereto, now or in the future owing or payable to a Chargor.
<b>Business Days</b>	means any day on which banks are open for business in London (excluding Saturdays, Sundays and public holidays).

<b>Charged Debts</b>	all book and other debts and all other rights and claims charged to Mr and Mrs Jones under this Deed.
<b>Charged Property</b>	all assets, property and undertakings from time to time subject to, or expressed to be subject to, the security interests created by this Deed.
<b>Chargor</b>	means the Company, an Original Chargor and any Additional Chargor.
<b>Deed of Accession</b>	means a deed substantially in the form of Schedule 4 of this Deed.
<b>Default Rate</b>	2% above the base rate from time to time of National Westminster Bank PLC;
<b>Delegate</b>	any delegate, sub-delegate, agent, attorney or trustee appointed by Mr and Mrs Jones or a Receiver appointed in accordance with this Deed.
<b>Distribution Rights</b>	all dividends, distributions, interest and other income paid or payable on the relevant Investment or Shares; all shares or other property derived from the relevant Investment or Shares (whether by way of conversion, consolidation, subdivision, substitution, redemption, bonus, preference, option or otherwise); and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Shares.
<b>Enforcement Party</b>	any of Mr and Mrs Jones, a Receiver or a Delegate.
<b>Event of Default</b>	means an event under Condition 4.1 of Schedule 2 of either Loan Note Instrument.
<b>Fixtures</b>	any fixtures (but excluding landlord's fixtures), fittings, fixed plant, machinery or apparatus from time to time situated on or forming part of the Property.
<b>Group</b>	means in relation to any company, that company, its subsidiaries, its holding company (as each term is defined in Section 1159 of the Companies Act 2006) and the subsidiaries of that holding company.
<b>Group Loan Note Instrument</b>	the fixed rate secured Loan Note Instrument issued by the Company dated on or about the date hereof constituting the fixed rate secured Loan Notes 2024;
<b>Guarantee</b>	the guarantee set out in Clause 2.3 of this Deed.
<b>Insolvency Act</b>	the Insolvency Act 1986.

<b>Insurances</b>	all contracts or policies of insurance of whatever nature which from time to time are taken out or maintained by or on behalf of a Chargor or (to the extent of its relevant interest) in which a Chargor has an interest.
<b>Insurance Proceeds</b>	all proceeds of insurance payable to (or to the order of) or received by a Chargor.
<b>Intellectual Property</b>	all rights present and future (and from time to time) in confidential information, copyright and similar or like rights, database rights, design rights, rights in design, knowhow, rights in inventions, patents, service marks, trade-marks and all other intellectual property rights and interests, whether registered (or the subject of an application for registration) or un-registered, owned by a Chargor or in which a Chargor has an interest from time to time, and the benefit of such Chargor's applications and rights to use such assets, throughout the world.
<b>Investment</b>	<p>any negotiable instrument, certificate of deposit, debenture, share or other investment (as specified for the purposes of Section 22 of the Financial Services and Markets Act 2000 as at the date of this Deed) now or in the future owned by a Chargor including (save where the context otherwise requires), the Shares as well as:</p> <ul style="list-style-type: none"> <li>(a) warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments;</li> <li>(b) any dividend or interest paid or payable to such Chargor; and</li> <li>(c) any other rights attaching or relating to securities or investments and all cash or other securities or investments in the future deriving from Investments or such rights.</li> </ul>
<b>Loan Note Instruments</b>	the Group Loan Note Instrument and the Secarma Loan Note Instrument.
<b>Loan Notes</b>	the £9,000,000 fixed rate secured loan notes 2024 of the Company constituted by the Group Loan Note Instrument and the £1,500,000 fixed rate secured loan notes 2024 of Secarma Limited constituted by the Secarma Loan Note Instrument.
<b>LPA</b>	Law of Property Act 1925.
<b>Party</b>	a party to this Deed.
<b>Permitted Security</b>	means in relation to any Chargor, any Security existing at the date hereof which is disclosed in writing by the Chargor to Mr and Mrs Jones and specifically approved by Mr and Mrs Jones for the



purposes of this Deed.

<b>Property</b>	any freehold property and any other Real Property from time to time owned by a Chargor or in which a Chargor has an interest together with (in every case) all proceeds of sale deriving from any such Real Property, the benefit of all covenants given in respect of such Real Property and any monies paid or payable in respect of such covenants.
<b>Real Property</b>	any and all freehold and leasehold (whether registered or unregistered) and all commonhold and immovable property now or in the future (and from time to time) and any buildings or fixtures, fittings, fixed plant or machinery now or in the future (or from time to time) situated on or forming part of any such property.
<b>Receiver</b>	any receiver and manager or other receiver or (if Mr and Mrs Jones so specify in the relevant appointment) receivers appointed by Mr and Mrs Jones pursuant to Clause 7.4.1 of this Deed in respect of a Chargor or in respect of the Charged Property or any of them.
<b>Secarma Loan Note Instrument</b>	the fixed rate secured Loan Note Instrument issued by Secarma Limited dated on or about the date hereof constituting the fixed rate secured Loan Notes 2024.
<b>Secured Liabilities</b>	<p>all moneys, obligations and liabilities of any kind which are now or may from time to time in the future become due, owing, incurred or payable by a Chargor to Mr and Mrs Jones, whatever their nature or basis and whether owned jointly or separately, actually or contingently, as principal or as surety, or in any other capacity whatsoever and in any currency or currencies and whether originally owing to Mr and Mrs Jones or purchased or otherwise acquired by Mr and Mrs Jones including, without limitation:</p> <ul style="list-style-type: none"><li>(a) all and any sums due by the Company under the Loan Note Note Instruments from time to time;</li><li>(b) all payments due by the Chargors to Mr and Mrs Jones under this Deed; and</li><li>(c) all legal and other costs, charges and expenses on a full indemnity basis which are incurred by Mr and Mrs Jones in connection with the Secured Liabilities.</li></ul>
<b>Security</b>	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation to any person or other agreement or arrangement having a similar effect;

**Security Period** the period beginning on the date of this Deed and ending on the date on which Mr and Mrs Jones confirm to the Chargors that all of the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

**Shares** the 91 ordinary A shares in the capital of the Original Chargor (being the entire issued share capital of the Original Chargor) purchased on or around the date of this Deed by the Company and all other stocks, shares, debentures, bonds, warrants, coupons or other securities now or in the future owned by a Chargor from time to time or any in which it has an interest.

**Third Parties Act** the Contracts (Rights of Third Parties) Act 1999.

**VAT** value added tax as provided for in the Value Added Taxes Act 1994 and any other tax of a similar fiscal nature.

## 1.2 Construction

### 1.2.1 In this Deed any reference to:

- (a) **assets** includes present and future property, revenue, rights and interests of every kind;
- (b) **authorisation** includes any authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
- (c) **Chargor and Mr and Mrs Jones** includes their respective successors in title, and their permitted assignees or permitted transferees;
- (d) **full title guarantee** shall be construed in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (e) **guarantee** includes any guarantee or indemnity and any other financial support (including any participation or other assurance against loss and any deposit or payment) in respect of any person's indebtedness;
- (f) **regulation** includes all guidelines, official directives, regulations, requests and rules (in each case, whether or not having the force of law) of any governmental, inter-governmental or supranational agency, body or department or of any regulatory or other authority or organisation (whether statutory or non-statutory, governmental or non-governmental);

- (g) **subsidiary** is to an undertaking within the meaning of section 1162 of the Companies Act 2006;
  - (h) **security** includes any assignment by way of security, charge, lien, mortgage, pledge or other security interest securing any obligation of any person and any other agreement or arrangement having a similar effect;
  - (i) **set-off** includes analogous rights and obligations in other jurisdictions; and
  - (j) **tax** includes any tax, duty, impost or levy and any other charge or withholding of a similar nature (including any interest or penalty for late payment or non-payment),
- 1.2.2 Use in this Deed of the words **including** or **in particular** or **otherwise** is intended to state an example (or examples) and not to be exhaustive (and the same applies when other similar words or phrases are used).
- 1.2.3 Unless this Deed expressly states otherwise or the context requires otherwise, (a) each reference in this Deed to any provision of any statute or of any subordinate legislation means, at any time, the relevant provision as in force at that time (even if it has been amended or re-enacted since the date of this Deed) and (b) each reference in this Deed to any provision of any statute at any time includes any subordinate legislation made pursuant to or in respect of such provisions as in force at such time (whether made before or after the date of this Deed and whether amended or re-enacted since the date of this Deed).
- 1.2.4 Each reference to this Deed (or to any other agreement or deed) means, at any time, this Deed (or as applicable such other agreement or deed) as amended, novated or supplemented, at that time, provided that the relevant amendment, novation or supplement does not breach any term of this Deed.
- 1.2.5 Each reference in this Deed to the singular includes the plural and vice versa, as the context permits or requires.
- 1.2.6 The index and each heading in this Deed is for convenience only and does not affect the meaning of the words which follow it.
- 1.2.7 Each reference in this Deed to a clause or Schedule is (unless expressly provided to the contrary) to be construed as a reference to the relevant clause or Schedule to this Deed.
- 1.2.8 Wherever this Deed states that the Chargor must not take a particular step without the consent of Mr and Mrs Jones, Mr and Mrs Jones have discretion whether to give their consent and can impose conditions on any such consent they give.
- 1.2.9 An Event of Default is **continuing** if it has not been remedied or waived by Mr and Mrs Jones.
- 1.2.10 The fact that no or incomplete details of any particular Charged Property are included or inserted in any relevant Schedule shall not affect the validity or enforceability of the

charges created by this Deed.

### 1.3 Insolvency Act 1986

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by Enterprise Act 2002, section 248 and Schedule 16) applies to the floating charge created by this Deed and the floating charge created by this Deed is a "qualifying floating charge" for the purposes of the said paragraph 14.

### 1.4 Third Party Rights

1.4.1 A person who is not at the relevant time a Chargor or Mr and Mrs Jones has no right under the Third Parties Act to enforce or enjoy the benefit of any term of this Deed except to the extent that this Deed expressly provides for it to do so.

1.4.2 No consent of any person who is not a Party is required to rescind or vary this Deed at any time.

1.4.3 This Clause 1.4 does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to the Third Parties Act.

### 1.5 Law of Property (Miscellaneous Provisions) Act 1989

The terms of any document under which the Secured Liabilities arise and of any side letters between the Chargors and Mr and Mrs Jones relating to the Secured Liabilities are incorporated in this Deed to the extent required to ensure that any purported disposition of the Charged Property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

### 1.6 Land Registration Rules 1925

For the purposes of Rule 139, Land Registration Rules 1925 (as amended) only, the Loan Note Instruments do not form part of the terms and conditions of this Deed.

### 1.7 Perpetuity Period

The perpetuity period applicable to the trusts created by this Deed is 125 years.

## 2 **Covenant to pay**

### 2.1 Covenant

Each Chargor hereby, as primary obligor and not merely as surety, covenants with Mr and Mrs Jones that it will, on demand, pay, discharge and perform the Secured Liabilities.

### 2.2 Default Interest

Any amount which is not paid under this Deed on the due date shall bear interest (as well after as before judgment) payable on demand at the Default Rate from time to time from the due date until the date of actual unconditional and irrevocable payment and discharge of such amount in full, save to the extent that interest at such rate on such amount and for such period

is charged pursuant to any other document relevant to that liability and itself constitutes part of the Secured Liabilities.

## **2.3 Guarantee**

### **2.3.1 Each Chargor hereby irrevocably and unconditionally:**

- (a) guarantees to Mr and Mrs Jones the punctual performance by each other Chargor of the Secured Liabilities and agrees that it will immediately discharge such Secured Liabilities on demand;
- (b) undertakes to Mr and Mrs Jones that whenever a Chargor does not pay any amount when due under or in connection with the Secured Liabilities, that it will immediately, on demand, pay that amount to Mr and Mrs Jones as if they were the principal obligor in respect of that amount; and
- (c) agrees to indemnify Mr and Mrs Jones, on demand, against any costs, losses or liabilities suffered or incurred by Mr and Mrs Jones if (i) a Chargor fails to pay any amount when due to Mr and Mrs Jones or if (ii) the guarantee given under Clause 2.3.1(a), or any obligation guaranteed by it under this Deed, is or becomes unenforceable, invalid or illegal. In the case of (ii) the amount of the cost, loss or liability shall be equal to the amount which Mr and Mrs Jones would otherwise have been entitled to recover.

## **2.4 Continuing Obligations**

The obligations of each Chargor under Clause 2.3 are a continuing security and will extend to the ultimate balance of all the Secured Liabilities payable to Mr and Mrs Jones, regardless of any intermediate payment or discharge in whole or part. The obligations of each Chargor under Clause 2.3 are subject to and benefit from the terms and conditions in Schedule 5.

## **3 Charging provisions**

### **3.1 General**

- 3.1.1 All the security granted or created by this Deed is created in favour of Mr and Mrs Jones as continuing security for the payment and discharge of the Secured Liabilities, with full title guarantee and shall remain in full force and effect notwithstanding any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by a Chargor or any other person of the whole or any part of the Secured Liabilities.
- 3.1.2 Each of the mortgages, fixed charges or assignments created by Clauses 3.2, 3.3 and 3.4 below are to be construed as separate and individual charges as if each right and asset referred to were separately charged by fixed charge in its own independent clause such that if any individual right or asset is, as a matter of law, charged by only a floating charge this will not prejudice the fixed charge security over any other rights or assets mentioned in the same clause, sub-clause or paragraph.

### **3.2 Mortgage**

3.2.1 Each Chargor separately charges by way of legal mortgage:

- (a) all freehold or leasehold property now vested in the Chargor;
- (b) all buildings and fixtures (including trade fixtures, tenant's fixtures and fixed plant and machinery) on such land; and
- (c) all presently held vendor's liens, mortgages, charges, options, agreements and rights, titles and other legal interests in or over land of whatever description.

3.3 Fixed Charge

3.3.1 Each Chargor separately charges by way of fixed charge each of the following including all rights of enforcement of the same:

- (a) all estates or interests in freehold and/or leasehold land of whatever kind (whether legal or equitable) not effectively mortgaged under Clause 3.2 now or at any time during the continuance of the security created in this Deed belonging to or mortgaged or charged to the Chargor and all proceeds of sale derived therefrom;
- (b) the benefit of all licences and agreements relating to any land to which the Chargor may be party or to which the Chargor may be entitled (to the extent that such licenses or agreements are capable of being effectively charged);
- (c) all buildings and fixtures, all plant and machinery, all vehicles, computers and chattels, now or in the future owned by it and its interest in any vehicles and/or computers or other chattels in its possession (but not including any such chattels for the time being forming part of the Chargor's stock in trade or work in progress) and the benefit of all contracts, licences and warranties relating to the same;
- (d) (to the extent the same do not fall within Clause 3.4 or are not effectively assigned under Clause 3.4.1(a)) all of its rights and benefits under each of the Secured Contractual Rights (as defined in Clause 3.4.1(a));
- (e) (to the extent that the Insurances and/or the Insurance Proceeds are incapable for any reason of being effectively assigned pursuant to Clause 3.4.1(b)), the Insurances applicable to the Chargor and all Insurance Proceeds either now or in the future held by, written in favour of, or payable to the Chargor or in which the Chargor is otherwise interested;
- (f) all Bank Accounts of the Chargor and all Bank Balances of the Chargor;
- (g) all Investments of the Chargor together with all Distribution Rights from time to time accruing to or on such Investments and the proceeds from such Investments;
- (h) all present and future Book Debts, other debts revenues and monetary claims of the Chargor and all rights and claims of whatever nature of the Chargor now

or which may at any time be held or enjoyed by it against third parties and against any securities and guarantees in respect of such debts, revenues or claims;

- (i) (to the extent that the Intellectual Property is incapable for any reason of being effectively assigned pursuant to Clause 3.4.1(b)), all Intellectual Property;
- (j) the benefit of all licences, consents and authorisations (statutory or otherwise) held or utilised by the Chargor in connection with its business or the use of any of the Charged Property (to the extent that such authorisations are capable of being effectively charged) and the right to recover and receive all compensation which may at any time become payable to it in respect of such authorisations to the extent permitted by the terms of such authorisations and save in so far as any such authorisations are effectively subject to any valid assignment to Mr and Mrs Jones pursuant to this Deed;
- (k) all the goodwill and rights in relation to the uncalled capital of the Chargor;
- (l) all present and future rights to rebate, repayment or reclaim of taxes or custom duties paid by the Chargor or any other person where the right is asserted or the claim made, the entitlement to a rebate arises or the rebate becomes payable either outside the ordinary course of trading or after the Chargor has ceased to trade or after demand has been made by Mr and Mrs Jones for repayment of any part of the Secured Liabilities; and
- (m) all claims to which the Chargor is entitled or may be or become entitled to damages or compensation relating to the Charged Property or the return to the Chargor of its assets or property (including if recovered by a liquidator or administrator of the Chargor under statutory or other powers).

### 3.4 Assignment by way of security

3.4.1 Each Chargor assigns absolutely, subject to a proviso for re-assignment on redemption (to the fullest extent capable of assignment) to Mr and Mrs Jones all its rights, title, interest and benefit existing now or in the future, in, to, under or in respect of the following assets:

- (a) all agreements, instruments or notices to which the Chargor becomes a party or in respect of which it has or may have any right, interest, title or benefit, either existing now or at any time in the future (the **Secured Contractual Rights**), including, without limitation:
  - (i) the benefit of all representations, warranties, covenants, undertakings and indemnities under or in respect of such Secured Contractual Rights;
  - (ii) all of its rights to receive payment of any amounts which may become payable to it pursuant or with respect to such Secured Contractual Rights;

- (iii) all payments received by it pursuant to, or with respect to, such Secured Contractual Rights;
  - (iv) all its rights to serve notices and/or make demands pursuant to such Secured Contractual Rights and/or to take such steps as are required to cause payments to become due and payable thereunder or with respect to such Secured Contractual Rights;
  - (v) all of its rights of action in respect of any breach of such Secured Contractual Rights; and
  - (vi) all of its rights to receive damages, compensation or obtain other relief, including in respect of any breach of or default in respect of such Secured Contractual Rights.
- (b) the Insurances and the benefit of all Insurance Proceeds any and all Intellectual Property together with all damages, compensation, remuneration, profit, royalties, fees, rent or income which any Chargor may derive from or be awarded or entitled to in respect of such Intellectual Property.

### 3.5 Notice of assignment or charge

3.5.1 Each Chargor shall forthwith upon receiving a request to that effect from Mr and Mrs Jones give notice of each such assignment of its right, title and interest (if any) in and to:

- (a) the Insurances and Insurance Proceeds, by sending a notice (in a form to be agreed with Mr and Mrs Jones) duly completed to each of the other parties to the Insurances; and
- (b) any agreement in respect of Secured Contractual Rights by sending a notice (in a form to be agreed with Mr and Mrs Jones) duly completed to each of the other parties to the such agreement.

3.5.2 The relevant Chargor shall use reasonable endeavours to procure that such other party delivers an acknowledgement to Mr and Mrs Jones of the notices submitted in accordance with clause 3.5.1.

3.5.3 Each Chargor shall forthwith upon receiving a request to that effect from Mr and Mrs Jones give notice of the charge of its right, title and interest (if any) in and to the relevant Bank Accounts and the relevant Bank Balances to each Account Bank by sending a notice (in form to be agreed with Mr and Mrs Jones).

### 3.6 Exercise of rights under Secured Contractual Rights and in respect of Intellectual Property

3.6.1 Whilst no Event of Default exists and is continuing Mr and Mrs Jones shall permit each Chargor to exercise its rights in relation to any of the Secured Contractual Rights, provided that the exercise of those rights in the manner proposed would not result in an Event of Default.



- 3.6.2 Where an Event of Default exists and is continuing a Chargor shall exercise its rights in relation to any of the Secured Contractual Rights in accordance with the instructions of Mr and Mrs Jones.
- 3.6.3 Mr and Mrs Jones shall grant to each Chargor a licence to use such Intellectual Property in the ordinary course of its business and for so long as no Event of Default exists and is continuing upon such terms as may be specified by Mr and Mrs Jones.

### 3.7 Floating charge

#### 3.7.1 Grant of Floating Charge

Each Chargor hereby charges in favour of Mr and Mrs Jones, by way of a first floating charge, all its undertaking and all its other property, assets and rights whatsoever and wheresoever both present and future (including all heritage property in Scotland) not effectively charged by way of legal mortgage or fixed charge pursuant to the provisions of Clause 3.2 or 3.3 or effectively assigned by way of security pursuant to Clause 3.4.

#### 3.7.2 Conversion by Notice

- (a) If any of the following events occurs, Mr and Mrs Jones may at any time by notice in writing to a Chargor convert the floating charge created pursuant to Clause 3.7.1 into a fixed charge as regards such assets as it shall specify in the notice:
- (i) an Event of Default has occurred;
  - (ii) the Chargor has failed to comply with, or takes or threatens to take any action which in the reasonable opinion of Mr and Mrs Jones is likely to result in a failure to comply with its obligations under Clause 5; or
  - (iii) Mr and Mrs Jones believe that such assets are in danger of being seized or sold under any form of distress or any legal process or execution is being enforced against such assets or such assets are otherwise in jeopardy or imperilled; or
  - (iv) if any circumstances shall occur which Mr and Mrs Jones determine, imperils or threatens the security created by this Deed or is likely to do any of the foregoing.

#### 3.7.3 Automatic conversion of floating charge

- (a) In addition to any circumstances in which the floating charge created by Clause 3.7.1 of this Deed will crystallise automatically under the general law, and without prejudice to the operation of Clause 3.7.2
- (i) if a Chargor takes any step to create any security on or over any Charged Property (which is the subject of the floating charge created by Clause 3.7.1 and which is not Permitted Security) without the prior written consent of Mr and Mrs Jones such floating charge created by

this Deed will automatically, without any notice being given under Clause 3.7.2 and immediately upon such event occurring, be converted into a fixed charge over the relevant Charged Property; and

- (ii) if a Chargor convenes any meeting of its members to consider a resolution to wind up or not to wind up the Chargor, or if any steps are taken to appoint a liquidator, Receiver or administrator or another similar officer in respect of a Chargor or any of its assets, such floating charge shall in like manner immediately upon the happening of such event be converted into a fixed charge over all the assets which immediately prior to such conversion comprised the Charged Property which is the subject of the floating charge created by Clause 3.7.1.

#### 3.7.4 Assets acquired after crystallisation

Any asset acquired by a Chargor after any crystallisation of the floating charge created under this Deed which, but for such crystallisation, would be subject to a floating charge shall (unless Mr and Mrs Jones confirm in writing to the contrary) be charged to Mr and Mrs Jones by way of first fixed charge.

### 4 Further assurance

#### 4.1 General

- 4.1.1 Each Chargor must at its own expense promptly do all such acts and things and execute such documents (including deeds, assignments, transfers, mortgages, charges, notices, instructions, assurances, agreements and instruments) as Mr and Mrs Jones may reasonably require in favour of Mr and Mrs Jones or their nominee(s):
  - (a) to perfect and protect (including against any change in or revised interpretation of any law or regulation) the security created (or intended to be created) under or evidenced by this Deed or for the exercise of any rights, powers and remedies of Mr and Mrs Jones provided by this or any other deed or document or by law; or
  - (b) to confer on Mr and Mrs Jones security over any property or assets of the Chargor located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this Deed; or
  - (c) (in its absolute discretion) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed; or
  - (d) where Mr and Mrs Jones's rights of enforcement have arisen pursuant to Clause 6 otherwise for enforcing the same or exercising any of Mr and Mrs Jones's rights, powers, authorities or discretions under this Deed;

and each Chargor shall take all such action as is available to it (including the making of all filings and registrations and the payment of all fees and taxes) as may be necessary for the creation, perfection protection, maintenance or enhancement of any security

conferred or intended to be conferred on Mr and Mrs Jones pursuant to this Deed.

#### 4.1.2 Form of Security

Any security document required to be executed by any Chargor pursuant to Clause 4.1(a) will be prepared at the cost of the Company, and will be in such form and will contain such provisions as Mr and Mrs Jones may reasonably require.

#### 4.1.3 Land Registry – application for restriction

- (a) In relation to all existing and future registered Property (and any other unregistered Property subject to compulsory first registration at the date of this Deed) the relevant Chargor is to notify the Land Registry of the first legal mortgage created by this Deed and to apply to enter on the register against the title number of or to be allocated to the relevant Property) of the following restriction:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated \_\_\_\_\_ in favour of Mr and Mrs Lawrence Jones referred to in the charges register or, if appropriate, signed on such proprietor's behalf."*

- (b) The relevant Chargor must submit the relevant applications no later than the date of submission of the application for registration of security created by this Deed and pay the Expenses incurred in connection with the applications.
- (c) Mr and Mrs Jones, in their absolute discretion, may make any of the applications referred to in Clause 4.1.3(a) in place of a Chargor. In such a case, the relevant Chargor consents to the entry of the relevant restriction and will pay the Expenses incurred in connection with the application.

#### 4.1.4 Exempt information document

- (a) Each Chargor must at its own expense do whatever Mr and Mrs Jones may reasonably require in connection with:
  - (i) any application by Mr and Mrs Jones to have this Deed designated an exempt information document under Land Registration Rules 2003 rule 136; and
  - (ii) any person's application under Land Registration Rules 2003 rule 137 for disclosure of this Deed following its designation as an exempt information document.
- (b) Each Chargor must notify Mr and Mrs Jones in writing:
  - (i) before making any application to have this Deed designated an exempt information document under Land Registration Rules 2003 rule 136;

- (ii) as soon as it receives notice of any person's application under Land Registration Rules 2003 rule 137 for disclosure of this Deed following its designation as an exempt information document; and
- (iii) before making any application under Land Registration Rules 2003 rule 138 for removal of any such designation.

#### 4.1.5 Delivery of deed to Land Registry

Each Chargor submitting this Deed or any counterpart to The Land Registry must on each occasion also submit a certified copy of this Deed and request the return of the original and upon the return of the original it must deliver such original to Mr and Mrs Jones.

#### 4.1.6 Registration of security over Intellectual Property

- (a) Each Chargor must, at the request of Mr and Mrs Jones and at its own cost, prepare, execute and lodge for registration, recording and/or filing (as the case may require) all documents and forms necessary for:
  - (i) this Deed and any other deed executed pursuant to this Deed relating to its Intellectual Property (or requisite particulars);
  - (ii) Mr and Mrs Jones's interest in the Chargor's Intellectual Property, present and future;
  - (iii) any licences or other interests affecting the Chargor's Intellectual Property; and
  - (iv) any pending or future patents, registered designs, registered trade marks, registered service marks or applications to register any of the same in the name of the Chargor,

to be registered, recorded or filed (as the case may be) on the relevant register maintained by any relevant patent office or registry whether in the United Kingdom or elsewhere and shall do all acts and things necessary, including payment of fees, to give effect to such registration, recording or filing or to such future grant of patent.

- (b) Each Chargor must perform its obligations under Clause 4.1.6(a) promptly and efficiently so as to ensure that the particulars of this Deed and of Mr and Mrs Jones' interest are recorded as soon as practicable after the date of this Deed but in any event within 6 months of the date of this Deed and in relation to other deeds or any future filings or registrations of other Intellectual Property within 6 months of the date of such other deed, or of the date of such filing, or of the Chargor's obtaining any relevant rights.
- (c) Each Chargor hereby appoints Mr and Mrs Jones to act as its agent, at the Chargor's expense, to prepare all such documents and do all things necessary, in the event that the Chargor fails to comply with its obligations under Clause 4.1.6(a).

## **5 Covenants**

### **5.1 Negative Pledge**

- 5.1.1 No Chargor shall create or permit to subsist any Security over any of the Charged Property, other than as approved in writing by Mr and Mrs Jones.

### **5.2 Restrictions on dealing with Charged Property**

- 5.2.1 No Chargor will (or agree to) without the prior written consent of Mr and Mrs Jones, (whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time) sell, assign, transfer, lease or otherwise dispose of any of the Charged Property (or any of its rights therein) which is charged by way of legal mortgage or fixed charge pursuant to the provisions of Clause 3.2 or 3.3 or assigned by way of security pursuant to Clause 3.4.
- 5.2.2 No Chargor shall exercise any of the powers of leasing or of accepting surrenders of leases conferred by sections 99 and 100 of the LPA or by common law or vary any lease or tenancy agreement or reduce any sum payable under the same.

### **5.3 Other Covenants**

Each Chargor covenants with Mr and Mrs Jones in the terms set out in Schedule 3, all such covenants to commence on the date of this Deed and to continue throughout the Security Period.

## **6 Enforceability**

Subject to the provisions of Clause 7, for the purposes of all powers implied by the LPA or any other applicable statute the Secured Liabilities shall be deemed to have become due and payable and this Deed will become immediately enforceable and the powers of Mr and Mrs Jones and any Receiver exercisable on the date of this Deed, but, as between Mr and Mrs Jones and a Chargor, this Deed shall be enforceable only following the occurrence of an Event of Default which is continuing.

## **7 Enforcement of security**

### **7.1 Enforcement**

- 7.1.1 At any time after this Deed has become enforceable pursuant to Clause 6, Mr and Mrs Jones shall have power, at their sole discretion to do each and all of the following things:
- (a) enforce the security constituted pursuant to this Deed in accordance with the terms of this Deed and realise and/or otherwise liquidate the Charged Property and/or take possession of all or any part of the Charged Property;
  - (b) take such other action under or in connection with this Deed or the Charged Property in accordance with the terms of this Deed.

### **7.2 Mr and Mrs Jones Powers**

- 7.2.1 Mr and Mrs Jones may, at any time after this Deed has become enforceable pursuant to Clause 6, exercise, the fullest extent permitted by law, all or any of the powers, authorities and discretions conferred on a Receiver by this Deed, whether as attorney of a Chargor or otherwise and whether or not a Receiver has been appointed.
- 7.2.2 The powers of the Receiver set out in this Deed are in addition to, and without prejudice to, all statutory and other powers of Mr and Mrs Jones as provided in Clause 8 or otherwise and so that, inter alia, such powers are and remain exercisable by Mr and Mrs Jones in respect of that part of the Charged Property in respect of which no appointment of a Receiver by Mr and Mrs Jones is from time to time subsisting.

### 7.3 Appointment of Administrator

At the time that, or at any time after, the security constituted by this Deed becomes enforceable, whether or not Mr and Mrs Jones has entered into or taken possession of the whole or any part of the Charged Property pursuant to this Deed, Mr and Mrs Jones may, insofar as permitted by law, at their option and in addition to any right to appoint a Receiver, by writing under the hand of any authorised officer of Mr and Mrs Jones, appoint, petition the relevant court to appoint or apply to the court for the appointment of any person to be an administrator of the Chargor under the Insolvency Act and such person shall, from the effective date of such appointment, be an Administrator.

### 7.4 Appointment of Receiver

- 7.4.1 At any time after this Deed has become enforceable pursuant to Clause 6, Mr and Mrs Jones may, in their absolute discretion, appoint, by writing or by deed, such person or persons (including an officer or officers of Mr and Mrs Jones) as Mr and Mrs Jones consider appropriate to be Receiver of each Chargor or of the Charged Property or any part thereof and, in the case of an appointment of more than one person, to act together or independently of the other or others.
- 7.4.2 Mr and Mrs Jones may remove a Receiver and appoint another Receiver and Mr and Mrs Jones may also appoint an alternative or additional Receiver.
- 7.4.3 Any Receiver will, so far as the law permits, be the agent of each Chargor and the Chargors alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver. Mr and Mrs Jones will not be responsible for any misconduct, negligence or default of the Receiver.
- 7.4.4 The powers of the Receiver will continue in full force and effect following the liquidation of any of the Chargors.
- 7.4.5 The Receiver is not obliged to exercise any or all of the powers set out in this Deed.
- 7.4.6 The remuneration of the Receiver may be fixed by Mr and Mrs Jones but will be payable by each Chargor. The amount of the remuneration will form part of the Secured Liabilities.

7.4.7 Subject to Clause 7.4.8, the Receiver shall have the power (in the name or on behalf of each Chargor or in his own name and, in each case, at the cost of the relevant Chargor):

- (a) to do or omit to do anything which a Chargor could do or abstain from doing in relation to the Charged Property;
- (b) to exercise all or any of the powers conferred on an administrative receiver, receiver, manager or receiver and manager by statute or common law (including, without limitation, Schedule 1 of the Insolvency Act 1986, regardless of whether the Receiver is an administrative receiver or could be so appointed) or upon receivers by the LPA or any other statutory provision (even if he is not appointed under the LPA or such other statutory provision); and
- (c) to exercise all or any of the powers set out in Schedule 2.

7.4.8 Mr and Mrs Jones may, in writing, either in their appointment of a Receiver or by subsequent notice to that Receiver, restrict the right of such Receiver to exercise all or any of the powers conferred on Receivers by this Deed.

## **8 Application, variation and extension of statutory provisions**

### **8.1 Application of statutory covenants**

The covenants set out in sections 2 to 5 of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to bind a Chargor only if, in any case, the relevant covenant imposes upon a Chargor a burden, liability or obligation that would not otherwise arise under this Deed.

### **8.2 Conditions applicable to power of sale**

8.2.1 For the purposes only of section 101 of the LPA, (but otherwise subject to the provisions of Clause 7), the conditions set out in that section as to when such powers arise do not apply and the Secured Liabilities become due and the statutory power of sale and other powers of enforcement arise immediately following the execution of this Deed provided that Mr and Mrs Jones shall not exercise such power of sale until the security constituted by this Deed becomes enforceable pursuant to Clause 6; and

8.2.2 Mr and Mrs Jones and any Receiver may exercise the statutory power of sale conferred by the LPA free from the restrictions imposed by section 103 of the LPA, which shall not apply to this Deed.

### **8.3 Extension of powers of sale**

8.3.1 The power of sale and the other powers conferred by the LPA or otherwise are extended and varied to authorise Mr and Mrs Jones in their absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do or exercise under this Deed.

8.3.2 Mr and Mrs Jones and any Receiver shall also have and enjoy all the other powers, privileges, rights and protections conferred by the LPA and the Insolvency Act on

mortgagees, receivers or administrative receivers (each as amended and extended by this Deed and whether or not a receiver or administrative receiver has been appointed) but so that if there is any ambiguity or conflict between the powers contained in such statutes and those contained in this Deed, those contained in this Deed shall prevail.

#### 8.4 Consolidation of mortgages

Any restriction on the power of sale or the right of a mortgagee to consolidate mortgages conferred by law (including under Section 93 of the LPA) does not apply to this Deed nor to any security given to Mr and Mrs Jones pursuant to this Deed.

#### 8.5 Powers of leasing - Chargor

The statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by a Chargor in relation to the Charged Property or any part thereof.

#### 8.6 Powers of leasing - Mr and Mrs Jones

The restrictions on the powers of Mr and Mrs Jones or the Receiver to grant leases or to accept the surrender of leases in sections 99 and 100 of the LPA do not apply to this Deed.

#### 8.7 LPA provisions relating to appointment of Receiver

Section 109(1) of the LPA shall not apply to this Deed.

#### 8.8 Application of proceeds

Sections 105, 107(2), 109(6) and 109(8) of the LPA will not apply to Mr and Mrs Jones nor to a Receiver appointed under this Deed.

### 9 Applications of proceeds

#### 9.1 Recoveries by Receiver

9.1.1 The proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Liabilities, be applied by or at the direction of the Receiver in or towards discharging or satisfying, in the following order of priority:

- (a) the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration; and
- (b) any costs, charges, expenses and liabilities of or incurred by any Enforcement Party in the exercise of any of its or their powers including all rents, taxes, rates and outgoings whatever affecting the Charged Property, all premiums on Insurances properly payable under this Deed or any applicable statute, the cost of executing necessary or proper repairs to the Charged Property carried out by an Enforcement Party, and the payment of annual sums or other payments, and the interest on all principal sums, having priority to the Secured Liabilities;
- (c) the Secured Liabilities, in such order as Mr and Mrs Jones may determine; and



- (d) any surplus shall be paid to the Chargors or any other Person who may be entitled to it.

## **9.2 Right of appropriation**

Mr and Mrs Jones are entitled to appropriate money and/or assets to Secured Liabilities in such manner or order as it thinks fit and any such appropriation shall override any appropriation by a Chargor.

## **9.3 Insurances and Compensation**

All monies received by virtue of any Insurances and all Compensation received shall be paid to a Bank Account.

## **10 Protection of third parties**

### **10.1 No duty to enquire**

A buyer from, tenant or other person dealing with any Enforcement Party will not be concerned to enquire whether any of the powers which it has exercised or purported to exercise has arisen or become exercisable and may assume that it is acting in accordance with this Deed.

### **10.2 Receipt conclusive**

The receipt of Mr and Mrs Jones or any Receiver shall be an absolute and a conclusive discharge to a purchaser of the Charged Property and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of Mr and Mrs Jones or any Receiver.

## **11 Protection of Mr and Mrs Jones and the receiver**

### **11.1 Mr and Mrs Jones's receipts**

Neither Mr and Mrs Jones nor the Receiver shall be obliged to account to any Chargor, nor to any other person, for anything other than their own actual receipts which have not been distributed or paid to the person entitled (or who Mr and Mrs Jones, acting reasonably, believe to be entitled) in accordance with the requirements of this Deed.

### **11.2 Exclusion of liability**

11.2.1 No Enforcement Party will be liable to any Chargor for any expense, loss liability or damage incurred by a Chargor arising out of the exercise of its rights or powers or any attempt or failure to exercise those rights or powers, except for any expense, loss, liability or damage arising from its gross negligence, fraud or wilful misconduct.

11.2.2 A Chargor may not take any proceedings against any officer, employee or agent of any Enforcement Party in respect of any claim it might have against such Enforcement Party or in respect of any act or omission of any kind by that officer, employee or agent in relation to this Deed.

11.2.3 Any officer, employee or agent of any Enforcement Party may rely on this Clause 11 under the Third Parties Act.

### 11.3 Effect of possession

If Mr and Mrs Jones or any Receiver enter into possession of the Charged Property or any of them, this will not oblige either Mr and Mrs Jones or the Receiver to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable, and if Mr and Mrs Jones enter into possession at any time of the Charged Property or any of them it or they may at any time at their discretion go out of such possession.

### 11.4 Chargor's indemnity

11.4.1 Each Chargor agrees with Mr and Mrs Jones to indemnify Mr and Mrs Jones and any Receiver or Delegate on demand against any costs, loss or liability incurred by any of them in respect of:

- (a) any exercise of the powers of Mr and Mrs Jones or the Receiver or any attempt or failure to exercise those powers; and
- (b) anything done or omitted to be done in the exercise or purported exercise of the powers under this Deed or under any appointment duly made under the provisions of this Deed,

except (in each case) for any cost, loss or liability arising from an Enforcement Party's gross negligence or wilful misconduct.

## 12 Powers of attorney

### 12.1 Grant of power

12.1.1 Each Chargor irrevocably and by way of security appoints Mr and Mrs Jones and each Receiver and any person nominated for the purpose by Mr and Mrs Jones or the Receiver (in writing, under hand, signed by an officer of Mr and Mrs Jones or by the Receiver) severally to be the attorney of that Chargor (with full power of substitution and delegation) for the purposes set out in Clause 12.2 below.

12.1.2 Any delegation may be made upon such terms and conditions (including the power to sub-delegate) as Mr and Mrs Jones and the Receiver consider fit and neither Mr and Mrs Jones nor any Receiver will be in any way liable for any act, default, omission or misconduct on the part of any Delegate, provided delegation and the continuation of the delegation is undertaken in good faith.

### 12.2 Extent of power

12.2.1 The power of attorney granted in Clause 12.1 above allows Mr and Mrs Jones, the Receiver or such nominee, in the name of each Chargor, on its behalf and as its act and deed to:

- (a) perfect the security given by that Chargor under this Deed; and
- (b) execute, seal and deliver (using that Chargor's seal where appropriate) any

document or do any act or thing which that Chargor may, ought or has agreed to execute or do under this Deed or which Mr and Mrs Jones, the Receiver or such nominee may in their absolute discretion consider appropriate in connection with the exercise of any of the rights, powers, authorities or discretions of Mr and Mrs Jones or the Receiver under, or otherwise for the purposes of, this Deed.

### 12.3 Ratification

Each Chargor covenants with Mr and Mrs Jones to ratify and confirm all acts or things made, done or executed by any attorney exercising or purporting to exercise the powers conferred in accordance with this Clause 12.

## 13 Notices

### 13.1 Communications in writing

Any communication to be made under or in connection with this Deed will be made in writing and, unless otherwise stated, may be made by letter.

### 13.2 Addresses

13.2.1 The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:

13.2.2 in the case of each Chargor (other than the Company), that identified with its name in Schedule 1 or the address of relevant Chargor's registered office as notified to the Registrar of Companies from time to time and marked for the attention of the Finance Director;

13.2.3 in the case of Mr and Mrs Jones and the Company, that identified with the respective name below,

13.2.4 or any substitute address or department or officer as the Party may notify to the other Parties, by not less than five Business Days' notice.

Mr and Mrs Jones address at: UKFast Campus, Birley Fields, Manchester M15 5QJ, FAO Joseph Ryland.

Company address at: 3 Archway, Birley Fields, Manchester M15 5QJ. FAO Joseph Ryland.

### 13.3 Service

13.3.1 Any notice served by Mr and Mrs Jones, any Receiver or administrator on a Chargor by post shall be deemed to have been served at 10.00 am on the second business day following that on which it is posted unless:

- (a) the notice shall be posted after the time at which the last post collection is made in which case it shall be deemed to be served at 10.00 am on the third business

day following; or

- (b) there is a national or local suspension, curtailment or disruption of general postal services which affects the collection of the notice.
- (c) A notice sent to a Chargor's registered office as notified to the Registrar of Companies at the relevant time will be deemed properly served even if it is returned as undelivered.

13.3.2 Any notice served personally on a Chargor by leaving it at the address specified above or at a Chargor's registered office as notified to the Registrar of Companies at the relevant time will be deemed to be served at the time when it is left at such place.

- (a) Any communication or document to be made or delivered to Mr and Mrs Jones will be deemed to be served only when actually received by Mr and Mrs Jones and then only if it is expressly marked for their attention.
- (b) In this Clause the expression "notice" includes any demand, consent or other communication made under or in relation to this Deed.
- (c) The methods of service described in this Clause will not affect the validity of any other effective method of service.

#### **14 Miscellaneous provisions**

##### **14.1 Powers, rights and remedies cumulative**

The powers, rights and remedies provided in this Deed are in addition to (and not instead of) powers, rights and remedies under law.

##### **14.2 Payments**

All payments required to be made under this Deed shall be calculated without reference to any set off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set off or counterclaim, and without deduction or withholding for, or on account of, any tax except to the extent that a Chargor is compelled by law to make a tax deduction on any sums payable under this Deed; in which case it shall pay to Mr and Mrs Jones such additional amount as may be necessary in order to ensure that the net amount received by Mr and Mrs Jones after the required deduction or withholding (including any deduction or withholding on such additional amount) shall be equal to the amount that Mr and Mrs Jones would have received had no such deduction or withholding been made.

##### **14.3 Exercise of powers, rights and remedies**

If an Enforcement Party fails to exercise any power, right or remedy under this Deed or delays its or their exercise of any power, right or remedy, this does not mean that it or they waives that power, right or remedy. If an Enforcement Party exercises, or partly exercises, a power, right or remedy once, this does not mean that it or they cannot exercise such power right or remedy again, fully or in part.

#### 14.4 Discretion

##### 14.4.1 Mr and Mrs Jones may decide:

- (a) whether and, if so, when, how and to what extent (i) to exercise their rights under this Deed and (ii) to exercise any other right it might have in respect of a Chargor (or otherwise); and
- (b) when and how to apply any payments and distributions received for their own account under this Deed.

and no Chargor has any right to control or restrict Mr and Mrs Jones's exercise of this discretion.

14.4.2 No provision of this Deed will interfere with Mr and Mrs Jones's right to arrange their affairs as they may in their absolute discretion decide (nor oblige it to disclose any information relating to its affairs), except as expressly stated.

#### 14.5 Power to establish new account

If Mr and Mrs Jones receive notice of a subsequent mortgage or charge relating to the Charged Property, they will be entitled to close any account and to open a new account in respect of the closed account. If Mr and Mrs Jones do not open such new account, they will in any event be treated as if they had done so at the time when it received such notice.

#### 14.6 Information

Each Chargor authorises the holder of any prior or subsequent security to provide to Mr and Mrs Jones, and Mr and Mrs Jones to receive from such holder, details of the state of account between such holder and such Chargor.

#### 14.7 No assignment by Chargor

No Chargor may assign, novate or otherwise deal with its rights or obligations under or interests in this Deed, except with the prior written consent of Mr and Mrs Jones.

#### 14.8 Avoidance of settlements and other matters

14.8.1 Any payment made by a Chargor, or settlement or discharge between a Chargor and Mr and Mrs Jones, is conditional upon no security or payment to Mr and Mrs Jones by such Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency, administration or liquidation for the time being in force and accordingly (but without limiting Mr and Mrs Jones's other rights under this Deed) Mr and Mrs Jones shall be entitled to recover from such Chargor the value which Mr and Mrs Jones has placed upon such security or the amount of any such payment as if such payment, settlement or discharge had not occurred.

14.8.2 If Mr and Mrs Jones, acting reasonably, considers that any amount paid by a Chargor in respect of the Secured Liabilities is capable of being avoided or ordered to be

refunded or reduced for the reasons set out in Clause 14.8.1 then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.

#### 14.9 Release of security

14.9.1 On the expiry of the Security Period (but subject to Clause 14.8) Mr and Mrs Jones shall at the request and cost of the Chargors take whatever actions as may be necessary to release, re-assign or discharge (as appropriate) the Charged Property from the security constituted hereby or pursuant hereto.

14.9.2 No payment to Mr and Mrs Jones (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of a Chargor in respect of which it was made unless and until Mr and Mrs Jones shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency Mr and Mrs Jones shall have a further separate cause of action against such Chargor and shall be entitled to enforce the security constituted by this Deed to recover the amount of the shortfall.

#### 14.10 Formalities

This Deed is intended to be a deed even if any Party's execution is not in accordance with the formalities required for the execution of deeds.

#### 14.11 Partial invalidity

14.11.1 If, at any time, any provision of this Deed is or is found to have been illegal, invalid or unenforceable in any respect under the law of any jurisdiction, this does not affect the legality, validity or enforceability of the other provisions of this Deed, nor the legality, validity or enforceability of the affected provision under the law of any other jurisdiction.

14.11.2 If any Party is not bound by this Deed (or any part of it) for any reason, this does not affect the obligations of each other Party under this Deed (or under the relevant part).

#### 14.12 Other security

This Deed is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other security or guarantee which Mr and Mrs Jones may now or at any time after the date of this Deed hold for or in respect of the Secured Liabilities.

#### 14.13 Conflict

If there is any conflict between the provisions of this Deed and either Loan Note Instrument, the terms of the Group Loan Note Instrument shall prevail.

#### 14.14 Consideration

Each Chargor has entered into this Deed in consideration of Mr and Mrs Jones entering into the Loan Note Instruments.

#### 14.15 Counterparts

If the Parties execute this Deed in separate counterparts, this Deed will take effect as if they had all executed a single copy.

**15 Applicable law and jurisdiction**

**15.1 Applicable law**

This Deed, the relationship between the parties and all matters arising out of or in any way relating to this Deed (whether in contract, tort or otherwise) shall be governed by, and interpreted in accordance with, English law.

**15.2 Submission to Jurisdiction**

Subject to Clause 15.3, each Party agrees that the courts of England (except if otherwise set out in this Deed) shall have exclusive jurisdiction to settle any dispute (including, claims for set-off and counterclaims) which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by this Deed or otherwise arising in connection with the same and for such purposes irrevocably submit to the jurisdiction of the English courts.

**15.3 Non exclusivity**

15.3.1 Nothing in this Clause 15 limits the right of a Party to bring proceedings against another Party in connection with this Deed:

- (a) in any other court of competent jurisdiction; or
- (b) concurrently in more than one jurisdiction.

**This Deed is made and delivered as a deed on the date given on page 1.**

**Schedule 1**

**Original Chargors**

<b>Name</b>	<b>Registered Office</b>	<b>Registered No.</b>
Secarma Limited	3 Archway, Birley Fields, Manchester M15 5QJ	04217114



## **Schedule 2**

### **Receiver's Powers**

The Receiver will have the following further powers and authority with respect to each Chargor:

**1 Possession and use**

- 1.1 to enter upon, take possession of, get in, collect and use the same for any purpose, the Charged Property or any part thereof;
- 1.2 to collect and get in all rents, fees, charges or other income of the Charged Property (whether accrued before or after the date of his appointment);

**2 Carry on business**

generally to manage the Charged Property and to manage or carry on, reconstruct, amalgamate, diversify or concur in carrying on the business of the Chargor or any part of it as he may think fit;

**3 Disposal of Charged Property**

to sell, exchange, license, surrender, release, disclaim, abandon, return or otherwise dispose of or in any way whatsoever deal with the Charged Property or any interest in the Charged Property or any part thereof for such consideration (if any) and upon such terms (including by deferred payment or payment by instalments) as he may consider appropriate and to concur in any such transaction;

**4 Sale of business**

to sell or concur in selling the whole or any part of the Chargor's business whether as a going concern or otherwise;

**5 Lease of Charged Property**

to grant any leases whatsoever and to let on hire, lease or sell on condition and to grant rights, options, licences, easements or servitudes over the whole or any part of the Charged Property and (with or without consideration) to rescind, surrender or disclaim or accept or agree to accept surrenders or disclaimers of leases, hire purchase contracts or agreements relating to or affecting any of the Charged Property in such circumstances, to such persons (including to Mr and Mrs Jones), for such purposes and upon such terms whatsoever as he may consider appropriate and also to vary the terms of any lease or contract affecting any of the Charged Property and to act in relation to any review of the rent or provide payments under such a lease in such manner as he may consider appropriate;

**6 Acquisition**

- 6.1 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- 6.2 to take a lease or tenancy of any property required or convenient for the business of the Chargor

or the exercise of the Receiver's powers under this Deed;

**7 Leases**

to exercise on behalf of the Chargor and without the consent of or notice to the Chargor all the powers conferred on a landlord or a tenant by any legislation from time to time in force in any relevant jurisdiction relating to leasehold property, landlord and tenant, rents, housing or agriculture in respect of the Property;

**8 Borrowing**

for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Deed and/or for defraying any losses or Expenses which may be incurred by him in their exercise and/or in order to obtain payment of his remuneration (whether or not it is already payable) or for any other purpose, to raise or borrow moneys from any person or incur any other liability on such terms, whether secured or unsecured, as he may think fit, and whether to rank in priority to this security or not;

**9 Employment**

to appoint and discharge employees, officers, consultants, advisers, managers, agents, solicitors, accountants or other professionally qualified persons, workmen and others for any of the purposes of this deed or to guard or protect the Charged Property upon such terms as to remuneration or otherwise as he may think fit and to discharge any such persons appointed by the Chargor prior to his appointment;

**10 Legal actions and compromises**

10.1 in the name of the Chargor, to bring, prosecute, enforce, defend and discontinue all such actions, suits and proceedings, in relation to the Chargor, the business of the Chargor or the Charged Property as in any case he shall think fit;

10.2 to settle, adjust, refer to arbitration or expert determination, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the Chargor or relating in any way to the Charged Property;

**11 Receipts**

to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Charged Property;

**12 Works and maintenance**

to obtain authorisations for and to carry out on the Property any new works or complete any unfinished works of development, building, alteration, replacement, reconstruction, maintenance, repair, renewal, improvement, furnishing or equipment;

**13 Contracts**

to enter into, vary, cancel or waive any of the provisions of any contracts which he shall in any case think expedient in the interests of the Chargor or Mr and Mrs Jones;

14      **Supplies**

to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;

15      **Insurances and bonds**

to insure the Charged Property, any assets acquired by the Receiver in exercise of his powers, and any business or works, and effect indemnity insurance or other similar insurance, in every case in such amounts, against such risks and with such offices as the Receiver shall think fit, and obtain bonds and give indemnities and security to any bondsmen;

16      **Severance Rights**

to sever fixed plant, machinery or other Fixtures and store, sell or otherwise deal with them separately from the Property to which they may be annexed;

17      **Chattels**

to remove, store, sell or otherwise deal with any chattels located at the Property

18      **Form company**

18.1      to promote or establish any company or to acquire shares in any company (whether as a subsidiary of the Chargor or otherwise) to facilitate the exercise of his powers under this Deed;

18.2      to transfer to any such company all or any of the Charged Property or other assets acquired by the Receiver in exercise of his powers;

18.3      to exercise or cause to be exercised all voting and other rights attaching to, and to charge, sell or otherwise transfer any shares in any such company;

19      **Voting Rights**

to exercise all voting and other rights attaching to the Investments and all other stocks, shares and securities owned by the Chargor and comprised in the Charged Property in such manner as he may think fit;

20      **Calls**

to make, or require the directors of the Chargor to make, calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital; and take action to enforce payment of unpaid calls;

21      **Transaction**

to carry into effect and complete any transaction;

22      **Redeem security**

to redeem any prior security (or procure the transfer of such security to an Enforcement Party) and settle and pass the accounts of the person entitled to the prior security so that any accounts

so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

23      **General**

either in the name of the Chargor or in the name of the Receiver to execute documents and do all other acts or things which the Receiver may consider to be incidental or conducive to any of the Receiver's powers or to the realisation or use of the Charged Property.

### Schedule 3

#### Covenants

Each Chargor covenants with Mr and Mrs Jones as follows:

**1 Compliance with laws**

- 1.1 to comply in all respects with all laws to which it may be subject, if failure so to comply would be reasonably likely to materially impair its ability to perform its obligations under the relevant Loan Note Instrument or this Deed.

**2 Authorisations**

2.1 To promptly:

- 2.1.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and
- 2.1.2 supply certified copies to Mr and Mrs Jones of, any authorisation under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Deed.

**3 Chattels - notice of charge**

If so requested by Mr and Mrs Jones it will place and maintain on each chattel the value of which exceeds £2,500 and which is subject to a fixed charge under this Deed, in a conspicuous place, an identification marking as appears below and not conceal, alter or remove such marking or permit it to be concealed, altered or removed:

**"Notice of Charge**

This [*specify the chattel*] and additions and ancillary equipment are subject to a first fixed charge in favour of Mr and Mrs Jones.Net Limited.

**4 Collection of Book Debts**

4.1 It will:

- 4.1.1 collect and realise (as agent for Mr and Mrs Jones) all Charged Debts and pay such amounts into a Bank Account and pending such payment it will hold all such money upon trust for Mr and Mrs Jones;
- 4.1.2 not, without the prior written consent of Mr and Mrs Jones, charge, factor, discount or assign any of the Charged Debts, in favour of any other person or purport to do so; and
- 4.1.3 if an Event of Default has occurred and is continuing and if called upon to do so by Mr and Mrs Jones, execute a legal assignment of the Charged Debts in such terms as Mr and Mrs Jones in their discretion may require, give notice of that legal

assignment to the debtors from whom the Charged Debts are due, owing or incurred and take any such other steps as Mr and Mrs Jones in their discretion may require to perfect such assignment.

**5 Shares and other Investments**

- 5.1 It will immediately upon receipt of the same deliver to Mr and Mrs Jones copies of all notices, circulars, letters, reports, accounts and other communications with shareholders relating to its holding of the Shares.
- 5.2 It will pay all calls or other payments due and payable in respect of any of the Shares and if it fails to do so Mr and Mrs Jones may pay the calls or other payments on its behalf.
- 5.3 Save with the prior written consent of Mr and Mrs Jones, it will not:
  - 5.3.1 take any action by or as a consequence of which the rights attaching to the Shares are altered or diluted or the issued capital of any of the companies whose Shares are charged by this Deed increased;
  - 5.3.2 participate in any rights issue relating to the Shares; nor
  - 5.3.3 apply for, or consent to, the conversion of any Shares held in certificated form into uncertificated form.
- 5.4 Forthwith upon execution of this Deed or upon any subsequent acquisition by it of Shares which are held within CREST or otherwise in uncertificated form, it will provide to Mr and Mrs Jones particulars of such Shares in which it is interested and will give such instructions and enter into such documents as Mr and Mrs Jones may reasonably require to perfect the security over such Shares created by this Deed.
- 5.5 Within 15 Business Days of the execution of this Deed it will deliver to Mr and Mrs Jones (or as it shall direct) all bearer instruments, share certificates and other documents of title to or evidence of ownership of the Investments and/or the Distribution Rights owned by it or in which it has an interest together with (in the case of Shares, other than bearer instruments, held in certificated form) instruments of transfer in respect of each of the same executed in blank (except for the number and class of Shares and the name of the transferor) and left undated.
- 5.6 If it acquires Investments, whether pursuant to its Distribution Rights or for any other reason, after the date of this Deed the provisions of Paragraph 5.3 and the remaining provisions of this Paragraph 5 shall apply to such Investments
- 5.7 Mr and Mrs Jones may at any time following the occurrence of an Event of Default which is continuing complete the instruments of transfer on behalf of the Chargor in favour of itself or such other person as it shall select, and the Chargor shall procure that such instruments of transfer are forthwith registered in the relevant Company and that share certificates in the name of Mr and Mrs Jones and/or their nominee(s) in respect of the Shares to which such instrument of transfer relates are delivered to Mr and Mrs Jones as soon as reasonably practicable, but in any event no later than 5 Business Days after the date upon which Mr and Mrs Jones have delivered the relevant instrument of transfer.

- 5.8 Until the occurrence of an Event of Default which is continuing:
- 5.8.1 the Chargor will be entitled to receive and retain all dividends, distributions, interest and other monies paid on or derived from the Investments; and
  - 5.8.2 will be entitled to exercise all voting and other rights and powers attaching to the Shares, provided that it will not exercise any such voting rights or powers in a manner which would prejudice the value of, or the ability of Mr and Mrs Jones to realise, the security created by this Deed; and
  - 5.8.3 shall give to Mr and Mrs Jones reasonable notice of the manner in which it proposes to exercise the rights and powers referred to in Paragraph 5.8.2.
- 5.9 Upon the occurrence of an Event of Default and while it is continuing any dividends, distributions interest or other monies paid on or derived from the Investments will be received by the Chargor on trust for Mr and Mrs Jones and the Chargor shall if Mr and Mrs Jones so requires thereafter exercise all voting and other rights and powers attaching to the Shares as Mr and Mrs Jones shall direct.
- 5.10 At any time when any Investments are registered in the name of Mr and Mrs Jones or their nominee and for so long as there is no Event of Default which is continuing Mr and Mrs Jones will (so far as is consistent with the security created by this Deed) exercise any applicable voting or other rights and powers in accordance with the directions of the Chargor and all dividends, payments or other distributions attributable to such Investments, but upon the occurrence of an Event of Default and so long as it is continuing Mr and Mrs Jones may exercise or refrain from exercising such voting or other rights and powers as it thinks fit but in any case Mr and Mrs Jones will not be under any duty to ensure that any dividend, distributions or other monies payable in respect of those Investments are duly and promptly paid or received by it or their nominee or to verify that the correct amounts are paid or received by it or their nominee or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Investments.

## **6 Deposit of documents**

- 6.1 It will promptly at Mr and Mrs Jones's written request deposit with Mr and Mrs Jones (or as Mr and Mrs Jones direct):
- 6.1.1 all deeds and documents of title relating to the Property including official copies of Land Registry entries, counterpart leases, licences, and any other deeds or documents necessary or desirable to assist Mr and Mrs Jones to enforce the security created by this Deed;
  - 6.1.1 policies of insurance in respect of which the proceeds of any claims are assigned or charged pursuant to this Deed; and
  - 6.1.1 all such other documents relating to the Charged Property as Mr and Mrs Jones may from time to time reasonably require.

**7 Retention of documents**

Mr and Mrs Jones may retain any document delivered to it pursuant to Paragraph 6 or otherwise until the end of the Security Period and if, for any reason it ceases to hold any such document before such time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor must immediately comply (or procure compliance) with such notice.

**8 Power to remedy**

If the Chargor fails to comply with any of the covenants and undertakings set out in this Schedule it will allow (and hereby irrevocably authorises) Mr and Mrs Jones and/or such persons as Mr and Mrs Jones nominates to take such action (including the making of payments) on behalf of the Chargor as is necessary to ensure that such covenants are complied with.

**9 Property**

9.1 It will not without the prior written consent of Mr and Mrs Jones:

9.1.1 demolish all or any part of the Property;

9.1.1 destroy or remove from the Property any other of the Charged Property now or at any time after the date of this Deed located in or on the Property;

9.1.1 create or permit to arise any material overriding interest, easement or right over the Property;

9.1.1 enter into formal negotiations with any competent agency of local or national government with a view to the compulsory acquisition of the Property nor consent to such acquisition;

9.1.1 sever or dispose of any fixtures now or at any time hereafter affixed to the Property otherwise than in the ordinary course of maintenance or replacement;

9.1.1 grant any lease or otherwise part with or share possession of the Property.



## Schedule 4

### FORM OF DEED OF ACCESSION

THIS DEED is dated [                      ]

#### BETWEEN:

- (1) [                      ] (registered number [                      ]) with its registered office at [                      ] (the Additional Chargor);
- (2) [                      ] [for itself and] as agent for each of the [other] Chargors under and as defined in the Debenture referred to below (the Company); and
- (3) [                      ] (Mr and Mrs Jones).

#### BACKGROUND:

- (A) The Additional Chargor is a [wholly-owned] Subsidiary of [the Company].
- (B) The Company has entered into a security agreement dated [                      ], 2019] (the Debenture) between the Company, the Chargors under and as defined in the Debenture and Mr and Mrs Jones.
- (C) The Additional Chargor has agreed to enter into this Deed and to become a Chargor under the Debenture.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

#### IT IS AGREED as follows:

##### 1 Interpretation

Terms defined in the Debenture have the same meaning in this Deed unless given a different meaning in this Deed. This Deed is, for the purposes of the Facilities Agreement, a Finance Document (as defined therein).

##### 2 Accession

##### 2.1 With effect from the date of this Deed the Additional Chargor:

- 2.1.1 will become a party to the Debenture as a Chargor with immediate effect; and
- 2.1.2 will be bound by all the terms of the Debenture which are expressed to be binding on a Chargor. In accordance with the foregoing, the Additional Chargor will with full title guarantee and as beneficial owner now grants to Mr and Mrs Jones (i) the assignments, fixed charges, mortgages and other security over its property, rights and assets described in Clauses 3.1 to 3.6 of the Debenture and (ii) the floating charge over its

property, rights and assets described in Clause 3.7 of the Debenture, in each case as being granted, created or made by the Chargors thereunder in favour of Mr and Mrs Jones to the intent that its assignments, charges, mortgages and other security shall be effective and binding upon it and its property and assets and shall not in any way be avoided, discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Debenture or of any other party's execution thereof or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Debenture or in any other Deed of Accession.

### **3 Security**

3.1 Without limiting the generality of the other provisions of this Deed and the Debenture, the Additional Chargor:

3.1.1 charges to Mr and Mrs Jones by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it (but excluding any heritable or leasehold property situate in Scotland);

3.1.2 charges to Mr and Mrs Jones by way of a first legal mortgage all shares owned by it;

3.1.3 charges to Mr and Mrs Jones by way of a first fixed charge all plant, machinery, computers, computer software, office equipment or vehicles owned by it and its interest in any plant, machinery, computers, computer software, office equipment and vehicles in its possession;;

3.1.4 charges to Mr and Mrs Jones by way of a first fixed charge all of its rights in respect of any Intellectual Property Rights owed by it;

3.1.5 charges to Mr and Mrs Jones by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any Bank Account.

### **4 Miscellaneous**

4.1 With effect from the date of this Deed:

4.1.1 the Debenture will be read and construed for all purposes as if the Additional Chargor had been an original party in the capacity of Chargor (but so that the security created on this accession will be created on the date of this Deed);

4.1.2 any reference in the Debenture to this Deed and similar phrases will include this Deed and all references in the Debenture to this Deed (or any part of it) will include a reference to the schedule to this Deed (or relevant part of it); and

4.1.3 the Company, for itself and as agent for each of the other Chargors under the Debenture, agrees to all matters provided for in this Deed.

### **5 Law**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

## Schedule 5

### GUARANTEE PROVISIONS

- 1 The Guarantee is in addition to and shall not merge with or otherwise prejudice or affect or be prejudiced by any other right, remedy, guarantee, indemnity or security and may be enforced without first having recourse to the same or any other bill, note, mortgage, charge, pledge or lien now or hereafter held by or available to Mr and Mrs Jones.
- 2 Notwithstanding that the Guarantee ceases to be continuing for any reason whatever Mr and Mrs Jones may continue any accounts of any Chargor or open one or more new accounts and the liability of a Chargor hereunder shall not in any manner be reduced or affected by any subsequent transactions or receipts or payments into or out of any such accounts.
- 3 The liability of each Chargor shall not be affected nor shall the Guarantee be discharged or diminished by reason of:
  - 3.1 any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other security or right or remedy held by or available to Mr and Mrs Jones becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by Mr and Mrs Jones from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or
  - 3.2 Mr and Mrs Jones compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to any Chargor or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from a Chargor or any other person; or
  - 3.3 any act or omission which would not have discharged or affected the liability of a Chargor had it been principal debtor instead of guarantor or by anything done or omitted which, but for this provision, might operate to exonerate a Chargor.
- 4 Each Chargor warrants to Mr and Mrs Jones that it has not taken or received and undertakes that it will not take or receive the benefit of any security from any other Chargor in connection with the Guarantee. If any such security is taken each Chargor hereby declares that such security and all moneys at any time received in respect thereof shall be held on trust for Mr and Mrs Jones and as security for the liabilities of such Chargor under this Guarantee.
- 5 Each Chargor hereby agree to pay interest to Mr and Mrs Jones on all sums demanded under the Guarantee from the date of demand until actual payment (as well after as before any judgment) at the Default Rate. Such interest shall be compounded monthly but without prejudice to the right of Mr and Mrs Jones to require payment of such interest.
- 6 Until the Secured Liabilities have been paid, discharged or satisfied in full, each Chargor agrees not to share in any security held or moneys received by Mr and Mrs Jones on account of the Secured Liabilities or (unless so instructed by Mr and Mrs Jones) to claim or prove in competition with Mr and Mrs Jones in the liquidation of any Chargor in respect of any moneys

paid by that Chargor to Mr and Mrs Jones under the Guarantee. If a Chargor receives any payment or other benefit or exercises any set-off or counter-claim or otherwise acts in breach of this Clause anything so received and any benefit derived directly or indirectly by the Chargor therefrom shall be held in trust for Mr and Mrs Jones and as security for the liabilities of the Chargor under this Guarantee and Debenture.

- 7 Any money received in connection with the Guarantee may be placed to the credit of a suspense account with a view to preserving the right of Mr and Mrs Jones to prove for the whole of their claim against each Chargor or any other person liable or may be applied by Mr and Mrs Jones in or towards satisfaction of such of the moneys, obligations or liabilities of the Chargor under the Guarantee as Mr and Mrs Jones may from time to time conclusively determine.
- 8 Any release, discharge or settlement between any Chargor and Mr and Mrs Jones shall be conditional upon no security, disposition or payment to Mr and Mrs Jones by the Chargor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy, liquidation or insolvency or for any reason whatever and if such condition shall not be fulfilled Mr and Mrs Jones shall be entitled to enforce the Guarantee subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.
- 9 Mr and Mrs Jones shall not be obliged before taking steps to enforce this Guarantee:
  - 9.1 to take action or obtain judgment in any court against any Chargor or any other person; or
  - 9.2 to make or file any claim in a bankruptcy or liquidation of any Chargor or any other person; or
  - 9.3 to make, enforce or seek to enforce any claim against any Chargor or any other person under any security or other document, agreement or arrangement.
- 10 All sums due and payable by any Chargor under the Guarantee shall be made in full without set-off or counter-claim and free and clear of and (subject as provided in the next sentence) without deduction for or on account of any future or present Taxes.
- 11 If:
  - 11.1 any Chargor is required by any law to make any deduction or withholding from any sum payable by the Chargor to Mr and Mrs Jones hereunder; or
  - 11.2 Mr and Mrs Jones is required by law to make any payment, on account of tax (other than tax on its overall net income) or otherwise, on or in relation to any amount received or receivable by Mr and Mrs Jones hereunder;

then the sum payable by the Chargor in respect of which such deduction, withholding or payment is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction, withholding or payment, (and after taking account of any deduction, withholding or payment which is required to be made as a result of the increase) Mr and Mrs Jones receives and retains a net sum equal to the sum which it would have received and so retained had no such deduction, withholding or payment been made.

EXECUTION PAGE

Executed as a deed  
by LAWRENCE NIGEL JONES

in the presence of:

Witness signature:

Witness name:

Witness address:

Witness occupation:

Executed as a deed  
By GAIL SUZANNE JONES

in the presence of:

Witness signature:

Witness name:

Witness address:

Witness occupation:

Executed as a deed  
By SECARMA GROUP LIMITED

acting by a director

in the presence of:

Witness signature:

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\_\_\_\_\_

NICOLA L FROST

UKFast Campus,

Birtley Fields, Manchester

M15 5QJ.

Solicitor

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NICOLA L FROST

UKFast Campus

Aforesaid

Solicitor

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Witness name:

Nicola Frost

Witness address:

UKFast Campus, Birtley  
Fields Ayrshire

Witness occupation:

Solicitor

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

)  
)  
)  
)

Witness signature:

Witness name:

Nicola Frost

Witness address:

UKFast Campus, Birtley  
Fields Ayrshire

Witness occupation:

Solicitor