Companies House

MR01(ef)

Registration of a Charge

Company name: **GARSIDE J LIMITED**

Company number: **12390990**

Received for Electronic Filing: **16/06/2020**

X97C23OA

Details of Charge

Date of creation: **08/06/2020**

Charge code: **1239 0990 0001**

Persons entitled: **SNAP-ON FINANCE UK LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ALICE MCCAFFERY**

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12390990

Charge code: 1239 0990 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 8th June 2020 and created by GARSIDE J LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th June 2020 .

Given at Companies House, Cardiff on 17th June 2020

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

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

DATED: **08/06/2020**

DEBENTURE

Between

GARSIDE J LIMITED

and

SNAP-ON FINANCE UK LIMITED

Reynolds Porter Chamberlain LLP
Tower Bridge House
St Katharine's Way
London
E1W 1AA

Ref: EAC/TRA/SNA5.9

THIS DEED is made on **08/06/2020**

Between:

(1) **GARSIDE J LIMITED**, incorporated and registered in England and Wales with company number **12390990** whose registered office is at **11 JUBILEE DRIVE, ASH VALE ALDERSHOT, HAMPSHIRE, GU12 5JL** (the **Company**).

(2) **SNAP-ON FINANCE UK LIMITED**, incorporated and registered in England and Wales with company number 03327294 whose registered office is at Telford Way, Telford Way Industrial Estate, Kettering, Northamptonshire NN16 8SN (the **Lender**).

Whereas:

(A) The Company enters into this debenture in connection with the Franchise Documents (as defined below).

(B) This debenture provides security which the Company has agreed to give the Lender for the Company's obligations under the Franchise Documents.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this debenture.

Administrator means an administrator appointed to manage the affairs, business and property of the Company pursuant to paragraph 15 of Schedule 4.

Book Debts means all present and future book and other debts and monetary claims due or owing to the Company (including, without limitation, any accounts receivable or RA accounts arising under the terms of the Franchise Documents) and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

Charged Property means all the assets, property and undertaking for the time being subject to the security interests created by this debenture (and references to the Charged Property shall include references to any part of it).

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

Default Rate means either:

(a) four per cent (4%) higher than the interest rate specified in the Franchise Documents under or in connection with which the Secured Liabilities have arisen; or

(b) if no such interest rate is specified in any relevant Franchise Document, nine per cent (9%);

or, if less, the maximum rate permitted by applicable law.

Designated Account means any account nominated by the Lender as a designated account for the purposes of this debenture.

Encumbrance means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, hypothecation, lien, assignment, right of set-off, priority or other security interest including, without limitation, any "hold back" or flawed asset arrangement together with any trust agreement, declaration of trust or trust arising by operation of law, any option or agreement for any of the foregoing, or any other agreement or arrangement which has substantially the same effect as the creation of security.

Environment means all of the air, water and land, including (without limitation) the air within buildings and other natural or man-made structures above or below ground, ground and surface water and surface and sub-surface soil.

Environmental Law means all applicable statutes, treaties, regulations, directives or similar measures relating to the pollution or protection of the Environment that affects the Charged Property.

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

Excluded Property means any leasehold property held by the Company under a lease which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Company from creating any charge over its leasehold interest in that property.

Financial Collateral shall have the meaning given to that expression in the Financial Collateral Regulations.

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

Franchise Agreement means the franchise agreement (limited company franchisee) entered into on or about the date of this debenture between, among others, the Company and the Franchisor (as amended, supplemented or varied from time to time) and any other franchise agreement entered into between the Company and the Franchisor.

Franchise Documents means this debenture, the Loan Agreement, the Franchise Agreement, the Franchisee Servicing Agreement, the Operations Manual and any other agreement between the Company and any member of the Lender Group in relation to the Company's operation of the franchise granted under the Franchise Agreement.

Franchisee Servicing Agreement means the franchisee servicing agreement (limited company franchisee) entered into on or about the date of this debenture between, among others, the Company and the Lender (as amended, supplemented or varied from time to time) and any other franchisee servicing agreement entered into between the Company and the Lender.

Franchisor means Snap-on UK Holdings Ltd.

Insurance Policies means the insurance policies referred to in clause 3.1.3.

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

Investments means all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Company, including all rights accruing or incidental to those investments from time to time.

Lender Group means the Lender, any subsidiary or any holding company from time to time of the Lender, and any subsidiary from time to time of a holding company of the Lender.

Loan Agreement means any loan agreement entered into on or after the date of this debenture between the Company, the Lender and others for the provision of loan facilities to the Company (as amended, supplemented or varied from time to time).

Operations Manual has the meaning set out in the Franchise Agreement.

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

Receiver means a receiver and/or manager of any or all of the Charged Property appointed under paragraph 6 of Schedule 4.

Secured Liabilities means all present and future monies, obligations and liabilities owed by the Company to any member of the Lender Group, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity, under or in connection with the Franchise Documents (including, without limitation, those arising under clause 12.3.2) together with all commission, fees, Costs and other charges and interest (including, without limitation, default interest) accruing in respect of such monies or liabilities.

Security Financial Collateral Arrangement shall have the meaning given to that expression in the Financial Collateral Regulations.

Security Period means the period starting on the date of this debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.2 **Interpretation**

Unless the context otherwise requires, in this debenture:

1.2.1 a reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture;

1.2.2 a reference to one gender includes a reference to the other gender;

1.2.3 words in the singular include the plural and in the plural include the singular;

1.2.4 a reference to a clause or Schedule is to a clause of, or Schedule to, this debenture and references to paragraphs are to paragraphs of the relevant Schedule;

1.2.5 a reference to this debenture (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended or novated from time to time;

1.2.6 a reference to a person shall include a reference to an individual, firm, corporation, unincorporated body of persons, or any state or any agency of a person;

1.2.7 a reference to an amendment includes a supplement, variation, novation or re-enactment (and amended shall be construed accordingly);

1.2.8 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;

1.2.9 a reference to an authorisation includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;

1.2.10 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and

1.2.11 clause, schedule and paragraph headings shall not affect the interpretation of this debenture.

1.3 **Clawback**

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

1.4 **Nature of security over real property**

A reference in this debenture to a charge or mortgage of any freehold, leasehold or commonhold property includes:

1.4.1 all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time;

1.4.2 the proceeds of the sale of any part of that property; and

1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that property, and any monies paid or payable in respect of those covenants.

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

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

1.6 **Third party rights**

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

1.7 **Perpetuity period**

The perpetuity period applicable to all trusts declared by this debenture shall be 80 years.

1.8 **Insolvency Act 1986**

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

1.9 **Schedules**

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

2. **COVENANT TO PAY**

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

3. **GRANT OF SECURITY**

3.1 **Charging clause**

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee:

3.1.1 charges to the Lender, by way of first legal mortgage, all of the Properties;

3.1.2 charges to the Lender, by way of first fixed charge:

(a) all Properties acquired by the Company in the future;

(b) all present and future interests of the Company not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;

(c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, including (without limitation) all present and future rights to receive all rental and other income for the use and occupation of the Properties;

(d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Company's business or the use of any Charged Property, and all rights in connection with them;

(e) all present and future goodwill and uncalled capital for the time being of the Company;

(f) all the Equipment;

(g) all the Intellectual Property;

(h) all the Book Debts;

(i) all the Investments; and

(j) all monies from time to time standing to the credit of the Company's accounts with any bank, financial institution or other person (including each Designated Account).

3.1.3 assigns to the Lender, by way of first fixed mortgage, all its rights in any policies of insurances or assurance present or future (including, without limitation, any insurances relating to the Properties or the Equipment);

3.1.4 if and to the extent that the Company can grant a floating charge over all of its undertaking, property, assets and rights, charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Company at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.1 to clause 3.1.3 inclusive.

3.2 **Leasehold security restrictions**

The charges created by clause 3.1 shall not apply to Excluded Property so long as any relevant consent or waiver of prohibition has not been obtained, but:

3.2.1 for each Excluded Property, the Company undertakes to:

(a) apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this debenture and, to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;

(b) keep the Lender informed of its progress in obtaining such consent or waiver; and

(c) immediately on receipt of such consent or waiver, provide the Lender with a copy.

3.2.2 immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Lender under clause 3.1. If required by the Lender at any time following receipt of that waiver or consent, the Company shall execute a valid fixed charge in such form as the Lender requires.

3.3 **Automatic conversion of floating charge**

The floating charge created by clause 3.1.4 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

3.3.1 the Company:

(a) creates, or attempts to create, on all or any part of the Charged Property an Encumbrance or any trust in favour of another person without the prior written consent of the Lender; or

(b) disposes, or attempts to dispose of, all or any part of the Charged Property (other than property that is only subject to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business); or

3.3.2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or

3.3.3 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or

3.3.4 the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Company.

3.4 **Conversion of floating charge by notice**

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

3.5 **Assets acquired after any floating charge crystallisation**

Any asset acquired by the Company after any crystallisation of the floating charge created under this debenture which, but for such crystallisation, would be subject to a floating charge shall (unless the Lender confirms in writing to the contrary) be charged to the Lender by way of first fixed charge.

4. LIABILITY OF THE COMPANY

4.1 **Liability not discharged**

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

4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground; or

4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or

4.1.3 any other act or omission, which but for this clause 4.1 might have discharged, or otherwise prejudiced or affected, the liability of the Company.

4.2 **Immediate recourse**

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

5. REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Lender in the terms set out in Schedule 1. The representations and warranties set out in Schedule 1 are made on the date of this debenture and shall be deemed to be made on each day of the Security Period with reference to the facts and circumstances then existing.

6. COVENANTS

The Company covenants with the Lender in the terms set out in Schedule 2.

7. POWERS OF THE LENDER

The Lender shall have the powers set out in Schedule 3.

8. ENFORCEMENT

8.1 Enforcement events

The security constituted by this debenture shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 4. The parties to this debenture agree that the provisions of Schedule 4 shall apply to this debenture and shall be binding between them.

8.2 Receiver's powers

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 5.

8.3 Right of appropriation

To the extent that the Charged Property constitutes Financial Collateral and this debenture and the obligations of the Company hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted this debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the Lender in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of the Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation), or the amount of any cash appropriated. The Company agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

9. COSTS AND INDEMNITY

9.1 Costs

The Company shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Lender and/or any Receiver in relation to:

9.1.1 this debenture or the Charged Property;

9.1.2 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or Receiver's rights under this debenture;

9.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this debenture or the Secured Liabilities), together with interest on any amount due under clause 9.1.2 and clause 9.1.3 at the Default Rate.

9.2 Indemnity

The Lender and any Receiver, and their respective employees and agents, shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

9.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture;

9.2.2 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or

9.2.3 any default or delay by the Company in performing any of its obligations under this debenture.

10. RELEASE

Subject to clause 12.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Company, take whatever action is necessary to release the Charged Property from the security constituted by this debenture.

11. ASSIGNMENT AND TRANSFER

11.1 Assignment by Lender

At any time, without the consent of the Company, the Lender may assign or transfer the whole or any part of the Lender's rights and/or obligations under this debenture to any person.

11.2 Assignment by Company

The Company may not assign any of its rights, or transfer any of its obligations, under this debenture or enter into any transaction which would result in any of those rights or obligations passing to another person.

12. FURTHER PROVISIONS

12.1 Independent security

This debenture shall be in addition to, and independent of, every other security or guarantee which the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this debenture.

12.2 Continuing security

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

12.3 Discharge conditional

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

12.3.1 the Lender or its nominee may retain this debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

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

12.4 **Certificates**

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

12.5 **Rights cumulative**

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

12.6 **Waivers**

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

12.7 **Further exercise of rights**

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

12.8 **Delay**

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

12.9 **Single or partial exercise**

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

12.10 **Consolidation**

The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture.

12.11 **Partial invalidity**

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.

12.12 **Counterparts**

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

13. **NOTICES**

13.1 **Service**

Any notice or other communication given under this debenture shall be in writing and shall be served by delivering it personally or by sending it by pre-paid first-class post or by fax to the address or fax number, and for the attention, of the relevant party as set out in Schedule 6, or such other address or fax number as may be notified in writing from time to time by the relevant party to the other party.

13.2 **Receipt**

Receipt of any notice given under clause 13.1, shall be deemed to be received:

13.2.1 if delivered personally, at the time of delivery; or

13.2.2 in the case of pre-paid first-class post, 48 hours from the time of posting; or

13.2.3 in the case of a fax, when received in legible form.

13.3 **Deemed receipt**

If deemed receipt under clause 13.2 occurs:

13.3.1 before 9:00 am on a Business Day, the notice shall be deemed to have been received at 9:00 am on that day; or

13.3.2 after 5:00 pm on a Business Day, or on a day that is not a Business Day, the notice shall be deemed to have been received at 9:00 am on the next Business Day.

13.4 **Proof of service**

In proving service of a notice, it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant party as set out in Schedule 6 (or as otherwise notified by that party under clause 13.1) and delivered either:

13.4.1 to that address; or

13.4.2 into the custody of the postal authorities as a pre-paid recorded delivery first-class letter.

13.5 **E-mails invalid**

Notice given under this debenture shall not be validly served if sent by e-mail.

14. **GOVERNING LAW AND JURISDICTION**

14.1 **Governing law**

This debenture and any dispute arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and Wales.

14.2 **Jurisdiction**

The parties to this debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any claim or matter arising out of or in connection with this debenture. Nothing in this clause shall limit the right of the Lender to take proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

14.3 **Other service**

The Company irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this debenture being served on it in accordance with the provisions of this debenture relating to service of notices. Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law.

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

SCHEDULE 1

REPRESENTATIONS AND WARRANTIES

1. OWNERSHIP OF CHARGED PROPERTY

The Company is the legal and beneficial owner of the Charged Property.

2. NO ENCUMBRANCES

The Charged Property is free from any Encumbrance other than the Encumbrances created by this debenture.

3. ADVERSE CLAIMS

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

4. ADVERSE COVENANTS

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

5. NO BREACH OF LAWS

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

6. NO INTERFERENCE IN ENJOYMENT

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

7. NO OVERRIDING INTERESTS

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

8. AVOIDANCE OF SECURITY

No Encumbrance expressed to be created under this debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Company or otherwise.

9. NO PROHIBITIONS OR BREACHES

There is no prohibition on assignment in any Insurance Policies, or the relevant clauses of any of them, and the entry into this debenture by the Company does not and will not constitute a breach of any Insurance Policies or any other agreement or instrument binding on the Company or its assets.

10. ENVIRONMENTAL COMPLIANCE

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

SCHEDULE 2

COVENANTS

PART 1 - General covenants

1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

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

1.1 create, purport to create or permit to subsist any Encumbrance on, or in relation to, the Charged Property other than this debenture; or

1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property except in the ordinary course of business in the case of Charged Property which is only subject to an uncrystallised floating charge; or

1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. PRESERVATION OF CHARGED PROPERTY

The Company shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

3. ENFORCEMENT OF RIGHTS

The Company shall use its best endeavours to:

3.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Company's counterparties; and

3.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Lender may require from time to time.

4. NOTICE OF BREACHES

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

4.1 any representation or warranty set out in Schedule 1; and

4.2 any covenant set out in this Schedule 2.

5. NOTICES TO BE GIVEN BY THE COMPANY

5.1 The Company shall within two Business Days of request by the Lender:

5.1.1 give notice to any bank, financial institution or other person (excluding the Lender) with whom the Company has an account of the charging to the Lender pursuant to clause 3.1.2 of the Company's rights and interests under such accounts and procure that each addressee of such notice promptly provides an acknowledgement of the Lender's interest to the Lender in the form set out in such notice; and

5.1.2 give notice to the relevant insurers of the assignment of the Company's rights and interest in and under the Insurance Policies pursuant to clause 3.1.3 and procure that each addressee of such notice promptly provides an acknowledgement of the Lender's interest to the Lender in the form set out in such notice.

5.2 The form of notice and acknowledgement to be used under this paragraph 5 shall be approved by the Lender in advance.

6. REGISTERED LAND

If the Charged Property or any part thereof shall consist of registered land the Company will procure and hereby applies for the registration in the Proprietorship Register of the registered land at the Land Registry of a restriction to the following effect:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated **08/06/2020** in favour of [Snap-on Finance UK Limited] referred to in the charges register".

7. FURTHER ASSURANCE

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

7.2 Pending the execution and delivery of any such assignment the Company shall hold such Charged Property or part on trust for the Lender subject to the provisions of this debenture.

8. APPOINTMENT OF ACCOUNTANTS

8.1 The Company shall:

8.1.1 at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Company and report to the Lender; and

8.1.2 co-operate fully with any accountants so appointed and immediately provide such accountants with all information requested.

8.2 The Company authorises the Lender to make such appointment as it shall think fit at any time, without further authority from the Company. In every such case, the fees and expenses of those accountants shall be paid by the Company but, if paid by the Lender on the Company's behalf, those fees and expenses shall be fully reimbursed to the Lender under clause 9.

9. COMPANY'S WAIVER OF SET-OFF

The Company waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Company under this debenture), and agrees to pay and discharge the Secured Liabilities without any set-off, counterclaim, restriction or condition and free and clear of, and without deduction or withholding for or on account of, any taxes.

PART 2 - Book Debts and insurance covenants

1. PRESERVATION OF BOOK DEBTS

The Company shall not (except as provided by paragraph 2 of Part 2 of Schedule 2 or with the prior written consent of the Lender) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

2. REALISING BOOK DEBTS

The Company shall:

2.1 as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender;

2.2 not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account; and

2.3 if called on so to do by the Lender, execute a legal assignment of the Book Debts to the Lender in such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

3. INSURANCE COVENANT

The Company:

3.1 shall (if the Lender so requires) produce to, or deposit with, the Lender all Insurance Policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies; and

3.2 has not done or omitted to do, and shall not do or omit to do, any act or thing that may invalidate or otherwise prejudice the Insurance Policies.

4. INSURANCE POLICIES' PROCEEDS

All sums payable under any of the Insurance Policies at any time (whether or not the security constituted by this debenture has become enforceable) shall:

4.1 immediately be paid into a Designated Account,

4.2 if they are not paid directly to the Lender by the insurers, be held by the Company as trustee of the same for the benefit of the Lender (and the Company shall account for them to the Lender); and

4.3 at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Secured Liabilities (but subject to paragraph 12 of Schedule 4).

PART 3 - Property covenants

1. MAINTENANCE AND INSURANCE

The Company shall:

1.1 keep all buildings and all fixtures on each Property in good and substantial repair and condition;

1.2 insure, and keep insured, those buildings and fixtures with such insurer and against such risks and in such amounts and otherwise on such terms as the Lender may require (and, failing such requirement, in accordance with the practice in respect of items of the same type current amongst prudent businessmen from time to time) and

1.3 procure that the interest of the Lender is noted on all those insurance policies or, at the option of the Lender, that those insurance policies are issued in the joint names of the Lender and the Company.

2. PRESERVATION OF PROPERTY, FIXTURES AND EQUIPMENT

The Company shall not, without the prior written consent of the Lender:

2.1 pull down or remove the whole or any part of any building forming part of any Property; or

2.2 make any material alterations to any Property or sever or remove any of its fixtures; or

2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Company on any Property (except to affect necessary repairs or replace them with new or improved models or substitutes); or

2.4 whenever any Equipment is destroyed, damaged or deteriorates, immediately repair, replace and make good the same.

3. CONDUCT OF BUSINESS ON PROPERTIES

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

4. PLANNING INFORMATION

The Company shall:

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

4.2 (if the Lender so requires) immediately, and at the cost of the Company, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Planning Notice as the Lender may desire.

5. COMPLIANCE WITH COVENANTS AND PAYMENT OF RENT

The Company shall:

5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected and (if the Lender so requires) produce to the Lender

evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed; and

5.2 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time and perform and observe all the tenant's covenants and conditions.

6. MAINTENANCE OF INTERESTS IN PROPERTIES

The Company shall not, without the prior written consent of the Lender:

6.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Law of Property Act 1925; or

6.2 in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property.

7. REGISTRATION RESTRICTIONS

The Company shall procure that no person shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of any Property without the prior written consent of the Lender. The Company shall be liable for the Costs of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

8. DEVELOPMENT RESTRICTIONS

The Company shall not, without the prior written consent of the Lender, carry out or permit or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property.

9. ENVIRONMENT

The Company shall:

9.1 properly discharge all duties of care and responsibility placed upon it by Environmental Law;

9.2 observe and perform all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and

9.3 apply for and obtain all authorisations, necessary to ensure that it does not breach Environmental Law.

10. NO RESTRICTIVE OBLIGATIONS

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

11. PROPRIETARY RIGHTS

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

12. INSPECTION

The Company shall permit the Lender and any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

13. PROPERTY INFORMATION

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

PART 4 - Investment covenants

1. REGISTRATION OF INVESTMENTS

1.1 The Company shall:

1.1.1 terminate with immediate effect all nominations it may have made under sections 145 and 146 of the Companies Act 2006 in respect of any Investments and pending such termination procure that any person so nominated:

(a) does not exercise any rights in respect of any Investments without the prior written approval of the Lender; and

(b) immediately upon receipt, forward to the Lender all communications or other information received in respect of any Investments for which it has been so nominated; and

1.1.2 at the direction of the Lender given at any time, immediately execute and deliver to the Lender all transfers and other documents and do all such things as may be necessary or desirable to register all or any of the Investments in the name of the Lender or its nominee.

1.2 The Company shall not during the Security Period exercise any rights under sections 145 and 146 of the Companies Act 2006 to nominate any person in respect of any of the Investments.

2. ADDITIONAL REGISTRATION OBLIGATIONS

The Company shall:

2.1 procure all consents, waivers, approvals and permissions which are necessary, under the articles of association of any issuer that is not a public company or otherwise, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this debenture; and

2.2 procure the amendment of the share transfer provisions of the articles of association of each issuer that is not a public company in such manner as the Lender may require in order to permit such a transfer.

3. DIVIDENDS AND VOTING RIGHTS POST ENFORCEMENT

After the security constituted by this debenture has become enforceable:

3.1 all dividends and other distributions paid in respect of the Investments and received by the Company shall be held on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and

3.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Company shall, and shall procure that its nominees shall, comply with any directions the Lender may, in its absolute discretion, give concerning the exercise of those rights and powers.

4. CALLS ON INVESTMENTS

The Company shall duly and promptly pay all calls, instalments and other monies which may be payable from time to time in respect of the Investments. The Company acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other monies.

5. NO ALTERATION OF INVESTMENTS

The Company shall not, without the prior written consent of the Lender, amend, or agree to the amendment of, the memorandum or articles of association or any other constitutional documents of any issuer that is not a public company, or the rights or liabilities attaching to any of the Investments.

6. PRESERVATION OF INVESTMENTS

The Company shall ensure (insofar as it is able by the exercise of all voting rights, powers of control and other means available to it to do so) that no issuer that is not a public company shall:

6.1 consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;

6.2 issue any new shares or stock; or

6.3 refuse to register any transfer of any of its Investments which may be lodged for registration by, or on behalf of, the Lender or the Company in accordance with this debenture.

7. INVESTMENTS INFORMATION

The Company shall, send to the Lender copies of all notices, circulars, reports, accounts and other documents, which are sent to holders of any Investments, promptly following receipt.

PART 5 - Equipment covenants

1. MAINTENANCE OF EQUIPMENT

The Company shall:

1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and

1.2 not to permit any Equipment to be:

1.2.1 used or handled, other than by properly qualified and trained persons; or

1.2.2 to be overloaded or used for any purpose for which it is not designed or reasonably suitable.

2. PAYMENT OF EQUIPMENT TAXES

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

3. EQUIPMENT INFORMATION

The Company shall:

3.1 give the Lender such information concerning the location, condition, use and operation of Equipment as the Lender may require; and

3.2 permit any persons designated by the Lender to inspect and examine Equipment and the records relating to Equipment at all reasonable times.

4. EQUIPMENT INSURANCE

The Company shall:

4.1 at its own expense, procure that the Equipment is covered and kept covered by insurance of a kind satisfactory to the Lender with insurers approved by the Lender (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount which is not less than the aggregate cost of reinstating or replacing such Equipment;

4.2 if the Lender so requires, procure that the interest of the Lender is noted on all such insurance policies or, at the option of the Lender, that such insurance policies are issued in the joint names of the Lender and the Company; and

4.3 maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment.

5. NOTICE OF CHARGE

The Company shall, if so requested by the Lender, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIPTION OF ITEM] and ancillary equipment is subject to a fixed charge dated _____ in favour of **SNAP-ON FINANCE UK LIMITED**.

PART 6 - Intellectual Property covenants

1. PRESERVATION OF RIGHTS

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

2. REGISTRATION OF INTELLECTUAL PROPERTY

The Company shall use all reasonable efforts to effect registration of applications for registration of any Intellectual Property and keep the Lender informed of all matters relating to such registration.

3. MAINTENANCE OF INTELLECTUAL PROPERTY

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

SCHEDULE 3

POWERS OF THE LENDER

1. POWER TO REMEDY

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

2. EXERCISE OF RIGHTS

The rights of the Lender under paragraph 1 of this Schedule 3 are without prejudice to any other rights of the Lender under this debenture. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3. POWER TO DISPOSE OF CHATTELS

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

3.1 may dispose of any chattels or produce found on any Property as agent for the Company; and

3.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Company against any liability arising from such disposal.

4. PRIOR ENCUMBRANCES

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

4.1.1 redeem such or any other prior Encumbrance, or procure its transfer to itself; and

4.1.2 settle any account of the holder of any prior Encumbrance.

4.2 The settlement of any such account shall be conclusive and binding on the Company. All monies paid by the Lender to an encumbrancer in settlement of such an account shall, as from its payment by the Lender, be due from the Company to the Lender on current account and shall bear interest at the Default Rate and be secured as part of the Secured Liabilities.

5. CONVERSION OF CURRENCY

5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by the Lender under this debenture (including the proceeds of any previous conversion under this paragraph 5) from their existing currencies of denomination into such other currencies of denomination as the Lender may think fit. Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each reference in this paragraph 5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

5.2 No payment to the Lender or received or appropriated by the Lender shall discharge the obligation or liability of the Company in respect of which it was made or received unless and until the Lender 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 or receipt shall, on actual conversion into such currency fall short of such obligation or liability actual or contingent, expressed in that currency the Lender shall have a further separate cause of action against the Company and shall be entitled to demand from the Company the immediate payment of such shortfall, failing which the Lender shall be entitled to enforce the security constituted by this debenture to recover the amount of the shortfall and such shortfall amount will bear interest at the Default Rate.

6. NEW ACCOUNTS

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

6.2 If the Lender does not open a new account immediately on receipt of notice under paragraph 6.1 of this Schedule 3, then, unless the Lender gives express written notice to the contrary to the Company, all payments made by the Company to the Lender shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by the Lender.

7. LENDER'S SET-OFF RIGHTS

If the Lender has more than one account for the Company in its books, the Lender may at any time after:

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

7.2 the Lender has received notice of any subsequent Encumbrance or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but the Lender shall notify the Company of the transfer once made).

8. INDULGENCE

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

9. INVESTMENTS: DIVIDENDS AND VOTING RIGHTS PRIOR TO ENFORCEMENT

Until the security constituted by this debenture becomes enforceable:

9.1 the Lender shall, on request by the Company, release and pay to the Company any cash dividends paid in respect of any of the Investments and received by the Lender or its nominee; and

9.2 the Lender shall, in exercising all voting and other rights and powers of the Lender or its nominee attaching to the Investments, act in accordance with the directions of Company from time to time if acting in accordance with those directions would not, in the Lender's opinion, prejudice the Lender's security under this debenture or the value of the Investments, or contravene any agreement between the Lender and the Company.

SCHEDULE 4

ENFORCEMENT

1. ENFORCEMENT EVENTS

This debenture shall be enforceable if:

1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Company (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be); or

1.2 the Company is in breach of any of its obligations under this debenture, any Franchise Document or under any other agreement between the Company and the Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 5 Business Days of notice by the Lender to the Company to remedy the breach; or

1.3 the Company:

1.3.1 becomes unable to pay its debts as they fall due (and/or the value of the Company's assets is less than the amount of its liabilities, taking into account the Company's contingent and prospective liabilities); or

1.3.2 commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or

1.3.3 makes a general assignment for the benefit of, or a composition with, its creditors; or

1.4 the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets; or

1.5 a distress, execution, attachment or other legal process is levied, or enforced on or sued against all or any part of the assets of the Company and remains undischarged for seven days; or

1.6 any event occurs in relation to the Company that is analogous to those set out in paragraph 1.3, paragraph 1.4 or paragraph 1.5 of this Schedule 4; or

1.7 any representation, warranty or statement made or deemed to be made by the Company under this debenture is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

1.8 an Event of Default (as defined in any Loan Agreement) occurs; or

1.9 the Company ceases to carry on business, or rescinds, repudiates or terminates (or purports to rescind, repudiate or terminate) any Franchise Document, or the Company otherwise ceases operation of its franchise granted under the terms of the Franchise Agreement; or

1.10 the Company defaults under the terms of any Franchise Document or any other agreement entered into between the Company and any member of the Lender Group;

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

2. STATUTORY POWER OF SALE

The statutory powers of sale conferred by the Law of Property Act 1925 shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this debenture, but the Lender shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 4.

3. EXTENSION OF STATUTORY POWERS

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

4. PROTECTION OF THIRD PARTIES

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

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

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

5. NO LIABILITY AS MORTGAGEE IN POSSESSION

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

6. APPOINTMENT OF RECEIVER

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

6.1.1 appoint under seal or by writing under hand of a duly authorised officer of the Lender, any one or more person or persons to be a receiver, or a receiver and manager, of all or any part of the Charged Property; and

6.1.2 (subject to section 45 of the Insolvency Act 1986) from time to time, under seal or by writing under hand of a duly authorised officer of the Lender, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

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

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

7. POWER OF SALE ADDITIONAL

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

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

8. AGENT OF THE COMPANY

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

9. POWERS OF RECEIVER

Any Receiver appointed by the Lender under this debenture shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and, in particular, the powers set out in Schedule 5.

10. ORDER OF APPLICATION OF PROCEEDS

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

10.1 first in paying all unpaid fees, costs and other liability incurred by or on behalf of the Lender (and any Receiver, attorney or agent appointed by it);

10.2 second in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender);

10.3 third in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and

10.4 finally in paying any surplus to the Company or any other person entitled to it.

11. APPROPRIATION

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

12. SUSPENSE ACCOUNT

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

13. POWER OF ATTORNEY

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

13.1 the Company is required to execute and do under this debenture, including execute any document required by the Lender under paragraph 6 of Part 1 of Schedule 2; and/or

13.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Lender or any Receiver.

14. RATIFICATION OF ACTS OF ATTORNEY

The Company ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13 of this Schedule 4.

15. APPOINTMENT OF AN ADMINISTRATOR

15.1 The Lender may, without notice to the Company, appoint any one or more persons to be an administrator of the Company pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable.

15.2 Any appointment under this paragraph 15 shall:

15.2.1 be in writing signed by a duly authorised signatory of the Lender; and

15.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

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

SCHEDULE 5

FURTHER POWERS OF A RECEIVER

1. POWER TO REPAIR AND DEVELOP PROPERTIES

A Receiver may undertake or complete any works of repair, building or development on the Properties.

2. POWER TO SURRENDER LEASES

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

3. POWER TO EMPLOY PERSONNEL AND ADVISORS

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

4. POWER TO MAKE VAT ELECTIONS

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

5. POWER TO CHARGE FOR REMUNERATION

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

6. POWER TO REALISE CHARGED PROPERTY

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

7. POWER TO MANAGE OR RECONSTRUCT THE COMPANY'S BUSINESS

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

8. POWER TO DISPOSE OF CHARGED PROPERTY

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the Company in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Company), and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as the Receiver thinks fit and he may promote, or concur in promoting, a company to purchase the property to be sold.

9. POWER TO SELL BOOK DEBTS

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

10. POWER TO MAKE SETTLEMENTS

A Receiver may make any arrangement, settlement or compromise between the Company and any other person which he may think expedient.

11. POWER TO IMPROVE THE EQUIPMENT

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

12. POWER TO MAKE CALLS ON COMPANY MEMBERS

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

13. POWER TO APPOINT

A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 5 at such salaries, for such periods and on such terms as he may determine.

14. POWER TO INSURE

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

15. POWERS UNDER LAW OF PROPERTY ACT 1925

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

16. POWER TO BORROW

A Receiver may for any of the purposes authorised by this Schedule 5 raise money by borrowing from the Lender (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if the Lender consents, terms under which such security ranks in priority to this debenture).

17. POWER TO REDEEM PRIOR ENCUMBRANCES

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates. Any accounts so settled and passed shall be conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by him.

18. INCIDENTAL POWERS

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 5, or which he lawfully may or can do as agent for the Company.

19. SCOPE OF POWERS

Any exercise of any of the powers given by this Schedule 5 may be on behalf of the Company, the directors of the Company (in the case of the power contained in paragraph 12 of this Schedule 5) or himself.

SCHEDULE 6

NOTICE DETAILS

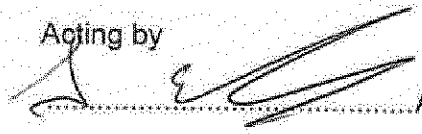
The Company:	**GARSIDE J LIMITED** **11 JUBILEE DRIVE** **ASH VALE** **ALDERSHOT** **HAMPSHIRE** **GU12 5JL**
For the attention of:	**JONATHAN R GARSIDE**
Fax number:	_____
The Lender:	**SNAP-ON FINANCE UK LIMITED** **TELFORD WAY, TELFORD WAY INDUSTRIAL ESTATE, KETTERING** **NORTHAMPTONSHIRE NN16 8SN**
For the attention of:	**FINANCIAL SERVICES MANAGER, PORTFOLIO MANAGEMENT** Title and Department
Fax number:	**01536 413811**

COMPANY

Executed as a deed for and on behalf of

GARSIDE J LIMITED

Acting by



.....Authorised Signatory

In the presence of

.....Signature of Witness

.....Full name of Witness

.....Address of Witness

LENDER

Executed as a deed for and on behalf of

SNAP-ON FINANCE UK LIMITED

Acting by

.....Authorised Signatory

In the presence of

.....Signature of Witness

.....Full name of Witness

.....Address of Witness

.....