

Debenture

Date: Parties:

1. **The Lender':**
2. **The Company':**

OPERATIVE PROVISIONS

1. Interpretation

1.1. In this Debenture:

'ACTS' means the Law of Property Act 1925 and the Insolvency Act 1986 (or any statutory modification or re-enactment of those acts for the time being in force)

'ASSETS' means the property, undertaking and assets of the Company expressed to be charged to the Lender now or hereafter under clause 2

'LENDER' shall include, unless the context otherwise requires, the Lender's successors and assigns and all its branches from time to time, whether in Wales or otherwise.

'INDEBTEDNESS' means all the Company's present or future indebtedness to the Lender as set out in the attached agreement.

'ASSETS' also means all assets referred to in clauses 2.1. and 2.2 and 'RECEIVER' has the meaning given to it in clause 4.1

2. Charge

2.1 The Company hereby covenants on demand to pay or discharge the Indebtedness to the Lender. As security for the payment and discharge of the Indebtedness, the Company, as beneficial owner, hereby charges to the Lender:

2.1.1 by way of fixed charge, all the assets for time being of the Company;

2.1.2 by way of floating charge, all the Company's present and future undertaking and assets, whatever and wherever, including (without limitation) all other assets not subject to a fixed charge under this Debenture

3. Covenants

3.1 The Company shall not:

3.1.1 except for charges in favour of the Lender created under or pursuant to this Debenture create or permit to subsist any mortgage, charge or lien on any of its undertaking or assets; save for those already existant.

3.1.2 sell, transfer or otherwise dispose of its undertaking and other assets or any part of them, except by getting in and realising them in the ordinary and proper course of its business;

3.1.3 grant or accept a surrender of any lease or license of or part with or share possession or occupation of the Property or any part of it.

3.2 The Company shall:

3.2.1 Provide to the Lender all deeds and documents of title and all insurance policies relating to the Assets if requested and promptly notify the Lender on acquiring any Property after the date of this Debenture;

3.2.2 keep such of the Assets as are insurable comprehensively insured to the Lender's satisfaction in writing (and, if so required by the Lender, in the joint names of itself and the Lender) against loss or damage by fire and such other risks as the Lender may require, to their full replacement value and, where such insurance is not in joint names, procure that the Lender's interest is noted on all policies required under this clause 3.2.2;



- 3.2.3 duly and promptly pay all premiums and other moneys necessary for maintaining the insurances required under clause 3.2.2 and on demand produce the insurance policies and premium receipts on the Lender;
- 3.2.4 keep all buildings and all plant, machinery, fixtures, fittings and other effects in good repair and working order;
- 3.2.5 promptly notify the Lender of any meeting to discuss, or any proposal or application for the appointment of an administrator, receiver, liquidator or similar official in respect of the Company or any of its Assets and, if any such official is appointed, of his appointment.
- 3.2.6 If the Company fails to perform any of its obligations under clauses 3.2.2, 3.2.3, or 3.2.4, the Lender may take out or renew any insurance or effect such repairs and take such other action as it may deem appropriate to remedy such failure and recover the premiums and other expenses so incurred from the Company on demand.

4. Receiver

4.1 At any time after the Lender's demand for payment from the Company of any Indebtedness (or if so requested by the Company), the Lender may appoint by writing any person or persons to be an administrative receiver or a receiver and manager or receivers and managers (the Receiver', which expression shall include and substituted receiver(s) and manager(s)) of all or any part of the Assets. Without limiting the Lender's rights under this clause 4.1 or at law, the Lender may, whether or not any demand has been made for payment of the Indebtedness, appoint a Receiver if the Lender becomes aware of any of the matters referred to in clause 3.2.6 or if the security created by this Debenture shall be in jeopardy.

4.2 The Lender may from time to time determine the remuneration of the Receiver and may remove the Receiver and appoint another in his place.

4.3 Receiver shall be the Company's agent and shall have all powers conferred by the Acts. The Company alone shall be responsible for his acts and omissions and for his remuneration. In particular, but without limiting any general powers or the Lender's power of sale, the Receiver shall have power:

- 4.3.1 to take possession of collect and get in all or any part of the Assets and for that purpose take any proceedings in the Company's name or otherwise as he shall think fit;
- 4.3.2 to carry on or concur in carrying on the Company's business and raise money from the Lender or others on the security of all or any part of the Assets;
- 4.3.3 to sell, let and/or terminate or to accept surrenders of leases or tenancies of any part of the Property, in such manner and on such terms as he thinks fit;
- 4.3.4 to take, continue or defend any proceedings and make any arrangement or compromise which the Lender or he shall think fit;
- 4.3.5 to make and effect all repairs, improvements and insurances;
- 4.3.6 to appoint managers, officers and agents for any of the above purposes, at such salaries as the Receiver may determine;
- 4.3.7 to call up any of the Company's uncalled capital;
- 4.3.8 to promote the formation of a subsidiary company or companies of the Company, so that such subsidiary may purchase, lease, license or otherwise acquire interests in all or any part of the Assets; and
- 4.3.9 to do all other acts and things which he may consider to be incidental or conducive to any of the above powers.

Any monies received under this Debenture shall be applied:

- 4.4.1 first, in satisfaction of all costs, charges and expenses properly incurred and payments properly made by the Lender or the Receiver and of the remuneration of the Receiver;
- 4.4.2 secondly, in or towards satisfaction of the Indebtedness in such order as the Lender shall determine; and
- 4.4.3 thirdly, this surplus (if any) shall be paid to the person or persons entitled to it.

5. Power of attorney

The Company hereby irrevocably and by way of security appoints the Lender (whether or not a Receiver has been appointed) and also (as a separate appointment) each Receiver severally as the attorney and attorneys of the Company with power to do any act, and execute and deliver any deed or other document, on behalf of and in the name of the Company, which the Company could be required to do or execute under any provision of this Debenture, or which the Lender in its sole opinion may consider necessary or desirable for perfecting the Lender's title to any of the Assets or enabling the Lender or the Receiver to exercise any of its or his rights or powers under this Debenture.

6. Miscellaneous

- 6.1.1 No statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies of any part of the Property may be exercised by the Company without the Lender's prior written consent. Section 93 of the Law of Property Act 1925 shall not apply.



- 6.2 By notice in writing to the Company, the Lender may at any time convert the floating charge created by clause 2.1.2 in to a specific charge over any Assets specified in the notice which the Lender considers to be in danger of being ceased or sold under any form of distress, attachment or other legal process or to be otherwise in jeopardy. The Company at its expense shall at any time on the Lenders request promptly execute and deliver to the Lender any other or further mortgage, charge or other instrument conferring a fixed charge on any of its Assets (including any of the Assets charged by clause 2.1.6) or such other charge as the Lender may in its discretion think fit for securing the Indebtedness.
- 6.3 This Debenture shall be:
- 6.3.1 a continuing security to the Lender, notwithstanding any settlement of account or other matter or thing whatever;
 - 6.3.2 without prejudice and in addition to any other security for the Indebtedness (whether by way of mortgage, equitable charge or otherwise) which the Lender may hold now or hereafter on all or any part of the Assets; and
 - 6.3.3 in addition to any rights, powers and remedies at law.
- 6.4 Section 103 of the Law of Property Act 1925 shall not apply. The statutory power of sale shall be exercisable at any time after the execution of this Debenture. The Lender shall not exercise its power of sale until payment has been demanded, but this provision shall not affect a purchaser or put him on enquiry whether such demand has been made.
- 6.5 No failure or delay on the Lender's part in the exercise of any of its rights, powers and remedies (in this clause 5 'right(s)') under this Debenture or at law shall operate or be construed as a waiver. No waiver of any of the Lender's rights shall preclude any further or other exercise of that right or of any other right.
- 6.6 The Lender may give time or other indulgence or make any other arrangement, variation or release with any person in respect of the Indebtedness or any other security or guarantee for the Indebtedness without delegating from the Company's liabilities or the Lenders rights under this Debenture.
- 6.7 The Company certifies that the charges created by this Debenture do not contravene any provision of its memorandum and articles of association or any agreement binding on it or any of the Assets.
- 6.8 The Company shall, on demand by the Lender execute and deliver all transfers mandates, assignments, deeds or other documents as the Lender may require to perfect its rights under this Debenture and to give effect to any sale or disposal of any of the Assets and otherwise give effect to the intent of this Debenture.

7. Costs

All costs, charges and expenses incurred by the Lender and all other moneys paid by the Lender or the Receiver in perfecting or otherwise in connection with this Debenture and all costs of the Lender or the Receiver of all proceedings for enforcement of this Debenture shall be recoverable from the Company as a debt and shall be charged on the Assets.

8. Severance

If at any time any provision in this Debenture is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Debenture shall not be impaired.

9. Notices

- 9.1 Any demand, notice or other communication by the Lender may be delivered personally to the Company or sent to the Company by post, telemessage, cable, telex, telecopier and email at its address set out above or such other address notified in writing to the Lender. Any such notice, demand or other communication shall be deemed to have been received by the Company twenty four hours after posting (where sent by first class prepaid post) immediately upon such delivery (where delivered personally) and immediately on sending (where sent by telemessage, cable, telex, telecopier or email) whether or not it is actually received.
- 9.2 Any notice from the Company to the Lender shall be served by first class prepaid recorded delivery post sent to the Lender at its address set out above or such other address notified to the Company by the lender.

10. Law

This Debenture shall be governed by and construed in accordance with English law.



Attestation

Executed and unconditionally delivered as a deed as follows:

Signed On Behalf of the Company

Draft

