



Registration of a Charge

Company name: **FENDIX MEDIA LIMITED**

Company number: **06879191**



X3JWDF1L

Received for Electronic Filing: **03/11/2014**

Details of Charge

Date of creation: **26/10/2014**

Charge code: **0687 9191 0006**

Persons entitled: **STEPHEN THORNTON (TRUSTEE)**

Brief description: **INTELLECTUAL PROPERTY SUBJECT TO A FIXED CHARGE**

Contains fixed charge(s).

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

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: **AMANDA J LEGATE FCCA**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6879191

Charge code: 0687 9191 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th October 2014 and created by FENDIX MEDIA LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd November 2014 .

Given at Companies House, Cardiff on 4th November 2014

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 26th October

2014

FENDIX MEDIA LIMITED

and

STEPHEN THORNTON
as Security Trustee

DEBENTURE

Certified to be a true copy of the
original document



A LEGATE FCC A.
29.10.14

DATE: 26 October

2014

PARTIES:

- (1) "The Chargee": STEPHEN THORNTON of ⁵[92 Ebury Mews, London SW1W 9NX⁶] as security trustee for the lenders under a loan facility (the "**Loan Agreement**") of even date herewith from Stephen Thornton and Bond Murray LLP and, following its repayment, for the holders of the CLNs (as defined below).
- (2) "The Company": FENDIX MEDIA LIMITED (registered no. 06879191) whose registered office is at Aura Commerce and Technology Centre, Manners Road, Newark, Nottinghamshire, NG24 1BS.

IT IS HEREBY AGREED as follows:

1 INTERPRETATION

- 1.1 In this Debenture and the Schedule hereto:

"**Acts**" means the LPA and the Insolvency Act 1986;

"**Administrator**" means any one or more persons appointed as an administrator of the Borrower under paragraph 14 of Schedule B1 to the Insolvency Act.

"**Assets**" means the property, undertaking and assets of the Company expressed to be charged to the Chargee now or hereafter under Clause 2;

"**Chargee**" shall include, unless the context otherwise requires, any replacement security trustee for the lenders under the Loan Agreement or the holders of the CLNs notified to the Company by the holder of the majority in issue value of the outstanding CLNs or the lender(s) of the majority of the principal amount under the Loan Agreement from time to time (as the case may require);

"**CLNs**" means the convertible loan notes issued by the Company on or about the date hereof together with any further loan notes expressed to get the benefit of this Debenture;

"**Indebtedness**" means all the Company's present or future indebtedness under the Loan Agreement and (following repayment of the principal amount under the Loan Agreement) under the CLNs and any costs, charges and legal expenses (on a full indemnity basis) charged or incurred by the Chargee arising from the Chargee perfecting or enforcing or attempting to enforce this Debenture or any other security (and its rights thereunder) held by the Chargee from time to time;

"**Insolvency Act**" means the Insolvency Act 1986 (or any statutory modification or re-enactment for the time being in force);

"**LPA**" means the Law of Property Act 1925 (or any statutory modification or re-enactment for the time being in force);

"**Property**" means all leasehold and freehold property referred to in Clause 2.1.1;

"**Receiver**" has the meaning given to it in Clause 4.1; and

"**subsidiary**" has the meaning ascribed thereto in section 1159 of the Companies Act 2006.

- 1.2 Clause headings are for ease of reference only.

- 1.3 The Interpretation Act 1978 shall apply to this Debenture as if it were an enactment.

2 CHARGE AND ASSIGNMENT

- 2.1 The Company hereby covenants on demand to pay or discharge the Indebtedness to the Chargee. As security for the payment and discharge of the Indebtedness, the Company, with full title guarantee, hereby charges to the Chargee:
- 2.1.1 by way of fixed charge, all estates or interests in any freehold and leasehold property of the Company now and in the future vested in the Company, together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property and vested in the Company and all its rights, title and interest in and to any proceeds of insurance of such property;
 - 2.1.2 by way of fixed charge, all the goodwill and uncalled capital for the time being of the Company;
 - 2.1.3 by way of fixed charge (subject to Clause 2.1.6), all book debts and other debts now and in the future due or owing to the Company;
 - 2.1.4 by way of fixed charge, all intellectual property rights, choses in action and claims now and in the future belonging to the Company;
 - 2.1.5 by way of fixed charge, all rights and claims to which the Company is now or may hereafter become entitled in relation to all moneys now or at any time hereafter standing to the credit of any bank accounts opened or maintained with the Chargee, together with all rights relating or attaching thereto;
 - 2.1.6 by way of floating charge, all the Company's present and future undertaking and assets, whatever and wherever, including (without limitation) all other property and assets not subject to a fixed charge under this Debenture and all moneys paid into the account referred to in Clause 3.2.9 in respect of the book and other debts subject to a fixed charge under Clause 2.1.3.
- 2.2 Paragraph 14(2)(a) of Schedule B1 to the Insolvency Act applies to the floating charge created by clause 4.1 which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act.
- 2.3 As further security for the payment and discharge of the Indebtedness, the Company assigns to the fullest extent permitted by any relevant contract the benefit of all its rights under any digital media agreement entered into by it in the past, now or in the future and agrees to take such action and give such notices relating thereto as the Chargee from time to time requires. The Company agrees to keep the Chargee informed about all existing and future contracts so entered into.

3 COVENANTS

- 3.1 The Company shall not without the consent in writing of the Chargee:
- 3.1.1 (except for charges in favour of the Chargee created under or pursuant to this Debenture) create or permit to subsist any mortgage, charge or lien on any of its undertaking or assets;
 - 3.1.2 sell, transfer, hire-out, lend 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 pull down or remove all or any part of the buildings forming part of the Property or sever, unfix or remove any of the fixtures on the Property nor (except for necessary repairs or the substitution of full value replacements) remove any plant and machinery from the Property;

- 3.1.4 grant or accept a surrender of any lease or licence of or part with or share possession or occupation of or enter into any onerous or restrictive obligation in respect of the Property or any part of it.

3.2 The Company shall:

- 3.2.1 promptly deposit with the Chargee all deeds and documents of title and all insurance policies relating to the Assets;
- 3.2.2 keep such of the Assets as are insurable comprehensively insured to the Chargee's satisfaction in writing (and, if so required by the Chargee, in the joint names of itself and the Chargee) against loss or damage by fire and such other risks as the Chargee may require, to their full replacement value and, where such insurance is not in joint names, procure that the Chargee'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 to the Chargee;
- 3.2.4 carry on and conduct its affairs and business in a proper and efficient manner and shall not (save with the prior written consent of the Chargee) make any substantial alterations to the nature of any such business;
- 3.2.5 punctually pay or cause to be paid all rents, rates, taxes, duties, assessments, fees, debts and all other amounts due in respect of the Company's business and the Assets;
- 3.2.6 give, or procure the giving, to the Chargee or any person or persons appointed by the Chargee for this purpose such information (including books and records and details of the Company's arrangements and accounts with its bankers) as to all matters relating to the Assets (including book or other debts) or otherwise relating to its business or affairs as it or they shall reasonably require and access to all premises as it or they shall reasonably require;
- 3.2.7 keep all buildings and all plant, machinery, fixtures, fittings and other effects in good repair and working order;
- 3.2.8 deal with its book or other debts or securities for money in accordance with directions from the Chargee from time to time (which directions can include assignments thereof to the Chargee with or without notice to debtors) and, in default of such directions, to get them in and realise them in the ordinary and proper course of its business but not (without the prior permission of the Chargee) by means of factoring, block discounting or any other similar arrangement;
- 3.2.9 pay into such other account as the Chargee may designate by notice to the Company from time to time all moneys which it may receive in respect of the book debts and other debts charged by Clause 2.1.3;
- 3.2.10 following request by the Chargee, give notice of the charge of the account to such bank and procure that such bank executes and delivers to the Chargee an acknowledgement of the rights of the Chargee in respect of such account. Both such notice and acknowledgement must be in form and substance satisfactory to the Chargee;
- 3.2.11 procure that any subsidiary enters into such guarantee of the Indebtedness and provides such security (including the provision of a fixed and floating charge over its undertaking and assets) as the Chargee may from time to time require; and
- 3.2.12 promptly notify the Chargee 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.

- 3.3 If the Company fails to perform any of its obligations under Clauses 3.2.2, 3.2.3, 3.2.5, 3.2.6 or 3.2.7 the Chargee may take out or renew any insurance or settle such liability or effect such repairs and take such other action as it may deem appropriate to remedy such failure and recover the premiums and other costs and expenses so incurred from the Company on demand.

4 RECEIVER

- 4.1 At any time after the Chargee's demand for payment from the Company of any Indebtedness (or if so requested by the Company), the Chargee may appoint by writing:

- 4.1.1 one or more persons as an Administrator of the Chargor in accordance with Schedule BI to the Insolvency Act;
- 4.1.2 subject to the provisions of Section 72 A and paragraph 43 of Schedule A1 to the Insolvency Act any person or persons (including a manager or officer of the Chargee) to be a receiver and manager or receivers and managers ("the Receiver", which expression shall include any substituted receiver(s) and manager(s)) of all or any part of the Assets.

Without limiting the Chargee's rights under this Clause 4.1 or at law, the Chargee may, whether or not any demand has been made for payment of the Indebtedness, appoint an Administrator or Receiver if the Chargee becomes aware of any of the matters referred to in Clause 3.2.12 or if the security created by this Debenture shall be in jeopardy.

- 4.2 The Chargee may from time to time determine the remuneration of the Receiver and may remove the Receiver and appoint another in his place.
- 4.3 The Receiver shall be the Company's agent and shall have all powers conferred upon an administrative receiver, a receiver and a receiver and manager by the Acts. The Company alone shall be responsible for his acts, defaults, omissions and liabilities (whether under contract or otherwise) incurred by him and for his remuneration. In particular by way of addition to but without limiting any general powers an the powers referred to above (and without prejudice to the Chargee's powers) the Receiver shall have the power in the name of the Company or otherwise to do the following things:
- 4.3.1 to enter any property of the Chargor and to take possession of collect and get in all or any part of the Assets and for that purpose to 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 Chargee or others on the security of all or any part of the Assets and manage, conduct, amalgamate, develop the same (and concur in so doing) as he may think fit;
- 4.3.3 to acquire any further property assets or rights whatever whether by purchase lease or otherwise and to borrow money from the Chargee or others on the security of the same;
- 4.3.4 to sell, lease, hire-out or exchange the Company's business and the Assets or any part of it or them (and concur in so doing) in such manner and on such terms as he may think fit and to exercise all rights, powers and discretions incidental to the ownership thereof;
- 4.3.5 to sell, let and/or terminate or to accept surrenders of the leases or tenancies of any part of the Property, in such manner and on such terms as he thinks fit;
- 4.3.6 to take, continue or defend any proceedings and make any arrangement or compromise which the Chargee or he shall think fit;

- 4.3.7 to make and effect all repairs, improvements and insurances;
 - 4.3.8 to appoint managers, officers and agents for any of the above purposes, at such salaries and on such terms as the Receiver may determine;
 - 4.3.9 to call up any of the Company's uncalled capital;
 - 4.3.10 to promote or procure 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 whether for shares or otherwise;
 - 4.3.11 to make any arrangement or compromise or disclaim, alter, enter into or cancel any contract or liability or redeem any security which he may think expedient;
 - 4.3.12 to employ professional advisers and others as he deems necessary; and
 - 4.3.13 to do all other acts and things which he may consider to be incidental or conducive to any of the above powers.
- 4.4 At any time after the Chargee's demand for payment from the Company of any Indebtedness (or if so requested by the Company) the Chargee may without further notice and without first appointing a Receiver or Administrator exercise all or any of the powers conferred on mortgagees by the Acts as hereby varied or extended and all the powers, authorities or discretions hereby conferred expressly or by implication on any Receiver.
- 4.5 Any moneys received by the Chargee or any Receiver under this Debenture shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:
- 4.5.1 first, in satisfaction of all costs, charges and expenses properly incurred and incidental to the appointment of a Receiver and the exercise of all or any of his powers including his remuneration and all outgoings properly paid by the Receiver and liabilities incurred by him as a result of such exercise;
 - 4.5.2 secondly, in or towards satisfaction of the Indebtedness in such order as the Chargee shall determine; and
 - 4.5.3 thirdly, the surplus (if any) shall be paid to the person or persons entitled to it.

5 MISCELLANEOUS

- 5.1 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 Chargee's prior written consent. The Chargee shall be entitled, to the fullest extent permitted by law, to consolidate all or any of the security created hereunder within any other security, whether now in existence or hereafter created. Section 93 of the LPA shall not apply.
- 5.2 By notice in writing to the Company, the Chargee may at any time convert the floating charge created by Clause 2.1.6 into a specific charge over any Assets specified in the notice which the Chargee considers to be in danger of being seized or sold under any form of distress, attachment or other legal process (including a mareva injunction) or to be otherwise in jeopardy or if the Company has failed to pay any of the Indebtedness when due. The Company at its expense shall at any time on the Chargee's request promptly execute and deliver to the Chargee 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 Chargee may in its discretion think fit for securing the Indebtedness.
- 5.3 This Debenture shall be:
- 5.3.1 a continuing security to the Chargee, notwithstanding any settlement of account or other matter or thing whatever;

- 5.3.2 without prejudice and in addition to any other security for the Indebtedness (whether by way of mortgage, equitable charge or otherwise) which the Chargee may hold now or hereafter on all or any part of the Assets; and
- 5.3.3 in addition to any rights, powers and remedies at law.
- 5.4 Sections 103 and 109(1) of the LPA shall not apply. The statutory power of sale shall be exercisable at any time after the execution of this Debenture. The Chargee shall not exercise its power of sale until payment has been demanded, but this provision shall not affect a purchaser or put him on inquiry whether such demand has been made.
- 5.5 No failure or delay on the Chargee's part in the exercise of any of its rights, powers and remedies (in this Clause 5 ⁷⁻⁸ "right(s)" ⁹⁻¹⁰ " ") under this Debenture or at law shall operate or be construed as a waiver. No waiver of any of the Chargee's rights shall preclude any further or other exercise of that right or of any other right.
- 5.6 The Chargee 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 derogating from the Company's liabilities or the Chargee's rights under this Debenture.
- 5.7 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.
- 5.8 Subject only to Clause 8 on final payment and discharge of the Indebtedness the Chargee will, at the request and cost of the Company, re-assign to the Company the property assigned by or pursuant to these presents.
- 5.9 A certificate of the Chargee as to the amount of the Indebtedness or any of it or any other matter connected with it or this Debenture shall, in the absence of manifest error, be conclusive evidence of the facts stated in it.
- 5.10 The Company shall, on demand by the Chargee, execute and deliver all such transfers, assignments, deeds or other documents as the Chargee may require to perfect its rights under this Debenture or to give effect to any sale or disposal of any of the Assets or as may relate to an appointment of a security trustee.

6 POWER OF ATTORNEY

By way of security, the Company hereby irrevocably appoints the Chargee and any Receiver jointly and severally as its attorney, with full power of delegation, for it and in its name and on its behalf and as its act and deed or otherwise, to seal, deliver and otherwise perfect any deed, assurance, agreement, instrument or act which may be required or may be deemed proper or necessary by the Chargee and any Receiver under the covenants or the other provisions hereof or for giving the Chargee and any Receiver the full benefit hereof.

7 EXCLUSION OF LIABILITY

- 7.1 The Chargee shall not in any circumstances by reason of it taking possession of the Assets or any part thereof or for any other reason whatsoever, and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to the Company for anything except the Chargee's own actual receipts or be liable to the Company for any loss or damage arising from any realisation of the Assets or any part thereof or from any act, default or omission of the Chargee or any Receiver or any of his managers, officers or agents in relation to the Assets or any part thereof or from any exercise or non-exercise by the Chargee of any power, authority or discretion conferred upon it in relation to the Assets or any part thereof by or pursuant to this Debenture or by the Acts unless such loss or damage shall be caused by the Chargee's own fraud.

- 7.2 All the provisions of Clause 7.1 shall mutatis mutandis apply in relation to the liability of any Receiver in all respects as though every reference in Clause 7.1 to the Chargee were instead a reference to such Receiver.

8 AVOIDANCE OF PAYMENTS

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Chargee on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Chargee to recover the Indebtedness in full from the Company (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally) and any costs payable by it pursuant to (or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Debenture or require the Chargee to release this Debenture or any other security created by or pursuant to it.

9 COSTS

All costs, charges and expenses incurred by the Chargee and all other moneys paid by the Chargee or the Receiver in perfecting or otherwise in connection with this Debenture and all costs of the Chargee or the Receiver of all proceedings for enforcement of this Debenture shall be recoverable from the Company as a debt and shall bear interest at the same rate from time to time as the Indebtedness (as well before as after judgment) and shall be charged on the Assets.

10 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.

11 INCORPORATION

This Debenture incorporates the terms of all documentation between the parties relating to the Indebtedness to the extent required to ensure the validity of any purported disposition under this deed of any freehold or leasehold property under s.2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

12 THIRD PARTY RIGHTS ACT

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

13 NOTICES

- 13.1 Any notice required under this Agreement is to be given in writing signed by or on behalf of the party giving it. A notice shall be served by leaving it at or sending it by facsimile, pre-paid recorded delivery or registered post, to the respective addresses of the parties set out in this Agreement or such other addresses as they shall from time to time notify to the other parties for the purposes of this clause.
- 13.2 Any notice served is deemed to have been received:
- 13.2.1 in the case of personal service upon delivery;
 - 13.2.2 in the case of facsimile at the time of dispatch;
 - 13.2.3 in the case of recorded delivery or registered post 48 hours from the date of posting.
- 13.3 If the notice is sent by post it will be sufficient in proving service to establish the envelope containing the notice was properly addressed and posted and for service by facsimile to produce the sender's "answerback".

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

IN WITNESS WHEREOF this Debenture was entered into as a Deed the day and year first above written

EXECUTED AND DELIVERED)
as a Deed by a director on behalf of)
the Company in the presence of:)

Director

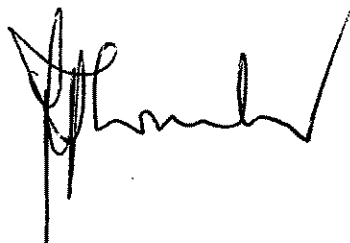


SETH P. HARRISON

Witness:  A LEONATE

Address: 58 GROVE COACH ROAD
RETFORD
NOTTS DN22 7HS

EXECUTED AND DELIVERED)
as a Deed by the Chargee)
in the presence of:)



Witness:  A LEONATE

Address 58 GROVE COACH ROAD
RETFORD NOTTS DN22 7HS

Conditions Precedent & Subsequent in relation to the CLNs (the "Facility")

The following Conditions are required to be satisfied in order to qualify for Drawdown from the Loan Facility. The assessment of the Conditions and Milestone Events and the decision as to whether they have been satisfied and whether or not Drawdown may proceed will be completed by and at the sole discretion of the Non-Executive Directors of the Company.

Conditions Precedent to Initial Drawdown of £300,000

The total Loan Facility of £500,000 is fully subscribed and subscribers to the Facility have confirmed that they have sufficient funds to cover their respective commitments

All the Documentation relating to¹¹– the Proposed Loan Facility¹²– ('The Facility') is fully agreed and executed

¹³–A Cash Flow model ('CF'), in full and final form, has been received and approved by the NED's (including underlying assumptions)

A fully risk-assessed 'Segmentation Plan,' including an associated Project Management Plan with clear Deliverables and Milestones has been received and agreed

The Switch Agreements and/or process to reach final Contract have been agreed and executed.

A project Plan has been received and agreed which details the process by which a full Investment Pack (including IM and DD materials) will have been completed and agreed by 21st August 2014

Conditions Precedent to Second Drawdown of £200,000

Value and quality of sales orders booked by end September is in line with forecasts

Value of cash receipts from sales at end October is in line with forecasts

Segmentation has been delivered in accordance with the agreed Segmentation Plan

Net gains for Network Partners at end October are in line with forecasts

Network Partner satisfaction levels are acceptable (c. >75% satisfied) with zero churn by end October

2 qualified/quality sales people added by end September/end October respectively

Satisfactory performance of all advertising and promotional sales campaigns served on the Fendix Network , through ad serving operations

Fendix 'IT' resourcing situation stable and capable of fulfilling obligations and responsibilities

Costs base and cash flow managed properly and consistent with the financial performance of the company

PART B

I/We hereby authorise the despatch of a certificate for the balance (if any) of the amount represented by this Loan Note in respect of which Conversion Rights have not been exercised by ordinary post at my/our risk to [] at []

DATED this [] day of [] [2014]

Signature(s) of Noteholder(s)

(In the case of joint holdings all Noteholders must sign. In the case of corporations this Notice should be either executed as a deed or signed on its behalf by an attorney or duly authorised official of the corporation).