



Shireconsulting

Pension Scheme

The Chapel Bamsley Hall Road
BROMSGROVE Worcestershire B61 0SZ

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8 December 2010

Pension Practitioner.com
Daws House
33 – 35 Daws Lane
London
NW7 4SD

For the attention of Gavin McCloskey

Dear Gavin

Please find enclosed the loan minutes, the Trustee loan agreement and the variation of a charge over shares, all duly signed. Please note that they are all dated 14 October 2010 as the loan for £200,000 had been authorized and made on this day.

Apologies for the delay in sending these back to you, but it has taken until now to get them all signed.

Kind regards

Yours Sincerely

Philip Stone
Accounts/Office Manager

SHIRE CONSULTING LIMITED

("the Company")

Extract from the Minutes of a Meeting of the Board of Directors of the Company

held on 14 OCTOBER 2010

Present:

SIMON CROOK (Chairman)

RONALD DAVID MACE

RICHARD YATES HARTSHORNE

SARAH CROOK

1 Quorum

The Chairman noted that:

- 1.1 the Meeting had been properly convened and a quorum was present; and
- 1.2 except as mentioned below, no Director at the Meeting had, directly or indirectly, any interest in the proposed agreements or related arrangements which he was required by the Articles of Association of the Company or by statute or otherwise to disclose or was for any reason disqualified from voting at the Meeting or forming part of the quorum.

2 Business of the Company

- 2.1 The Chairman reminded the Meeting that the Board had recently concluded that the Company required funding of £200,000.
- 2.2 The Company had approached the Trustees of the Shire Consultants Pension Scheme (the "Trustees" and the "Scheme") with a view to arranging a loan facility for this purpose. The Trustees had indicated that the Scheme was prepared to loan up to £200,000 to the Company.
- 2.3 The principal purpose of the Meeting was therefore to approve the documentation proposed to be entered into and/or despatched by the Company in connection with the foregoing matters.

3 Loan Documents

- 3.1 There was produced to the Meeting:
 - 3.1.1 an agreement setting out the terms upon which the Trustees were prepared to make a loan available to the Company (the "Facility"); and

- 3.1.2 a Charge to be granted by the Shareholders to the Trustees to secure a further loan made under the Facility (the **"Debenture"**).
- 3.2 In these Minutes the term **"Transaction Documents"** means the Facility and the Debenture together and **"Transaction Document"** means one of them, and the term **"Additional Document"** shall mean any document required to be entered into by the Company under or by reason of the Transaction Documents.
- 4 **Loan Approvals**
- 4.1 The Chairman explained that it was necessary for the Meeting to consider and, if it thought fit:
 - 4.1.1 to settle and approve on behalf of the Company the terms of the Transaction Documents;
 - 4.1.2 to approve the assumption by the Company of the obligations expressed to be assumed by the Company under the Transaction Documents;
 - 4.1.3 to approve the execution of the Transaction Documents; and
 - 4.1.4 to authorise the execution of the Transaction Documents by and on behalf of the Company.
- 4.2 The Board noted that:
 - 4.2.1 the purpose for which the Trustees were prepared to advance funds to the Company was to enable the Company to meet the general working capital requirements of its business and operations;
 - 4.2.2 to achieve this purpose, the provision of loan by the Trustees, and consequently the execution by the Company of the Transaction Documents, were in the economic, strategic and financial interests of the Company.
- 4.3 All Directors declared their interest in the Transaction Documents in their capacities as guarantors of the advances to be made by the Trustees and it was noted that, under the Articles of Association of the Company, the directors were entitled to attend the Meeting.
- 4.4 Following full and careful consideration of the Transaction Documents and the financial requirements of the Company, the Directors were unanimously of the opinion that:
 - 4.4.1 there would be significant benefit to the Company, for the reasons detailed in paragraph 4.2.1 above, in its entering into the Transaction Documents and in its undertaking the obligations contained in them;

- 4.4.2 it would, for the reasons detailed in paragraph 4.2.1 above, be in the best interests of the Company and for the purpose of carrying on its business to enter into the Transaction Documents and to perform its obligations under them;
- 4.4.3 all statements of fact and other representations by the Company contained in the Transaction Documents were correct and could properly be made by the Company;
- 4.4.4 the execution and delivery of the Transaction Documents and the exercise by the Company of its rights and performance by the Company of the obligations under them would not contravene any provision of the Memorandum and Articles of Association of the Company or any agreement or obligation binding on it; and
- 4.4.5 having regard to the credit facilities available to the Company and having made such enquiries as the Directors considered to be reasonable in the circumstances,
- (i) the Company is able to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and the Directors are not aware of any fact or matter which would give them reason to believe that the Company would be unable to do so as a result of entering into and performing its obligations under the Transaction Documents,
 - (ii) no execution or other process issued on a judgment, decree or order of any court in favour of a creditor of the Company remains unsatisfied in whole or in part,
 - (iii) the Company, in entering into the Transaction Documents, has not been influenced by a desire to put any other person into a position which, in the event of the Company's subsequent insolvent liquidation, would be better than that in which that person would otherwise have been, and
 - (iv) the Company is not entering into the Transaction Documents for the purpose of:
 - (a) putting assets beyond the reach of a person who is making, or might at some time make, a claim against the Company, or
 - (b) otherwise prejudicing the interests of such a person in relation to the claim which he is making or might make.

5 Loan Authorities

It was resolved that:

- 5.1 the terms and conditions, the execution and delivery by the Company of, and the performance by the Company of its obligations under, the Transaction Documents be and are hereby approved, subject to such amendments as any Director may in his absolute discretion think appropriate, the execution of the Transaction Documents by the Director to constitute conclusive evidence that any such amendment was thought to be appropriate;
- 5.2 any Director be and is hereby authorised to approve and settle the terms and conditions of any Additional Document as he may consider appropriate for the Company to enter into, and such terms and conditions are hereby accordingly approved, subject in each case to such amendments to such Additional Document as any Director may in his absolute discretion think appropriate, the execution of the relevant Additional Document by the Director to constitute conclusive evidence that any such amendment was thought to be appropriate;
- 5.3 any Director be and is hereby authorised to execute and deliver the Transaction Documents and any Additional Document in such manner as he may agree;
- 5.4 in respect of the Transaction Documents or any Additional Document to be executed under hand as a “deed” of the Company, any two persons (each being a Director or the Secretary of the Company) be and are hereby authorised to execute it as a deed on the Company’s behalf;
- 5.5 in respect of the Transaction Documents or any Additional Document to be executed under seal, the Company Seal be affixed to it and such affixing be duly attested in accordance with the Company’s Articles of Association in the presence of any two persons (each being a Director or the Secretary of the Company);
- 5.6 any Director be and is hereby authorised to:
- 5.6.1 do all acts and things so as to carry into effect the purposes of these resolutions,
 - 5.6.2 give or execute any or all notices, communications or other documents on behalf of the Company in connection with the Transaction Documents or any Additional Document or the transactions contemplated in them; and
 - 5.6.3 agree such modifications to the Transaction Documents or any Additional Document as such director may in his absolute discretion think appropriate; and
- 5.7 the execution of the Transaction Documents or any Additional Document and/or any notice, communication or other document referred to above by any person authorised to execute them shall be conclusive evidence of the due authorisation by the Company of the execution of such document, notice, communication or other document.

6 General Authorities

It was resolved that any Director be and is hereby authorised to:

- 6.1 issue and certify as true, complete and up-to-date a copy of the Minutes of this Meeting and to certify from time to time that each of the resolutions contained in these Minutes has not been modified or revoked and is in full force and effect;
- 6.2 issue from time to time any other certificate required under the terms of the Transaction Documents or any Additional Document;
- 6.3 certify as a true copy any document, a true copy of which is to be delivered by the Company to any person in connection with, or pursuant to, the Transaction Documents or any Additional Document; and
- 6.4 sign any notices, communications or documents to be given by the Company or on its behalf pursuant to, or in connection with, the Transaction Documents or any Additional Document.


7 Close

There being no further business, the Chairman declared the Meeting closed.

.....*J. Nooh*.....

Chairman

THE TRUSTEES OF THE SHIRE CONSULTING PENSION SCHEME

The Director 
Shire Consultants Limited
The Chapel
Barnsley Hall Road
Bromsgrove
Worcester. B61 0SZ

14 OCTOBER

Dated: ~~November~~ 2010

Dear Sir,

We refer to our recent discussions and write to confirm that the **SHIRE CONSULTING PENSION SCHEME** (the "Scheme") acting by its trustees (the "Trustees") will make available to Shire Consulting Limited a company incorporated under the laws of England and Wales with registered number 2424982 whose registered office is at The Chapel, Barnsley Hall Road, Bromsgrove, Worcester. B61 0SZ (the "Borrower") a further loan of £200,000 (the "Advance") for general corporate purposes, to be secured by fixed equitable charges over the whole of the issued share capital of Shire Consulting Limited, (the "Charges"). The Advance set out below is the "Loan". The Loan is subject to the terms and conditions set out in this letter.

1 ADVANCE

1.1 General

Subject to receipt of the documents listed in paragraph 5.1 the Advance shall be made by the Scheme to the Borrower within five working days' by credit transfer to the account of the Borrower under reference "Loan Advance".

1.2 Continuing Loan Conditions

The conditions to permitting the Loan to remain outstanding are that:

- 1.2.1 the Loan shall not at any time exceed £200,000;
- 1.2.2 the amount from time to time outstanding of the Loan shall not at any time exceed 50 per cent of the net asset value of the assets of the Scheme;
- 1.2.3 the Loan may not remain outstanding for more than 5 years, unless the Trustees give written consent to an extension of the repayment term such extension not to exceed 5 years and not to be further extended;
- 1.2.4 the Loan is secured by existing charges over assets under an existing Deed dated 17 August 2009 as amended a certified copy of which is appended to this document which in the opinion of the Trustees of the Scheme have a net realisable value sufficient to repay the Loan, accrued interest and any costs of realisation;

2 TERM

2.1 *Facility term*

This facility letter may be cancelled by the Scheme by written notice to the Borrower at any time prior to making the Advance to the Borrower. Subject to that, this facility will become available upon the Trustees receiving the documents listed in paragraph 5.1.

2.2 *Length of Loan*

The Loan shall be for a period of five years from the date the Advance is made or, if the fifth anniversary of the making of the Advance is not a day when banks in the City of London are open for business (a "Business Day"), on the preceding Business Day (the "Term Date").

2.3 *Extension of Term Date*

The Trustees may in their absolute discretion, upon such terms as they may impose and with the agreement of the Borrower, extend the Term Date in respect of the Loan once only for a period not exceeding five years.

3 NATURE OF THE LOAN

3.1 *Uncommitted*

The Loan is not committed and whether the Trustees agree to the making of the Advance and in what amount is in their absolute discretion.

3.2 *Non-revolving nature*

The Loan is not revolving and if the Loan is repaid in whole or in part the Scheme is not obliged to permit the repayments to be reborrowed or to make further advances to the Borrower and the Scheme is not obliged to lend additional funds on any further occasion.

3.3 *Applicable terms*

If the Trustees agree to make any further Loan to the Borrower, such Loan will, unless the Trustees specifically agree in writing otherwise, be made on the terms of this letter and will be subject to the security constituted by the Charges.

4 OUTSTANDINGS REPAYABLE ON DEMAND

4.1 *Repayment on demand*

The Borrower shall, on the Trustees' first written demand, pay to the Scheme the outstanding balance of the Loan together with interest, calculated in accordance with this letter, accrued to, and unpaid before, the date of payment and all other costs and expenses then owing under this letter.

4.2 *Discretion of Trustees*

The Trustees may make demand under this letter at any time at their discretion, and whether or not the Borrower is in default of any of the provisions of this letter, and whether or not making or allowing to remain outstanding any Loan would be contrary to any law applicable to the Scheme.

4.3 *Enforcement of Charges*

If the Trustees have made a demand for payment under paragraph 4.1 which has not been satisfied in accordance with the terms of the demand, the Scheme shall be entitled to enforce the Charges forthwith and without further notice to the Borrower.

5 **CONDITIONS**

5.1 *Documentation*

The Borrower shall provide to the Trustees all of the following in form and substance reasonably satisfactory to them:

5.1.1 a duplicate of this letter duly executed by or on behalf the Borrower by way of acceptance of its provisions;

5.1.2 a copy of a resolution of the sole Director of the Borrower approving and accepting the provisions of this letter on behalf of the Borrower and authorising named persons or office holders to sign this letter on behalf of the Borrower and authorising named persons or office holders to give any notice, request or other communications which may be required under this letter;

5.1.3 the Charges duly executed by Mr Thomas Glanfield and Ms Catherine Rix; and

5.1.4 a copy of a written resolution of the shareholders of the Borrower approving this letter.

5.2 *Waiver*

The Borrower acknowledges that paragraph 5.1 above is included in this letter for the exclusive benefit of the Scheme and that the Trustees may waive compliance by the Borrower with any of its provisions on the basis that if any condition precedent is waived by the Trustees that condition shall be complied with by the Borrower within three Business Days thereafter.

6 **LOAN ACCOUNT**

The Trustees shall open and maintain an account in the Scheme's books of account for the Loan (the "Loan Account"). The Trustees shall keep an accurate record in the Loan Account of the amount from time to time owing to the Scheme in respect of the Loan, including interest accrued.

7 REPAYMENT

7.1 *Application of Payments*

7.1.1 Each payment received by the Scheme for credit in the Loan Account shall be applied:

- (a) first, to accrued interest;
- (b) second, to payment of the Facility Fee; and
- (c) third, to repayment of the Advance.

7.1.2 The order of application of payments set out in paragraph 7.1.1 shall apply notwithstanding any other appropriation of payments made by the Borrower.

7.2 *Amortisation of Loan*

7.2.1 The First Business Day of each calendar month is a “Payment Day”.

7.3 *Early repayment of whole*

7.3.1 The Borrower may on 15 Business Days’ prior written notice to the Trustees repay the whole, but not part only, of the Loan on the next following Payment Day (the “Early Repayment Day”).

7.3.2 Upon receipt of a notice under paragraph 7.3.1, the Trustees shall calculate:

- (a) the amount of the Loan that will be outstanding, and the interest that will have accrued, as at the Early Repayment Day, and
- (b) the interest that would have been payable on each of the three Payment Days following the Early Repayment Day on the assumption that the Borrower had continued to pay on the Early Repayment Day and the two following Payment Days the sum mentioned in paragraph Error! Reference source not found.,

and shall advise the Borrower accordingly, and the Borrower shall pay the aggregate sum calculated under paragraphs 7.3.2(a) and 7.3.2(b) to the Scheme for credit in the Loan Account on or before the next Payment Day.

7.4 *Repayment on demand*

The Borrower shall, on the Trustees’ first written demand, pay to the Scheme an amount equal to the then debit balance on the Loan Account, together with interest, calculated in accordance with this letter, accrued to, and unpaid before, the date of payment and all other costs and expenses then owing under this letter.

7.5 *Repayment on Term Date*

Unless the Trustees have agreed to extend the Term Date under paragraph 2.3, the Loan shall be repaid in full on the Term Date.

8 INTEREST

8.1 *Interest rate*

Subject to paragraph 8.2, the Borrower shall pay interest on the daily debit balance on the Loan Account from time to time at the rate of 1.5 per cent per annum to be reviewed annually in line with the change in base rate ("Base Rate") and compounded on each Payment Date.

8.2 *Rate of interest on overdue payments*

The Borrower shall, on any amount not paid when due, pay interest at the aggregate rate of one per cent per annum plus the Base Rate.

8.3 *Time for payment of interest on overdue payments*

The Borrower shall pay interest accruing under paragraph 8.2 on the first Business Day in each month and on each occasion on which the overdue payment referred to in paragraph 8.2 is made to the Scheme.

8.4 *Tax deductions*

If the Borrower is obliged to deduct tax from any payment, the grossed-up amount credited to the Loan Account shall be considered to have been paid by the Borrower provided that the Borrower has provided to the Trustees such evidence and certificates as the Trustees may require as evidence for the taxation authorities of the deduction of tax.

9 FEES AND EXPENSES

9.1 *Initial and other costs*

The Borrower shall forthwith on demand pay to the Scheme the amount of all reasonable and proper costs and expenses incurred by the Trustees in connection with the negotiation, preparation, execution and performance of this letter and the negotiation, preparation, execution and performance of the Charges and all waivers in relation to, and variations of, this letter or the Charges.

9.2 *Enforcement costs*

The Borrower shall, forthwith on demand, pay to the Scheme the amount of all costs and expenses incurred by the Scheme in connection with the enforcement or attempted enforcement against the Borrower of its rights under this letter or its rights under the Charges.

9.3 *Legal expenses and taxes*

The costs and expenses referred to above include, without limitation, the fees and expenses of legal advisers and any value added tax or similar tax, and are payable in the currency in which they are incurred.

9.4 *Stamp duty etc*

The Borrower shall pay an amount equal to any stamp, documentary and other like duties and taxes to which this letter or the Charges may be subject or give rise.

9.5 *Transfer charges*

The Borrower shall reimburse on demand all bank and other charges (excluding interest on money borrowed) incurred by the Scheme:

9.5.1 in arranging and maintaining funding of the Loans, and

9.5.2 to carry out transfers of funds to the Borrower.

10 **NOTICES**

10.1 *Communications to be in writing*

Each communication to be made under this letter shall be made in writing but, unless otherwise stated, may be made by facsimile or letter.

10.2 *Delivery of communications*

Any communication or document to be made or delivered by one person to another under this letter shall (unless that other person has by 15 days' written notice to the other party specified another address) be made or delivered to that other person at the facsimile number or address identified at the beginning of this letter and shall be deemed to have been made or delivered when receipt has been acknowledged (in the case of any communication by personal delivery or by facsimile) or (in the case of posting) two working days after being deposited in the post postage prepaid in an envelope addressed to it at that address provided that:

10.2.1 any communication or document to be made or delivered to the Trustees shall be effective only when received by them; and

10.2.2 any communication or document made or delivered outside normal business hours in the place of receipt shall not be deemed to be made or delivered until opening of business on the next working day in such place.

11 **INFORMATION**

11.1 *Annual Accounts*

The Borrower shall provide to the Trustees no later than the date upon which the annual accounts of the Borrower and the report of the directors thereon is delivered to Companies House in each year a true and complete copy of the accounts as filed.

11.2 *Management Accounts*

The Borrower shall provide to the Trustees on their written request (but no more frequently than quarterly) a copy of the most recent management accounts of the Borrower.

11.3 *Valuations*

The Borrower shall at its own cost and at the written request of the Trustees (but no more frequently than annually) obtain for the information of the Trustees such valuations of the assets of the Borrower as the Trustees may (acting reasonably) specify.

12 **GENERAL**

12.1 *Certificates*

The certificate of the Trustees as to Base Rate and the balance at any time on the Loan Account or as to any amount payable under this letter or of the fact that any amount is due and payable shall be conclusive and binding on the Borrower unless there is an obvious error.

12.2 *Severability*

If a provision of this letter is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability in that jurisdiction of any other provision of this letter.

12.3 *Waivers, remedies cumulative*

The rights of the Scheme under this letter may be exercised as often as the Trustees consider necessary or desirable, are cumulative and not exclusive of the Scheme's rights under any applicable law and may be waived only in writing and specifically.

12.4 *Delay*

Delay in exercising or the non-exercise of any of the Scheme's rights under this letter is not a waiver of that right.

12.5 *Restrictions on the Borrower*

The Borrower may not assign or transfer any of its rights and/or obligations under this letter.

12.6 *Successors etc*

This letter shall be binding on and inure to the benefit of the Scheme and the Trustees of the Scheme from time to time and the Borrower and their respective successors and permitted assigns and references in this letter to any of them shall be construed accordingly.

12.7 *Governing law*

This letter shall be governed by English law.

12.8 *Third Parties*

A person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this letter.

12.9 *Liability of the Trustees*

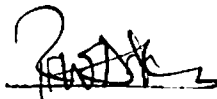
The parties acknowledge that **SIMON CROOK, RONALD DAVID MACE, RICHARD YATES HARTSHORNE** are contracting solely for the Trustees of the Scheme and that their liability under this letter is limited to the assets of the Scheme.

If you are in agreement with the above terms and conditions, please sign and return the enclosed copy of this letter.

Yours faithfully



SIMON CROOK



RONALD WILIAM DAVID MACE



RICHARD YATES HARTSHORNE

Acting as Trustees of the SHIRE CONSULTING PENSION SCHEME

I refer to your letter dated *14 OCTOBER* 2010 (of which the above is a copy) and confirm that the Borrower accepts and agrees to be bound by the terms and conditions thereof.

Director



For and on behalf of Shire Consulting Limited

Dated *14 OCTOBER* 2010

Dated : 14 OCTOBER 2010

**SIMON CROOK, SIMON CROOK, RONALD DAVID MACE, RICHARD YATES
HARTSHORNE, SARAH CROOK**

(as Chargors)

and

THE TRUSTEES OF THE SHIRE CONSULTING PENSION SCHEME

(as Charge Holders)

**VARIATION TO A
CHARGE OVER SHARES**

THIS DEED is made 17 August 2009

PARTIES

- (1) **SIMON CROOK, RONALD WILLIAM DAVID MACE, RICHARD YATES HARTSHORNE, SARAH CROOK** (the “Chargors”) c/o The Chapel, Barnsley Hall Road, Bromsgrove. Worcester. B61 0SZ 40 West Road, Stoney Hall, Bromsgrove, Worcs. B60 2NQ; and
- (2) **SHIRE CONSULTANTS LIMITED** (The Registered Administrator) acting for the **TRUSTEES OF THE SHIRE CONSULTANTS PENSION SCHEME** (the “Charge Holders”).

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, the following words and expressions have the following meanings:

“Act” means the Law of Property Act 1925;

“Charged Shares” means all Ordinary class A and Class B Shares held from time to time by the Chargors as defined by the Special Resolution and Memorandum and Articles of the Company;

“Company” means Shire Consulting Limited, a company incorporated under the laws of England and Wales with registered number 2424982 whose registered office is at The Chapel, Barnsley Hall Road, Bromsgrove. Worcester. B61 0SZ

“Default Rate” means, in relation to any amount not paid on its due date by the Chargors, 1 % per annum over the base rate from time to time of The Royal Bank of Scotland plc;

“Enforcement Event” means any of the following events:

- (a) the failure by the the Company to pay when due any of the Secured Liabilities; or
- (b) the commencement of the Winding-up of the Company; or
- (c) any event which causes the Charge Holders reasonably to believe that any of the Charged Shares are in danger of seizure, distress, diligence or other legal process or that this Security is otherwise for any reason in jeopardy;

“Secured Liabilities” means each and every liability which the Company may now or hereafter have to the Charge Holders for borrowed money, and

whether for principal, interest or otherwise now or hereafter owing due or incurred by the Company to the Charge Holders in respect of any such liabilities together with all sums covenanted in this Deed to be paid by the Chargors to the Charge Holders;

"Security" means the security from time to time constituted by, or pursuant to, this Deed;

"Security Interest" means any mortgage, charge, pledge, hypothecation, lien, assignment, title retention, option, right of set-off, security interest, trust arrangement and any other preferential right or agreement to confer security and any transaction which, although in legal terms is not a secured borrowing, has an economic or financial effect similar to that of a secured borrowing;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Charge Holders are satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;

"Shares" means the shares listed in a Charging Agreement dated 17 August 2009 of Shire Consulting Limited registered in the name of the Chargors

"Tax" means and includes any present or future tax (including Value Added Tax), levy, impost, duty, charge, fee, deduction or withholding of any nature and any interest or penalty in respect thereof; and

"Winding-up" of a person means the administration, amalgamation, reconstruction, reorganisation, dissolution, liquidation, merger or consolidation of that person, and any equivalent or analogous procedure under the laws of any jurisdiction and a reference to the commencement of any of these includes a reference to the presentation of a petition to a court of competent jurisdiction or the passing of a resolution by the person for, or with a view to, any of them.

1.2 Interpretation

In this Deed, unless the context requires otherwise:

- 1.2.1** references to the **Chargors** or the **Charge Holders** shall be construed so as to include her or their successors in title and permitted assignees and transferees;
- 1.2.2** references to **Clauses** are to clauses of this Deed;
- 1.2.3** headings to **Clauses** and the contents page are for convenience only and are to be ignored in construing this Deed;

- 1.2.4 references to a “**person**” are to be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority, or any joint venture, association or partnership (whether or not having separate legal personality);
- 1.2.5 subject to Clause 6, references to any statute or statutory provision are to be construed as references to the same as it may have been, or may from time to time be, amended or re-enacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom;
- 1.2.6 any reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;
- 1.2.7 any reference to the “**Charged Shares**” shall be a reference to all the Charged Shares and/or to each and every part of the Charged Shares and reference to any other defined term or noun in the plural number or collective plural shall be interpreted *mutatis mutandis* in the same manner;
- 1.2.8 in this Deed the masculine gender shall also include the feminine and neuter genders and vice versa;
- 1.2.9 references in this Deed to this “**Deed**” or any other deed, agreement or instrument are references to this Deed, the relevant deed, agreement or instrument as amended, supplemented, replaced or novated from time to time and include references to any document which amends, supplements, replaces, novates or is entered into, made or given pursuant to, or in accordance with, this Deed, the relevant deed, agreement or instrument; and
- 1.2.10 references in this Deed to “**including**” and “**in particular**” (and other cognate references) shall be construed as not limiting any general words or expressions in connection with which they are used.
- 1.3 ***Law of Property (Miscellaneous Provisions) Act 1989***
- The terms of any agreements between the parties hereto in relation to the Secured Liabilities are incorporated in this Deed to the extent required to ensure that any disposition of the Charged Shares contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.4 ***Contracts (Rights of Third Parties) Act 1999***
- A person who is not a party to this Deed shall not under the Contracts (Rights of Third Parties) Act 1999 be entitled to enforce or enjoy the benefit of any of

the terms of this Deed, except the Receiver, its directors, employees and agents and any delegate or sub-delegate appointed pursuant to Clause 9.

1.5 *The Charge Holders' discretion*

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Charge Holders may be exercised or made in their absolute and unfettered discretion without any obligation to give reasons therefor.

1.6 *Acts of the Charge Holders*

Anything required to be done by the Charge Holders under this Deed may be done by one of them acting for both Charge Holders, and the receipt of one Charge Holder shall be a good discharge to the Chargors.

2 CHARGING PROVISIONS

The Chargors with full title guarantee charges in favour of the Charge Holders for the payment and discharge of the Secured Liabilities by way of fixed charge the Charged Shares with effect from the date of the loan facility letter to include a loan facility agreement dated 17 August 2009 and a loan facility agreement dated XXXXXXXX November 2010

3 RESTRICTIONS ON DEALING WITH CHARGED SHARES

3.1 *Security Interests over Charged Shares*

This Charge Deed shall be supercede an Existing Charge Agreement dated 17 August 2009.

3.2 *Dealing with Charged Shares*

The Chargors shall not sell, transfer, deal with or otherwise dispose of the Charged Shares.

3.3 *Obligations*

The Chargors shall observe and perform all conditions and obligations assumed by her in respect of the Charged Shares.

3.4 *Notices*

The Chargors shall, immediately following receipt, forward to the Charge Holders all notices, reports, accounts, circulars and other documents relating to or affecting or likely to affect the Charged Shares.

3.5 *Voting and other rights before enforceability*

Until this Security becomes enforceable:

3.5.1 all the voting and other rights relating to the Charged Shares may be exercised by the Chargors or, if the Charge Holders or any nominee of the Charge Holders has been registered as owner of the Charged Shares, shall be exercised in accordance with the directions of the Chargors, in both cases for any purpose not inconsistent with this Deed; and

3.5.2 except as otherwise directed by the Charge Holders in writing, all dividends, interest and other distributions paid in respect of the Charged Shares shall be paid to the Chargors.

3.6 *Rights when this Security becomes enforceable*

Without prejudice to Clause 6, after this Security has become enforceable (and at all times thereafter):

3.6.1 the Charge Holders shall be entitled to exercise or direct the exercise of all voting and other rights relating to the Charged Shares;

3.6.2 the Chargors shall comply or procure the compliance with any directions of the Charge Holders in respect of the exercise of such voting and other rights, and shall deliver to the Charge Holders such forms of proxy or other appropriate forms of authorisation to enable the Charge Holders to exercise such voting and other rights;

3.6.3 the Charge Holders shall be entitled to receive and retain all dividends, interest and other distributions paid in respect of the Charged Shares which the Charge Holders shall apply in accordance with Clause 8.

3.7 *Deposit of certificate*

The Chargors shall, on the date of this Deed deposit with the Charge Holders:

3.7.1 all stock and certificates and other documents evidencing title to the Charged Shares;

3.7.2 duly executed undated blank transfer forms in respect of the Charged Shares; and

3.7.3 such other documentation relating to the Charged Shares as the Charge Holders shall require in order to perfect the Security Interest intended to be created by this Deed or for vesting or enabling the Charge Holders to vest the Charged Shares in themselves, their nominees or any purchaser,

all of which the Charge Holders shall be entitled to retain throughout the Security Period.

3.8 *Completion of transfer forms by the Charge Holders*

Without prejudice to Clause 6, the Charge Holders may at any time following the occurrence of an Enforcement Event or, at any time, if the Charge

Holders reasonably considers that this Security (whether in relation to the Charged Shares or otherwise) is in jeopardy, complete the transfer forms on behalf of the Chargors in favour of themselves or, following the occurrence of an Enforcement Event, in favour of such other person as they shall select and present them for registration.

4 CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES

4.1 *Nature and timing*

The representations and warranties set out in this Clause 4 are made in favour of the Charge Holders with the knowledge and intention that the Charge Holders are relying on and shall rely on them throughout the Security Period.

4.2 *Ownership of Charged Shares*

The Chargors represents and warrants that she is now and undertakes that she shall, throughout the Security Period, be the sole, lawful and beneficial owner of all the Charged Shares free from any Security Interest.

4.3 *Disposal of prior rights*

The Chargors represents and warrants that, before the date of this Deed, she had not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over the Charged Shares.

5 SECURITY TO BECOME ENFORCEABLE

5.1 *Powers arising*

The Secured Liabilities shall be deemed to have become due and payable, and the power of sale and other powers conferred on mortgagees by section 101 of the Act as varied and extended by this Deed shall arise, immediately on execution of this Deed by the Chargors.

5.2 *Powers exercisable*

Neither section 93 nor section 103 of the Act shall apply to this Deed and the powers referred to in Clause 5.1 may be exercised by the Charge Holders and this Security shall become enforceable without notice to the Chargors on or any time after an Enforcement Event has occurred.

6 POWERS OF CHARGE HOLDERS

6.1 *Powers*

The Charge Holders shall have the powers conferred by the Act (as in force at the date of this Deed) and may exercise those powers either in their own

names or in the name of the Chargors and shall in addition have the following powers:

- 6.1.1 in connection with any sale or other disposition of the Charged Shares, to receive the consideration therefor in a lump sum or in instalments and to receive shares by way of consideration;
- 6.1.2 to grant options, licences or any other interest in the Charged Shares;
- 6.1.3 to exercise any voting rights appertaining to the Charged Shares;
- 6.1.4 to do all other acts and things which they may consider desirable or necessary for realising any of the Charged Shares or incidental or conducive to any of the rights, powers or discretions conferred on them under or by virtue of this Deed; and
- 6.1.5 to exercise, in relation to Charged Shares, all other powers, authorities and rights which they could exercise if they were their absolute unencumbered beneficial owners.

7 LIABILITY OF CHARGE HOLDERS

7.1 Possession

If the Charge Holders enter into possession of the Charged Assets, the Charge Holders may, from time to time and at any time, go out of such possession.

7.2 Receipts

The Charge Holders shall not, by reason of any entry by them into, or the taking by them of, possession of the Charged Shares or for any other reason (and whether as mortgagee in possession or on any other basis):

- 7.2.1 be liable to account to the Chargors for anything except their actual receipts arising from the exercise of their powers under this Deed; or
- 7.2.2 be liable to the Chargors for any loss or damage arising from:
 - (a) any act, default or omission of the Charge Holders in relation to the Charged Shares; or
 - (b) any exercise or non-exercise by the Charge Holders of any power, authority or discretion conferred on them in relation to the Charged Shares under this Deed or the Act.

7.3 Protection of the Charge Holders

The Charge Holders shall be entitled to all the privileges and immunities which the Act confers on mortgagees under the Act.

8 APPLICATION OF PROCEEDS OF REALISATION

8.1 *Order of application*

All monies received by the Charge Holders shall, after this Security becomes enforceable and subject to the payment of any claims having priority to this Security, be applied in the following order (but without prejudice to the right of the Charge Holders to recover any shortfall from the Chargors and notwithstanding any purported appropriation by the Chargors):

8.1.1 **first**, in payment of the costs of realisation, including any costs and expenses of, or incidental to, any exercise of any power conferred by this Deed;

8.1.2 **secondly**, in or towards the payment of any debts or other amounts which are in law payable in preference to the Secured Liabilities ; and

8.1.3 **thirdly**, in or towards satisfaction of the Secured Liabilities in such order (as to principal or interest) as the Charge Holders shall, in their absolute discretion, determine,

and the surplus (if any) shall be paid to the Chargors or such other person as may be entitled to that surplus.

8.2 *Variation of statutes*

Clause 8.1 shall take effect as a variation of sections 99 to 109 of the Act, which as so varied are deemed incorporated into this Deed.

8.3 *Contingencies*

If the Charge Holders enforces this Security at a time when no Secured Liabilities are due but at a time when Secured Liabilities may or will become so due, the Charge Holders may, out of the proceeds of any recoveries effected by the Charge Holders, retain such amount as the Charge Holders consider appropriate in order to provide adequate cash cover for the contingent or future liability.

9 DELEGATION

9.1 *Method of appointment*

The Charge Holders may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by any of them under this Deed in relation to the Charged Shares.

9.2 *Terms of delegation*

Any such delegation may be made on the terms (including power to sub-delegate) and subject to any regulations which the Charge Holders may think fit, and may be made either by deed or by instrument in writing under the

hand of the Charge Holders or any person so authorised in writing in that behalf by the Charge Holders.

9.3 *Liability of Charge Holder*

The Charge Holders shall not be liable or responsible to the Chargors for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

9.4 *Liability of delegates and sub-delegates*

Clause 7.2 shall apply in respect of the liability of any delegate or sub-delegate referred to in this Clause 9 in all respects as though every reference in Clause 7.2 to the Charge Holders were instead a reference to such delegate or sub-delegate.

10 **PROTECTION OF THIRD PARTIES**

10.1 *Contractual*

No person dealing with the Charge Holders, a delegate or sub-delegate, or their agents will be concerned to enquire:

10.1.1 whether the Security Period continues;

10.1.2 whether the Secured Liabilities have become payable or have been paid;

10.1.3 whether any power, authority or discretion which the Charge Holders, the delegate or sub-delegate is purporting to exercise has become exercisable or has been properly exercised; or

10.1.4 how any monies paid to the Charge Holders, the delegate or sub-delegate are to be or have been applied.

10.2 *Statutory*

The protection given to purchasers in sections 104 and 107 of the Act shall apply equally to purchasers and any other persons dealing with the Charge Holders.

11 **REDEMPTION OF PRIOR SECURITY INTERESTS**

11.1 *Redemption and other action*

If this Security has become enforceable or if any proceedings or steps are being taken to enforce or realise any prior Security Interest affecting the Charged Shares, the Charge Holders:

11.1.1 redeem any prior Security Interest affecting any Charged Shares;

11.1.2 procure the transfer of that Security Interest to the Charge Holders or to their nominees; and

11.1.3 settle the accounts of the holder of the prior Security Interest (and any accounts so settled shall be conclusive and binding on the Chargors).

11.2 *Monies paid by the Charge Holders*

All principal monies, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer shall be paid by the Chargors to the Charge Holders on demand.

12 **FURTHER ASSURANCES**

12.1 *Perfection of Security Interests*

The Chargors shall, at his own expense, execute and do all such assurances, acts and things as the Charge Holders may require for perfecting the Security Interests intended to be created by this Deed over the Charged Shares or for facilitating the realisation of the Charged Shares and in the exercise of all powers, authorities and discretions vested in the Charge Holders or in any delegate or sub-delegate.

12.2 *Notices of this Security*

The Chargors shall if so requested by the Charge Holders, promptly cause to be indorsed on the certificates and documents which constitute or evidence title to the Charged Shares, such notices, endorsements or memoranda referring to this Security as the Charge Holders may reasonably and from time to time require.

13 **POWER OF ATTORNEY**

13.1 *Appointment*

The Chargors hereby by way of security and in order more fully to secure the performance of its obligations under this Deed irrevocably appoints the Charge Holders and every delegate or sub-delegate to be his attorney acting severally, and on his behalf and in his name or otherwise:

13.1.1 to execute and do all such assurances, acts and things which the Chargors ought to do under this Deed;

13.1.2 to execute and deliver any transfers of the Charged Shares;

13.1.3 to exercise the powers, authorities and discretions conferred by or pursuant to this Deed or by statute on the Charge Holders, delegate or sub-delegate; and

- 13.1.4 to sell and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which they may deem proper in or for the purpose of exercising any of such powers, authorities and discretions.

13.2 *Ratification*

The Chargors hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in this Clause 13 shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause.

13.3 *General power*

The appointment under Clause 13.1 shall operate as a general power of attorney made under section 10 of the Powers of Attorney Act 1971.

14 **EXISTING SECURITY INTERESTS**

The Charge Holders have received notice of a pre-existing Security Interest of the Securities, which is superceded by this Deed

INDEMNITIES AND EXPENSES

14.1 *General indemnity*

The Chargors shall, on demand, indemnify the Charge Holders, and any person for whose liability, acts or omissions the Charge Holders may be answerable from and against all liabilities, costs, charges, losses, expenses, legal and other professional fees (including Tax) suffered or incurred by any of them arising from or as a result of:

- 14.1.1 the exercise or the purported exercise of any powers, authorities or discretions conferred on any of them under or by virtue of this Deed;
- 14.1.2 any matter or thing done or omitted to be done under, or in any way relating to, this Deed;
- 14.1.3 any breach, non-observance or non-performance by the Chargors of any of its covenants, undertakings, obligations, representations or warranties under this Deed;
- 14.1.4 the making good of any such breach, non-observance or non-performance;
- 14.1.5 the enforcement of this Deed; or
- 14.1.6 any action, claim or proceeding relating to any of the above.

14.2 *Obligation to pay*

The Chargors shall, in accordance with Clause 15.5, pay to the Charge Holders:

14.2.1 the items of expenditure set out in Clause 15.3; and

14.2.2 the amount referred to in Clause 15.4.

14.3 *Identification of expenses*

The items of expenditure referred to in Clause 15.2.1 are all expenses (including, without limitation, legal and out-of-pocket expenses on a full indemnity basis) incurred by the Charge Holders in connection with:

14.3.1 the preparation, negotiation and execution of this Deed;

14.3.2 the preparation and negotiation of documentation relating to any amendment or extension of this Deed, regardless of the form which such documentation takes and whether or not such documentation is acceptable to, and/or executed by, any or all parties to that documentation;

14.3.3 the granting, preparation and documenting of any waiver, approval, consent, confirmation or release under, or in respect of, this Deed;

14.3.4 any investigation or due diligence into the financial or other condition of the Company or into ascertaining whether or not the Chargors has complied or is complying with this Deed;

14.3.5 the contemplation of the enforcement of any rights or the exercise of any powers under this Deed or in investigating any possible breach by the Chargors of this Deed;

14.3.6 any proceedings (legal or otherwise) involving the Charge Holders in connection with this Deed or the Charged Shares, whether such proceedings are brought by the Chargors or a third party; and

14.3.7 the matters referred to in Clause 14.

14.4 *Stamp duties and other payments*

In addition, the Chargors shall pay an amount equal to any stamp duties, search fees, registration fees and duties payable in connection with this Deed and any penalties with respect to, or resulting from, delay or omission to pay any such duties or fees.

14.5 *Time for payment*

The Chargors shall, on first demand, pay or reimburse the Charge Holders for the items of expenditure referred to in Clause 15.3 and any amount referred to in Clause 15.4.

14.6 *Interest*

If the Chargors fails to pay any sum to be paid under this Deed when due, the Chargors shall pay the Charge Holders interest thereon at the Default Rate from the date due until the date of payment.

15 **EFFECTIVENESS OF SECURITY**

15.1 *Continuing security*

This Security is a continuing security and supercedes any and all existing securities and will not be considered satisfied by any intermediate payment or settlement of account or otherwise, but will remain in force until the end of the Security Period.

15.2 *Rights additional*

The rights of the Charge Holders under this Deed are in addition to any guarantee, other rights or Security Interest, present or future, held by the Charge Holders from the Chargors or any other person in respect of the payment or discharge of the Secured Liabilities and will not merge with, or prejudice or be prejudiced by, any guarantee, such rights or Security Interest or by any dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of them, and this Deed may be enforced against the Chargors without first having recourse to the Company or any guarantee, other rights or Security Interest in favour of the Charge Holders.

15.3 *Other dealing*

This Security and its validity shall not in any way be prejudiced or affected by the Charge Holders dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any Security Interest, guarantee or other rights or remedies referred to in Clause 16.2 or by giving time for payment or indulgence or compounding with any other person liable.

15.4 *Perpetuity period*

The perpetuity period for the trusts contained in this Deed is 80 years from the date of this Deed.

16 RELEASE OF SECURITY

On the expiry of the Security Period, the Charge Holders shall, at the request and cost of the Chargors and without any warranty or representation, release the remaining Charged Shares from this Security.

17 MISCELLANEOUS

17.1 *Certificate of Charge Holders*

The certificate of the Charge Holders as to:

17.1.1 any matter in relation to this Deed which is to be designated, calculated, decided, determined or certified by the Charge Holders under, or in respect of, this Deed; or

17.1.2 the amount at any time of the Secured Liabilities or any other amount payable under this Deed; or any rate of exchange or currencies,
shall be conclusive and binding on the Chargors unless there is an obvious error.

17.2 *Severability*

If a provision of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect the validity or enforceability in that jurisdiction of any other provision of this Deed.

17.3 *Waivers, remedies cumulative*

The rights of the Charge Holders under this Deed:

17.3.1 may be exercised as often as the Charge Holders consider necessary or desirable;

17.3.2 are cumulative and not exclusive of their respective rights under any applicable law; and

17.3.3 may be waived only in writing and specifically.

17.4 *Delay*

Delay in exercising or the non-exercise of any right of the Charge Holders under this Deed is not a waiver of that right.

18 ASSIGNMENTS, TRANSFER, ETC

18.1 *Chargors*

The Chargors may not assign, transfer or otherwise dispose of any of his rights or obligations under this Deed.

18.2 *Charge Holders*

The benefit of this Deed may be assigned in whole or in part by the Charge Holders without regard to any set-off, counterclaim or equities between the Chargors and the Charge Holders or any intermediate holder.

18.3 *Disclosure of Information*

The Charge Holders shall be entitled to disclose any information concerning the Chargors to a person to whom the Charge Holders have assigned or purported to assign the benefit of this Deed or to any person who may otherwise enter into or proposes to enter into contractual relations with the Charge Holders in relation to this Deed.

19 NOTICES

19.1 *Communications to be in writing*

Each communication to be made under this Deed shall be made in writing but, unless otherwise stated, may be made by facsimile or letter.

19.2 *Delivery of communications*

Any communication or document to be made or delivered by one person to another under this Deed shall (unless that other person has by 15 days' written notice to the other party specified another address) be made or delivered to that other person at the facsimile number or address identified with that person's signature below and shall be deemed to have been made or delivered when receipt has been acknowledged (in the case of any communication by facsimile) or (in the case of posting) two working days after being deposited in the post postage prepaid in an envelope addressed to that person at that address provided that:

19.2.1 any communication or document to be made or delivered to the Charge Holders shall be effective only when received by the Charge Holders; and

19.2.2 any communication or document made or delivered after normal business hours in the place of receipt shall not be deemed to be made or delivered until opening of business on the next working day in such place.

20 **COUNTERPARTS**

This Deed may be executed in any number of counterparts and this will have the same effect as if the signatures on the counterparts were on a single copy of this Deed.

21 **LAW**

This Deed shall be governed by English law.

IN WITNESS WHEREOF this Deed has been executed as a Deed by the Chargors and the Charge Holders and is intended to be and is hereby delivered on the date stated at the beginning of this Deed.

THE REGISTERED ADMINISTRATOR ACTING FOR THE CHARGE HOLDER

Executed as a Deed by ^{ING}SHIRE CONSULTANTS LIMITED

acting by:

Director

P. Nooh. c

Director/Secretary

S. E. Ood

THE CHARGORS

EXECUTED as a DEED by SARAH CROOK

S. Crook

In the presence of: PHILIP STONE

Witness Signature: *P. G. Stone*

Witness Name: PHILIP GRAHAM STONE

Witness Address: 8 ORCHARD CLOSE
BRETON
GL20 7NH

Witness Occupation: ACCOUNTS / OFFICE MANAGER

THE CHARGE HOLDERS

R. Y. Hartshorne

EXECUTED as a DEED by RICHARD
YATES HARTSHORNE

In the presence of: PHILIP STONE

Witness Signature: *P. G. Stone*

Witness Name: PHILIP GRAHAM STONE

Witness Address: 8 ORCHARD CLOSE
BRETON
GL20 7NH

Witness Occupation: ACCOUNTS / OFFICE MANAGER

EXECUTED as a DEED by RONALD
DAVID MACE



In the presence of:

PHILIP STONE

Witness Signature:



Witness Name:

PHILIP GRAHAM STONE

Witness Address:

8 ORCHARD CLOSE
BRETON
GL20 7NH

Witness Occupation:

ACCOUNTS/OFFICE MANAGER

EXECUTED as a DEED by SIMON CROOK



In the presence of:



Witness Signature:

Witness Name:

PHILIP GRAHAM STONE

Witness Address:

8 ORCHARD CLOSE
BRETON
GL20 7NH

Witness Occupation:

ACCOUNTS/OFFICE MANAGER

Address for notices to both Charge
Holders:

Mail: Pension Practitioner .Com. Daws
House, 33-35 Daws Lane, London. NW7
4SD

Fax: 020 8711 2522