



Registration of a Charge

Company name: **FIVE LAMPS TRADING LTD**

Company number: **08029251**



X7ABVRX4

Received for Electronic Filing: **16/07/2018**

Details of Charge

Date of creation: **03/07/2018**

Charge code: **0802 9251 0002**

Persons entitled: **BIG ISSUE SOCIAL INVESTMENTS LIMITED**

Brief description: **N/A**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **EXCEPT FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, 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:

ALLEN & OVERY LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8029251

Charge code: 0802 9251 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd July 2018 and created by FIVE LAMPS TRADING LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th July 2018 .

Given at Companies House, Cardiff on 18th July 2018

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

EXECUTION VERSION

Issuer Debenture

between

Five Lamps Trading Ltd

as Issuer

and

Big Issue Social Investments Limited

as Security Trustee

Relating to the Issuer's obligations under a Loan Note Instrument dated on or around the date of this Debenture and granted by the Issuer in favour of the Noteholders

Simmons & Simmons

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This Debenture

made the 3rd day of JULY 2018

BETWEEN

- (1) **FIVE LAMPS TRADING LTD** a company registered in England and Wales under company number 08029251 and having its registered office at Eldon Street, Thornaby, Stockton-on-Tees (the "Issuer"); and
- (2) **BIG ISSUE SOCIAL INVESTMENTS LIMITED** a company registered in England and Wales under company number 06913063 and having its registered office at 113-115 Fonthill Road, Finsbury Park, London, England, N4 3HH or any successor thereto appointed pursuant to the provisions of Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument acting for itself and on trust for the Secured Creditors (the "Security Trustee").

RECITALS

- (1) The Noteholders have agreed to provide funds to the Issuer by subscribing for Loan Notes pursuant to the Loan Note Instrument, the proceeds of which the Issuer intends to on-lend to its customers pursuant to the Customer Loan Contracts.
- (2) The Issuer has, as a condition precedent to the Noteholders' agreement to advance funds under the Loan Note Instrument, agreed to enter into this Debenture (including assigning to the Security Trustee all of its rights in respect of the Customer Loan Contracts) as security for its obligations under the Loan Note Documents.
- (3) The Security Trustee is entering into this Debenture on behalf of, and as trustee for, the Noteholders solely in its capacity as Security Trustee (and not as Noteholder) and subject to the Security Trustee's rights set out in Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument.

1. Covenant to Pay

The Issuer covenants in favour of the Security Trustee to pay and discharge the Secured Liabilities on the due date or dates for payment or discharge provided for in the Loan Note Documents.

2. Charging Clause

- 2.1 The Issuer with full title guarantee charges and mortgages to the Security Trustee as continuing security for the payment and discharge of the Secured Liabilities:

(A) by way of legal mortgage all freehold and leasehold property (including heritable property situated in Scotland) of the Issuer at the date of this Debenture and the proceeds of sale thereof together with all buildings, structures and fixtures (including trade and tenant's fixtures) from time to time on or in any such property;

(B) by way of fixed charge:

- (1) all estates and interests of the Issuer in freehold, leasehold property (including heritable property situated in Scotland) and other immovable property (wherever situated), now or at any time hereafter during the continuance of this security belonging to or charged to the Issuer and the proceeds of sale thereof, together with all buildings, structures and fixtures

(including trade and tenant's fixtures) from time to time on or in any such property (other than any property charged in terms of clause 2.1(A) above);

- (2) the benefit of all its rights, present and future, under covenants for title given in relation to the Property and the benefit of all its rights, present and future, against any lessee, sub-lessee, licensee or other occupier of the Property for the time being (including rights to rental income, licence fees, mesne profits and other income) and, in each case, its rights against guarantors and sureties for the obligations of such persons;
- (3) the benefit of all its rights, present and future, under any contract for the sale, letting or other disposal of the Property and any option to renew any lease or purchase any reversion (whether freehold or not) in relation to the Property;
- (4) the benefit of all its rights, present and future, against persons in connection with any works carried out and/or services and/or goods supplied in the design, construction, fitting out, repair or replacement of the Property;
- (5) all other agreements relating to land which the Issuer is or may become party to or otherwise entitled;
- (6) all licences, consents and authorisations (both public and private), present and future, held by it in connection with any of its activities (including any Licences);
- (7) all its present and future plant and machinery;
- (8) all its present and future vehicles;
- (9) all its present and future computers;
- (10) all its present and future office equipment;
- (11) all other equipment present and future not more particularly charged by this clause 2.1 together with all related spare parts, fuels, equipment, tools and all log books, maintenance records, record books, manuals, hand books, contracts, warranties and services records and the benefit of all its rights, present and future, against any person in respect of their design, manufacture, purchase, installation, repair and/or replacement;
- (12) all its goodwill and uncalled capital, present and future;
- (13) all stocks, shares and other securities (including debt securities) and interests in any business or entity, now and at any time during the continuance of this security owned by the Issuer, together with all rights, benefits and property (including dividend and other income whether by way of dividend, distribution or otherwise) offered, arising or accruing in relation thereto whether by way of bonus, consolidation, conversion, exchange, option, preference, return of capital or otherwise;
- (14) all interests in and rights under policies of insurance and assurance now or at any time during the continuance of this security belonging to the Issuer, and all its rights, present and future, to other compensation monies from time to time payable in respect of the Charged Assets;
- (15) all patents, trade and service marks, brand and trade names, copyrights, design rights, registered designs, trade secrets, know-how, inventions,

confidential information and other Intellectual Property, including the benefit of any pending applications for any of them, now or at any time during the continuance of this security belonging to the Issuer, including all the Issuer's rights under any agreements, both present or future, relating to the use or exploitation of such rights;

(16) the Receivables;

(17) all monies standing to the credit of the Collections Account;

(18) all Account Balances (not being charged by clause 2.1(B)(17)); and

(19) the benefit of all warranties, instruments, guarantees, charges, pledges, and other security and all other rights and remedies available to the Issuer in respect of any Charged Assets; and

(C) by way of floating charge all its undertaking, property and assets, whatever and wherever, both present and future except to the extent effectively charged under the preceding provisions of this clause 2.1.

2.2 The Issuer with full title guarantee as continuing security hereby assigns absolutely (but subject to clause 15.2) to the Security Trustee all its right, title and interest in and under:

(A) all Customer Loan Contracts including, without limitation, all the Issuer's right, title and interest in respect of the Customer Loan Debts and the proceeds of any enforcement of security under any of the Customer Loan Security Documents held by the Issuer under the terms of the Customer Loan Contracts or otherwise in respect of the Customer Loan Debts; and

(B) any Specified Contract.

2.3 The fixed charges created by clauses 2.1(A) and 2.1(B) inclusive shall, in each case, include all related spare parts, fuels, equipment, tools and all log books, maintenance records, record books, manuals, hand books, contracts, warranties and services records and the benefit of all its rights, present and future, against any person in respect of their design, manufacture, purchase, installation, repair and/or replacement.

2.4 The Security Trustee may at any time after this Debenture has become enforceable by notice to the Issuer convert any floating charge granted by the Issuer with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice.

2.5 Without prejudice to any rule of law which may have a similar effect, any floating charge constituted under this Debenture will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge upon the occurrence of:

(A) any step being taken by any third party to take a fixed charge over any Charged Assets;

(B) any step being taken by any third party to levy any distress, attachment, execution or other legal process against any Charged Assets;

(C) the Issuer ceasing to carry on business or to be a going concern; or

(D) on the making of an order for the compulsory winding-up of the Issuer, on the convening of a meeting for the passing of a resolution for the voluntary winding up

of the Issuer or the taking of any steps (including, without limitation, the making of an application or the giving of any notice) by the Issuer or any other person for the appointment of an administrator in respect of the Issuer.

2.6 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the charges created by or pursuant to this Debenture.

2.7 The Issuer consents to the entry of a restriction in the following form in the proprietorship register of any registered land forming part of the Charged Assets now or in the future:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [•] 2018 in favour of Big Issue Social Investments Limited referred to in the Charges Register"

2.8 The Issuer further consents, where applicable, that a note of the obligation on the part of the Noteholders and Potential Noteholders to make further advances (by way of subscription for Loan Notes) to the Issuer (which is deemed to be incorporated in this Debenture) is entered on the register of title of any registered land forming part of the Charged Assets now or in the future.

3. Continuing Security

3.1 Without prejudice to the generality of clause 2, this Debenture secures all advances (by way of subscription for Loan Notes) already made and to be made by the Noteholders or Potential Noteholders to the Issuer, and shall be a continuing security to the Security Trustee notwithstanding any settlement of account or other matter whatsoever.

3.2 This Debenture shall not be considered as satisfied or discharged by any intermediate payment, repayment or discharge of the whole or any part of the Secured Liabilities.

4. Representations

4.1 The Issuer represents and warrants to the Security Trustee for the benefit of each Secured Creditor that:

(A) this Debenture:

- (1) creates (or, once entered into, will create) in favour of the Security Trustee, the Security Interests which it is expressed to create with, subject to applicable law, the ranking and priority it is expressed to have;
- (2) is not subject to any prior or *pari passu* ranking Security Interest other than pursuant to any Permitted Security; and
- (3) is not liable to be avoided or set aside on its liquidation, administration or otherwise;

(B) there are no third party consents or authorisations required in order for the Issuer to create the Security Interests contemplated by this Debenture;

(C) subject to any Permitted Security, it is the absolute legal and beneficial owner of all the assets (including, but not limited to, the Intellectual Property) over which it purports to create any Security Interest pursuant to this Debenture;

- (D) it is the sole legal and beneficial owner of or has licensed to it the Intellectual Property which is material to its business and which is required by it in order to carry on its business as it is being conducted;
- (E) it has taken all formal or procedural actions (including payment of fees) required to maintain any Intellectual Property owned or licenced by it;
- (F) in carrying on its businesses, it does not infringe any Intellectual Property of any third party;
- (G) all payments to it by any other party to any of the Assigned Contracts are not subject to any right of set-off or similar right;
- (H) each of its Assigned Contracts is its legally binding and enforceable obligation;
- (I) it is not in default of any of its obligations under any of its Assigned Contracts;
- (J) there is no prohibition on assignment in any of its Assigned Contracts; and
- (K) its entry into and performance of the Loan Note Documents to which it is party will not conflict with any term of any of its Assigned Contracts.

4.2 Each representation expressed to be made by the Issuer in clause 4.1 above is made by the Issuer on the date of this Debenture and is deemed to be repeated on each day during which the Debenture is in force.

5. **Undertakings and Covenants**

The Issuer undertakes and covenants to the Security Trustee for the benefit of the Security Trustee and each Secured Creditor that (save where the Security Trustee (acting in accordance with the provisions of Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument) agrees in writing to the contrary):

- 5.1 It will not, without the prior written consent of the Security Trustee, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily, sell or transfer the Charged Assets or any interest in any Charged Assets, other than as permitted under the Loan Note Instrument.
- 5.2 It will comply with the terms of this Debenture and all agreements relating to the Secured Liabilities.
- 5.3 It will preserve and maintain all rights to any Intellectual Property owned or used by the Issuer (including those referred to in clause 2.1(B)(15)).
- 5.4 It will promptly notify the Security Trustee in writing of the acquisition by the Issuer of any interest in any Property after the date of this Debenture and will promptly comply with its obligation under clause 5.16(A) with respect to such Property and, for the avoidance of doubt, the Issuer confirms that its consents referred to in clauses 2.7 and 2.8 above shall apply to such Property.
- 5.5 It will comply with all covenants, agreements, stipulations and obligations now or at any time affecting or binding the Charged Assets insofar as the same are subsisting and are capable of being enforced, and it will duly and diligently enforce all covenants, agreements, stipulations and obligations benefiting the Charged Assets and will not waive, release or vary (or agree to do so) the obligations of any other party thereto.

- 5.6 It will keep each Charged Asset in good and substantial repair and condition and, promptly after being required to do so by the Security Trustee, make good any want of repair of a Charged Asset or renew when necessary (in each case at the cost of the Issuer).
- 5.7 It will not do or permit to be done anything which may in any way adversely affect the value of a Charged Asset or jeopardise, depreciate or otherwise prejudice any rights or assets secured in favour of the Security Trustee.
- 5.8 It will obtain and maintain any permits, registrations, licences, exemptions, consents or other approvals required for its business or in respect of a Charged Asset (and file any notification, report or assessment required) pursuant to all applicable laws (including under any Environmental Laws), and will comply in all material respects with all applicable laws (including Environmental Laws).
- 5.9 It will not create or permit to subsist any Encumbrance on any Charged Asset other than in favour of the Security Trustee or as otherwise permitted under the Loan Note Instrument.
- 5.10 It will not make any structural or material alteration to or the use of any Property or do or permit to be done any development of any Property or apply for any planning consent in relation to any Property or do or permit to be done any act, matter or thing which is reasonably likely to have a material and adverse effect on the value or marketability of the Property in question.
- 5.11 It will not grant any Lease of, part with possession or share occupation of the whole or part of the Property or confer any licence, right or interest to occupy or grant any licence or permission to assign, under-let or part with possession of the same.
- 5.12 It will not vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any Property.
- 5.13 It will observe and perform all covenants, agreements and stipulations from time to time affecting any interest in the Property or contained in any lease, agreement for lease or other agreement under which any part of the Property may be held.
- 5.14 It will immediately upon the execution of the relevant Security Document (or upon coming into the possession of the Issuer at any time) deposit with the Security Trustee (i) all planning permissions, consents and licences and any other documents relating to the permitted use of any Charged Assets, and (ii) all deeds, certificates and other documents constituting or evidencing title to any asset which is subject to fixed security in favour of the Security Trustee including, without limitation, with respect to any Property and all certificates and other documents of title to the stocks, shares and other securities referred to in clause 2.1(B)(13) above together with stock transfer forms in respect of the same executed in blank (except for the number and class of shares and the name of the transferor) and left undated. The Security Trustee may at any time after this Debenture has become enforceable complete the instruments of transfer on behalf of the Issuer in favour of itself or such other person as it shall select.
- 5.15 It will, promptly on the request of the Security Trustee from time to time, give notice of assignment or charge (in such form as the Security Trustee may require) in respect of any asset which is the subject of an assignment or charge pursuant to this Debenture and will use all reasonable endeavours to procure that the recipient of that notice acknowledges receipt in a form satisfactory to the Security Trustee provided that, notwithstanding any term of any Loan Note Document to the contrary, no notice of assignment of any of the Customer Loan Contracts hereunder shall be required to be given to any of the Issuer's customers until after the occurrence of an Event of Default which is continuing. It is acknowledged and agreed that the Issuer will give notice to FLO of the assignment under this Debenture with respect to each contract between the Issuer and FLO.

5.16 It will (at its own cost) on demand by the Security Trustee execute and deliver in such form as the Security Trustee may from time to time require:

- (A) a legal mortgage of any freehold or leasehold property of the Issuer which is not effectively charged by clause 2.1(A) and of any freehold or leasehold property acquired by the Issuer after the date of this Debenture;
- (B) a standard security or other fixed security over the Issuer's heritable freehold, leasehold or other property situated in Scotland;
- (C) a fixed charge or assignment in or by way of security of any asset subject to a floating charge under clause 2.1(C); and/or
- (D) a chattel mortgage over such chattels, plant and machinery as the Security Trustee may specify,

and the Issuer will execute such other deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts or things as the Security Trustee may deem necessary for perfecting, preserving or protecting the security created (or intended to be created) by this Debenture or for facilitating the realisation of the Charged Assets or the exercise of any rights of the Security Trustee under this Debenture provided that, notwithstanding any term of any Loan Note Document to the contrary, no notice of assignment of any of the Customer Loan Contracts hereunder shall be required to be given to any of the Issuer's customers until after the occurrence of an Event of Default which is continuing.

5.17 It will effect and maintain or ensure that there is effected and maintained at all times with an insurance company acceptable to the Security Trustee insurance in the names of the Issuer and the Security Trustee as co-insured together with the interest of the Security Trustee as first loss payee noted in respect of:

- (A) any Property (including in respect of any Licences and any fixtures, equipment, furniture, plant or machinery in which it has an interest), against the Insured Risks to the full restatement value thereof (including the cost of demolition and professional fees) and the loss of rent, Licences, or business interruption cover for not less than three years; and
- (B) the Charged Assets to the full restatement value thereof,

and the Security Trustee may, if it considers that the amount insured by, or the risks covered by, any such Insurance Policy are inadequate, require the Issuer to increase the amount insured by, and/or amend the category of risks covered by, any such Insurance Policy to such extent and in such manner as the Security Trustee may consider appropriate and the Issuer will promptly comply with such requirement. The Issuer shall, upon the request of the Security Trustee, provide the Security Trustee with evidence that the requirements of this clause 5.17 have been complied with.

5.18 It will promptly notify the Security Trustee in writing of renewals made and material variations or cancellations of Insurance Policies made or, to the knowledge of the Issuer, threatened or pending.

5.19 It will not do or permit anything to be done which may make void or voidable any Insurance Policy.

5.20 It will use all reasonable endeavours to ensure at all times that all Insurance Policies contain terms providing that it will not be invalidated so far as the Security Trustee is concerned for failure to pay any premium due without the insurer first giving to the Security

Trustee not less than 30 days' written notice or for breach by the Issuer of any of the terms of the policy.

- 5.21 It will duly and punctually pay all premiums and other monies payable under all Insurance Policies and promptly, upon request by the Security Trustee, produce to the Security Trustee a copy or extract of every Insurance Policy together with the premium receipts or other evidence of the payment thereof, in each case in form and substance satisfactory to the Security Trustee.
- 5.22 It will promptly notify the Security Trustee in writing of any event giving rise to a claim on any Insurance Policy in excess of 5 per cent of the par value of the Secured Liabilities.
- 5.23 It will comply with all legislation relating to the Charged Assets including, without limitation, all laws relating to town and country planning, fire precautions and health and safety at work.
- 5.24 It will promptly pay or cause to be paid and indemnify the Security Trustee and any Receiver against all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time in the future payable in respect of the Property (or any part of it) or by the owner or occupier of the Property (or any part of it).
- 5.25 It will carry out all works, and maintain all arrangements which any relevant public or statutory authority may require, recommend or direct to be carried out or maintained in relation to the Charged Assets.
- 5.26 It will notify the Security Trustee in writing immediately upon the receipt of any notice, order, complaint or summons (or proposal for the same) from any statutory or other authority relating to the Charged Assets and produce a copy of the same to the Security Trustee, and at the request of the Security Trustee (but at the cost of the Issuer) make or join with the Security Trustee in making such objections to or representations against the same as the Security Trustee shall require.
- 5.27 It will, if the Issuer is in breach of any legislation, carry out with all reasonable speed such remedial steps as the Security Trustee or any Receiver shall require and, in default, the Security Trustee or any Receiver may (but shall not be obliged to) enter the Property and carry out such remedial steps at the expense of the Issuer.
- 5.28 It will permit the Security Trustee, any authorised representative of the Security Trustee or any Receiver to enter the Property for any reasonable purpose (including to take any steps or action which the Security Trustee is entitled to take under this Debenture) and on reasonable notice, to have access during normal office hours to its accounts and accounting records and any books and records relating to the Charged Assets (including, for the avoidance of doubt, the Customer Loan Contracts), to inspect and take copies of the same and to provide to the Security Trustee or any Receiver such information in relation to the Charged Assets as it or he shall reasonably request.
- 5.29 It shall, on the date this Debenture is entered into, deliver to the Collections Account Bank (with a copy to the Security Trustee) a notice, substantially in the form set out in Schedule 1 (*Form of Notice to the Collections Account Bank*) hereto and shall use its reasonable endeavours to obtain an acknowledgement from the Collections Account Bank in the form set out in Schedule 2 (*Form of Acknowledgement from Collections Account Bank*) hereto as soon as reasonably practicable following the date hereof. It shall provide the Security Trustee as soon as practicable following receipt of the same a copy of the acknowledgement received from the Collections Account Bank.

- 5.30 Upon the occurrence of an Event of Default which is continuing, it is acknowledged and agreed that the Security Trustee shall be entitled to give instructions to the Collections Account Bank in respect of the Collections Account, as provided in the notice to be delivered to the Collections Account Bank in accordance with clause 5.29 above. The Issuer acknowledges and agrees that in these circumstances it will not be entitled, and shall not attempt, to withdraw or transfer any monies standing to the credit of the Collections Account without the prior written consent of the Security Trustee and the Security Trustee may in its absolute discretion withhold such consent.
- 5.31 Following the occurrence of an Event of Default which is continuing it will on demand by the Security Trustee execute a legal assignment of any or all of the Receivables in such form as the Security Trustee may require and give notice of such assignment to the debtors and take such other steps as the Security Trustee may wish to perfect such assignment.
- 5.32 Following the occurrence of an Event of Default which is continuing it will deal with the Receivables in accordance with any directions from time to time given in writing by the Security Trustee and, in addition to its obligations under clauses 5.29 to 5.31 will not, without the prior written consent of the Security Trustee, release, set off, grant time or indulgence or otherwise deal with the Receivables save in accordance with this clause 5.32.
- 5.33 Following the occurrence of an Event of Default which is continuing, the Issuer shall on request of the Security Trustee notify (i) its customers with respect to each of its the Customer Loan Contracts and (ii) to the extent not already notified pursuant to the Issuer's obligation under clause 5.15, any other counterparty with respect to any Specified Contract of the assignment made under this Debenture and, as part of that notification with respect to any Customer Loan Contract, instruct the relevant customer to make all repayments in respect of any Customer Loan Contract by way of standing order to such account as the Security Trustee requires and the Issuer will provide the Security Trustee with copies of such notices and, when received, the accompanying customer or other counterparty acknowledgment.
- 5.34 It will ensure that all the requirements of the Applicable Regulations have been complied with in respect of the Customer Loan Contracts and will perform its obligations and enforce its rights with respect to each Customer Loan Contract in accordance with Good Industry Practice.
- 5.35 It will furnish the Security Trustee with such information as to the nature and amount of the Receivables as the Security Trustee may reasonably require.
- 5.36 It will affix to such items comprised within the Charged Assets which are subject to a fixed charge under this Debenture or endorse or cause to be endorsed on such items as the Security Trustee shall in each case stipulate any label, sign or memorandum required by the Security Trustee drawing attention to the security created over those items by this Debenture.

6. Protection of Security

- 6.1 If the Issuer does not comply with its obligations under this Debenture in respect of any Insurance Policy, the Security Trustee may (without any obligation to do so) effect or renew any such Insurance Policy either in its own name or in its name and that of the Issuer with an endorsement of the Security Trustee's interest and the monies expended by the Security Trustee on so effecting or renewing any such insurance will be reimbursed by the Issuer to the Security Trustee on demand.

- 6.2 All premiums and other expenses incurred by the Security Trustee in connection with the insurance of the Charged Assets shall be paid or reimbursed by the Issuer to the Security Trustee immediately after they are paid or incurred by the Security Trustee.
- 6.3 Subject to the terms of any Insurance Policy and any Lease, all proceeds of insurance will be used, at the option of the Security Trustee in or towards reinstatement or repayment of the Secured Liabilities.
- 6.4 The Security Trustee shall have full power to settle and adjust with the insurers all questions with respect to the amount of any liability of the insurers and the Issuer irrevocably appoints the Security Trustee by way of security as the attorney of the Issuer on behalf of and in the name of the Issuer and to receive and give a good discharge for any monies arising in respect of the Charged Assets under any Insurance Policy, whether effected by the Security Trustee or not.
- 6.5 If there is any breach by the Issuer of its obligations under any Loan Note Document, the Security Trustee may (without any obligation to do so) carry out such works, or take such other action or steps as the Security Trustee considers appropriate to remedy the breach, in each case at the cost of the Issuer.
- 6.6 The Security Trustee shall be entitled, at its sole discretion, to have a valuation of the Charged Assets or any part of them carried out from time to time by an independent surveyor or valuer (appointed, subject to the last sentence of this clause 6.6, at the Security Trustee's sole discretion) and the Issuer consents to any such valuation report being prepared and agrees to provide such access and other assistance as may be reasonably required by the Security Trustee for such purposes (including ensuring that any tenant or occupier shall ensure access and assistance is provided for the foregoing purposes). Following the occurrence of an Event of Default which is continuing, the Issuer shall indemnify the Security Trustee promptly on demand for all costs and expenses incurred in connection with such valuation and/or survey and prior to the occurrence of an Event of Default which is continuing the Issuer shall, provided the Security Trustee has first consulted with it with respect to the identity of the relevant valuer or surveyor, the valuer's or surveyor's scope of work and the valuer's or surveyor's proposed costs and expenses, promptly on demand indemnify the Security Trustee for all costs and expenses incurred in connection with such valuation/survey.
- 6.7 The obligations of the Issuer under this Debenture shall not be affected by any act, omission, matter or thing which, would reduce, release or prejudice any of its obligations, including:
- (A) any time, waiver or consent granted to, or composition with the Issuer or other person;
 - (B) the release of the Issuer or any other person under the terms of any composition or arrangement with any creditor of the Issuer;
 - (C) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or any other person;
 - (E) any amendment (however fundamental) or replacement of any Loan Note Document;

- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Loan Note Document or any other document or security;
- (G) any insolvency or similar proceedings;
- (H) the winding-up, dissolution, administration or reorganisation of the Issuer or any other person or any change in its status, function, control or ownership;
- (I) any failure to take, or fully to take, any security agreed to be taken in relation to any of the Secured Liabilities;
- (J) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any Security Document taken in respect of any of the Secured Liabilities; or
- (K) any other act, event or omission which, but for this clause 6.7, might operate to discharge, impair or otherwise affect any of the obligations of the Issuer contained in this Debenture or any of the rights, powers or remedies conferred upon the Security Trustee by a Loan Note Document or by law.

7. **Enforcement**

- 7.1 The security constituted by this Debenture is immediately enforceable at any time after the occurrence of an Event of Default which is continuing whereupon the Security Trustee may, without notice to the Issuer, in its absolute discretion but subject always to the provisions of clause 15 (*Acceleration and Enforcement*) of the Loan Note Instrument:
- (A) enforce all or any part of this Debenture (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of any asset which is secured in favour of the Security Trustee; and
 - (B) whether or not it has appointed a Receiver, exercise all or any of the powers, authorisations and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Debenture) on mortgagees and on any Receiver or otherwise conferred by law on mortgagees or Receivers, and all the powers conferred on the holder of a qualifying floating charge (as defined by in the Insolvency Act 1986) by the Insolvency Act 1986 and all other rights and powers conferred by this Debenture.
- 7.2 The power of sale or other disposal conferred on the Security Trustee and on the Receiver by any Loan Note Document shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on execution of this Debenture.
- 7.3 Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or to the exercise by the Security Trustee of its right to consolidate all or any of the security constituted by this Debenture with any Security Document in existence at any time or to its power of sale, which powers may be exercised by the Security Trustee without notice to the Issuer on or at any time after the occurrence of an Event of Default.
- 7.4 The statutory powers of leasing may be exercised by the Security Trustee at any time on or after the occurrence of an Event of Default and the Security Trustee and the Receiver may make any Lease or agreement for lease, accept surrenders of Leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

- 7.5 The protection given to purchasers from a mortgagee in Sections 104 and 107 of the Law of Property Act 1925 and Section 42(3) of the Insolvency Act 1986 will apply equally to purchasers and any other persons dealing with a Receiver or the Security Trustee and no purchaser or other person dealing with the Security Trustee or any Receiver will be bound to see or enquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.
- 7.6 No person advancing monies or making available credit to any Receiver will be concerned to enquire as to the propriety or purpose of the exercise of the Receiver's powers or to see to the application of any monies so raised or borrowed.
- 7.7 Neither the Security Trustee nor any Receiver will be liable to account as mortgagee or mortgagee in possession in respect of any asset which is secured in favour of the Security Trustee or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with any asset which is secured in favour of the Security Trustee for which a mortgagee or mortgagee in possession might as such be liable.
- 7.8 The Security Trustee and any Receiver may from time to time delegate by power of attorney or otherwise to any person any of the powers and discretions of the Security Trustee or the Receiver under any Loan Note Document (whether arising by statute, the provisions of any Loan Note Document or otherwise) upon such terms and for such periods of time as it may think fit and may determine any such delegation. Neither the Security Trustee nor any Receiver will be liable to the Issuer for any loss, liability, expense, demand, cost, claim or damage arising from any act, default, omission or misconduct of any such delegate and references in this Debenture to the Security Trustee or to any Receiver will where the context so admits include references to any such delegates so appointed.
- 7.9 No statutory or other power of granting or agreeing to grant or of accepting or agreeing to accept surrenders of leases or tenancies of the whole or any part of the Property will be capable of being exercised by the Issuer without the prior written consent of the Security Trustee.
- 7.10 The powers conferred hereunder or by any Loan Note Document on the Security Trustee and any Receiver are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Debenture the terms of herein will prevail.
- 7.11 To the extent that Charged Assets constitute Financial Collateral and are subject to a Security Financial Collateral Arrangement created by or pursuant to this Debenture, the Security Trustee shall have the right, at any time after the security constituted by this Debenture becomes enforceable, to appropriate all or any part of those Charged Assets in or towards the payment or discharge of the Secured Liabilities. The value of any Charged Assets appropriated in accordance with this clause 7.11 shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Security Trustee may select (including independent valuation). The Issuer agrees that the methods of valuation provided for in this clause 7.11 are commercially reasonable for the purpose of Regulation 18 of the Financial Collateral Regulations. To the extent that Charged Assets constitute Financial Collateral, the Issuer agrees that such Charged Assets shall be held or redesignated so as to be under the control of the Security Trustee for all purposes of the Financial Collateral Regulations.

- 7.12 At any time after the security constituted by this Debenture becomes enforceable, all voting rights in respect of all stock, shares and securities charged by clause 2.1(B)(13) may be exercised (without obligation to do so) by the Security Trustee (or its nominee) in such a manner as it shall (in its absolute discretion) see fit and all dividends and other distributions payable in respect of such stock, shares and securities shall be paid to and retained by the Security Trustee and may be applied by the Security Trustee in accordance with clause 9 (*Order of Payments and Application of Proceeds*).
- 7.13 At any time after the security constituted by this Debenture becomes enforceable, the Security Trustee may redeem any prior mortgage, charge or encumbrance in respect of all or any of the Charged Assets or procure the transfer of them to itself and may settle the accounts of the prior mortgagee, chargee or encumbrancer and any accounts so settled will be, in the absence of manifest error, conclusive and binding on the Issuer. All money paid by the Security Trustee to the mortgagee, chargee or encumbrancer in accordance with such accounts shall form part of the Secured Liabilities.

8. **Appointment and Powers of Receiver**

- 8.1 The Security Trustee may at any time after having been requested to do so by the Issuer or after this Debenture becomes enforceable, by deed or otherwise (acting through an authorised officer of the Security Trustee), without prior notice to the Issuer:
- (A) appoint one or more persons to be a Receiver of the whole or any part of any asset which is secured in favour of the Security Trustee;
 - (B) remove (so far as it is lawfully able) any Receiver so appointed;
 - (C) appoint another person(s) as an additional or replacement Receiver(s); and/or
 - (D) appoint one or more persons to be an administrator of the Issuer.
- 8.2 Each person appointed to be a Receiver pursuant to this Debenture will be:
- (A) entitled to act individually or together with any other person appointed or substituted as Receiver;
 - (B) deemed for all purposes to be the agent of the Issuer and the Issuer shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Trustee; and
 - (C) entitled to remuneration for his services at a rate to be fixed by the Security Trustee from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).
- 8.3 The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Trustee under the Law of Property Act 1925 (as extended by this Debenture), the Insolvency Act 1986 (as extended by this Debenture) or otherwise and such powers shall remain exercisable from time to time by the Security Trustee in respect of any part of any asset which is secured in favour of the Security Trustee.
- 8.4 Each Receiver will be the agent of the Issuer (which will be solely liable for his acts, defaults and remuneration) and will have and be entitled to exercise in relation to the Issuer all the powers set out in Schedule 1 to the Insolvency Act 1986 and all the powers conferred from time to time on receivers by statute and in particular by way of addition to

but without prejudice to those powers (and those of the Security Trustee) the Receiver will have:

- (A) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
- (B) all the powers and rights of an absolute owner and power to do or omit to do anything which the Issuer itself could do or omit to do; and
- (C) the power to do all things (including bringing or defending proceedings in the name or on behalf of the Issuer) which seem to the Receiver to be incidental or conducive to:
 - (1) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (2) the exercise of any rights, powers and remedies of the Security Trustee provided by or pursuant to this Debenture or by law (including realisation of all or any part of any asset which is secured in favour of the Security Trustee); or
 - (3) bringing in to his hands any assets of the Issuer forming part of, or which when got in would be, Charged Assets.

8.5 The receipt of the Security Trustee or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any asset which is secured in favour of the Security Trustee or making any acquisition, the Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

8.6 No purchaser or other person dealing with the Security Trustee or any Receiver shall be bound to inquire whether the right of the Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Trustee or such Receiver in such dealings.

8.7 Any liberty or power which may be exercised or any determination which may be made under this Debenture by the Security Trustee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

8.8 The Security Trustee will not incur any liability (either to the Issuer or to any other person whatsoever) in respect of any contracts, engagements, acts, omissions, defaults or losses of a Receiver or for any liabilities incurred by him or for any misconduct by him or for his remuneration by reason of its appointing a Receiver or of its having made or given any regulation or direction to the Receiver for any other reason whatsoever.

9. Order of Payments and Application of Proceeds

All moneys received or recovered by the Security Trustee or any Receiver pursuant to this Debenture or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Security Trustee towards the Secured Liabilities in accordance with paragraph 20 of Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument.

10. Security Power of Attorney

10.1 The Issuer by way of security agrees to irrevocably appoint the Security Trustee and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed

with full power and authority of the Issuer to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable to:

- (A) carry out or fulfil any obligation imposed on the Issuer by this Debenture (including the execution and delivery of any deeds, charges, assignments, notices or other security and any transfers of any asset which is secured in favour of the Security Trustee); and/or
- (B) enable the Security Trustee, the Noteholders, the Potential Noteholders or any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture or by law (including, after this Debenture becomes enforceable, the exercise of any right of a legal or beneficial owner of any asset which is secured in favour of the Security Trustee),

provided that, for the avoidance of doubt, this power of attorney may only be exercised to deliver a notice of the assignment of a Customer Loan Contract under this Debenture after the occurrence of an Event of Default which is continuing.

- 10.2 The Issuer ratifies and confirms all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

11. Indemnities

- 11.1 Subject to clause 11.2, the Security Trustee, the Receiver, and every attorney, manager, agent, employee or other person appointed by the Security Trustee or the Receiver under or in connection with this Debenture shall be indemnified on demand by the Issuer in respect of all liabilities, costs, losses and expenses incurred by it or him in the execution (or purported execution) of any of the powers, authorities or discretions vested in it or him pursuant to the terms of this Debenture (or by any law or regulation) and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in connection with or relating to all or any of the Charged Assets and the Security Trustee, the Receiver or any such other person may retain and pay all sums in respect of the same out of the money received under the powers conferred by this Debenture.
- 11.2 The indemnity under clause 11.1 shall not apply to the extent that any such liability, cost, loss and/or expense arises as a result of the wilful misconduct, gross negligence or fraud of the Security Trustee or the Receiver.
- 11.3 The Issuer will, on demand, indemnify the Security Trustee against any cost, loss or liability incurred by the Security Trustee as a result of:
- (A) the occurrence of any Event of Default or investigating any event which it reasonably believes is an Event of Default or may give rise to an Event of Default;
 - (B) any failure by the Issuer to pay any amount due under a Loan Note Document on its due date;
 - (C) acting or relying on any notice, request or instruction which it receives in its capacity as Security Trustee which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (D) any claim, proceeding or investigation under any Environmental Laws in connection with the Issuer or the Property.

12. **Costs and Expenses**

The Issuer shall pay or reimburse to the Security Trustee on demand (on a full indemnity basis) all costs, charges and expenses (including legal fees and VAT thereon) incurred or to be incurred by the Security Trustee in the registration, perfection, enforcement, discharge, preservation of rights and/or assignment of any Loan Note Document (including, without limitation, the costs of any proceedings in relation to this Debenture or the Secured Liabilities), which costs, charges and expenses shall form part of the Secured Liabilities.

13. **No Liability**

None of the Security Trustee, its nominee(s) or any Receiver will be liable by reason of taking any action permitted by this Debenture and/or any Loan Note Document or any neglect or default in connection with any asset which is secured in favour of the Security Trustee or taking possession of or realising all or any part of any asset which is secured in favour of the Security Trustee, except in the case of gross negligence, wilful misconduct or fraud upon its part.

14. **Consolidation**

The Security Trustee may at any time after the making of a demand for payment (and without notice to the Issuer) combine or consolidate all or any of the then existing accounts between the Security Trustee and the Issuer (including accounts in the name of the Issuer jointly with another) and may set-off or transfer any sum standing to the credit of any one or more of such accounts in or towards satisfaction of the Secured Liabilities.

15. **Release**

15.1 Unless otherwise consented to by the Security Trustee, no Charged Asset shall be released or, as applicable, re-assigned to the Issuer until the Secured Liabilities have been (taking into account clause 17.1 below) irrevocably paid and discharged in full.

15.2 If the Issuer has, taking into account clause 17.1 below, unconditionally and irrevocably paid and discharged the Secured Liabilities the Security Trustee will, at the request and cost of the Issuer and without recourse, representation or warranty, release or, as applicable, reassign to the Issuer all of the assets the subject of this Debenture.

16. **Contingencies and New Accounts**

16.1 If the security constituted by this Debenture is enforced at a time when no amount is due under the Loan Note Documents but at a time when amounts may or will become due, the Security Trustee (or a Receiver) may pay the proceeds of any recoveries effected by it into a suspense account or other account selected by it.

16.2 If any subsequent charge or other interest affects any Property or other Charged Asset, the Security Trustee may open a new account with the Issuer.

16.3 If the Security Trustee does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other interest. As from that time all payments made to the Security Trustee will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

17. Other Provisions

- 17.1 If the Security Trustee considers that any amount paid to it (or any other Secured Creditor) pursuant to any Loan Note Document is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Issuer under this Debenture will continue and such amount will not be considered to have been irrevocably paid.
- 17.2 A certificate signed by an official, manager or other duly authorised representative of the Security Trustee as to the amount of the Secured Liabilities shall be conclusive evidence save in the case of manifest error or on any question of law.
- 17.3 Whilst any Event of Default is continuing under the Loan Note Instrument the Security Trustee shall be entitled to initiate an investigation of, and/or instruct the preparation of a report (accounting, legal, valuation or other) on the business and affairs of the Issuer and/or in relation to the Charged Assets which the Security Trustee considers necessary to ascertain the financial position of the Issuer, all fees and expenses incurred by the Security Trustee in so doing being payable by the Issuer.
- 17.4 The Issuer hereby consents to the provision by the Security Trustee of all information in relation to the Issuer and the Charged Assets which the Security Trustee provides to any person in relation to the preparation of a report as is referred to in clause 17.3 above.
- 17.5 If at any time any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will be in any way affected or impaired.
- 17.6 No failure or delay by the Security Trustee in exercising any right or remedy under this Debenture shall operate as a waiver, and no single or partial exercise shall prevent further exercise of any right or remedy.
- 17.7 The Security Trustee will be entitled to disclose to its auditors, advisers, permitted successor(s) and assigns (and their advisers), any applicable regulatory authority or any other person that enters or proposes to enter into any assignment, transfer, securitisation or other disposition of any part of any right or obligation in relation to the Secured Liabilities confidential information concerning this Debenture and/or the Charged Assets or any arrangement made or to be made in connection with this Debenture.
- 17.8 Save to the extent expressly provided to the contrary in this Debenture, a third party (being any person other than the Issuer or the Security Trustee and their permitted successors and assigns) may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, subject always to the terms of the Loan Note Instrument as relate to the amendment, variation or termination of any Loan Note Document, no consent of any third party is required for any amendment, variation or termination of this Debenture.
- 17.9 This Debenture may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.
- 17.10 The parties intend that this document shall take effect as a deed notwithstanding the fact that a party may only execute this document under hand.

18. **Certificate of Non-Contravention**

The Issuer certifies that this Debenture does not contravene any of the provisions of the Issuer's memorandum and articles of association.

19. **Assignment**

19.1 The Security Trustee may at any time:

- (A) assign all or any of its rights and benefits under this Debenture; or
- (B) transfer or otherwise dispose of all or any of its rights, benefits and obligations under this Debenture,

to any bank, financial institution, independent corporate trustee provider or other Noteholder, in each case appointed as successor or replacement Security Trustee pursuant to the provisions of Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument.

19.2 The Issuer may not assign or transfer any of its rights, benefits or obligations under this Debenture save with the prior written consent of the Security Trustee.

20. **Demands and Notices**

20.1 Any demand or notice given by the Security Trustee under this Debenture may be:

- (A) by letter addressed to the Issuer sent by first class post to, or left at, the Issuer's last known address or at the Issuer's registered office; or
- (B) by fax or other electronic means to the Issuer's last known fax number or electronic mail address.

20.2 If sent by post, the demand or notice will be taken to have been made or given at noon the second day following the date the letter was posted and if sent by fax or other electronic means, the demand or notice will be taken to have been made or given at the time of transmission.

20.3 Unless otherwise advised by the Security Trustee, any notices given by the Issuer to the Security Trustee under this Debenture will be delivered to the Security Trustee's registered office detailed with its name in the parties section above (attention: Lars Hagelmann (Big Issue Social Investments Limited, 113-115 Fonthill Road, Finsbury Park, London, N4 3HH, England)).

21. **Security Trustee Acknowledgement**

The Security Trustee acknowledges that it is entering into this Debenture in its role as Security Trustee (and not in any other capacity, including its capacity as Noteholder) and that its discretion and powers hereunder will be exercised solely in accordance with the provisions of its appointment as Security Trustee pursuant to Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument.

22. **Acknowledgement of assignments: FLO**

In entering into this Debenture the Issuer acknowledges that FLO has at the same time entered into the FLO Debenture and Guarantee pursuant to which FLO has assigned by way of security in favour of the Security Trustee all of its rights with respect to any

intercompany loan outstanding between FLO (as lender) and the Issuer (as borrower) from time to time and in entering into this Debenture the Issuer hereby confirms to the Security Trustee that it has notice of, and acknowledges, each such assignment by way of security in favour of the Security Trustee.

23. Definitions and Interpretation

23.1 In this Debenture where the context so admits:

"Account Balances" means all monies standing to the credit of the Issuer from time to time on any and all accounts with any bank or financial institution (including, but not limited to, with the Collections Account Bank);

"Applicable Regulations" means the Consumer Credit Act 1974, Data Protection Act 1998, the Financial Services and Markets Act 2000, the Financial Services Act 2012, and the Enterprise Act 2002 and all statutory instruments, regulations and orders made thereunder and related rules and guidance made by any applicable regulatory authority and any other consumer credit or similar legislation and regulations applicable to the Issuer, as the same may from time to time be amended, consolidated, modified, re-enacted or replaced;

"Assigned Contracts" means each Customer Loan Contract and each Specified Contract;

"Book Debts" means all present and future book debts of the Issuer (including the Customer Loan Debts);

"Collections Account Bank" means Unity Trust Bank plc, or such other financial institution as the Collections Account is held with from time to time;

"Collections Account" means the account held with the Collections Account Bank and opened in the name of the Issuer, with account number **REDACTED** and sort code **REDACTED**, or any replacement account as may be agreed between the Issuer and the Security Trustee from time to time and in respect of which the proceeds of all payments and repayments relating to the Customer Loan Contracts are made;

"Charged Assets" means all property, assets and rights of the Issuer, both present and future which are for the time being subject to the security created by or pursuant to this Debenture and (unless the context requires otherwise) shall include each and every part thereof;

"Customer Loan Contracts" means any letter of offer, facility letter or offer to make further loans granted or entered into by the Issuer with any of its customers by which the Issuer agrees to provide loan facilities or other financial accommodation to its customers (as amended, supplemented or varied from time to time);

"Customer Loan Debts" means the monies owed to the Issuer by any customer under or in respect of the Customer Loan Contracts to which that customer is party;

"Customer Loan Security Documents" means any security agreement or document entered into or to be entered into at any time by any customer of the Issuer creating any Encumbrance over that customer's assets as security for that customer's payment obligations under any Customer Loan Contract;

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, lien (save where arising by operation of law in the usual course of business), hypothecation, preferential right (save as arising under the general law for the protection of certain classes of creditors) or trust or other arrangement made for the purpose of or having an economic or financial effect similar to that of security, or other security interest of any kind;

"Environmental Laws" means all laws, directives, regulations and codes of practice having effect in the United Kingdom from time to time which either legislate for or which in any way directly or indirectly concern the protection of the environment, human health, conditions in the workplace or the generation, transportation, storage, treatment or disposal of substances of any description which either alone or in combination with other substances are capable of causing harm to any living organism or to material objects or structures;

"Event of Default" has the meaning given to it in the Loan Note Instrument;

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

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (S.I. 2003 No 3226);

"FLO" means The Five Lamps Organisation, a company limited by guarantee, registered in England and Wales with registered number 02441319, and whose registered office is at Eldon Street, Thornaby, Stockton-On-Tees TS17 7DJ;

"FLO Debenture and Guarantee" means the debenture and guarantee given by FLO in favour of the Security Trustee (on behalf of the Secured Creditors) dated on or about the date of this Debenture;

"Good Industry Practice" means the standards, practices, methods and procedures conforming to law and the exercise of that degree of skill, diligence, prudence and foresight which would be reasonably expected from a skilled and experienced participant in the personal consumer loans business in the United Kingdom;

"Insurance Policy" means each contract or policy of insurance or assurance in which the Issuer has an interest;

"Insured Risks" means fire, explosion, collision, impact, storm, flood, lightning, landslip, subsidence, burst pipes, malicious damage, acts of terrorism, third party and public liability and such other risks as the Security Trustee may from time to time reasonably require;

"Intellectual Property" means:

- (A) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (B) the benefit of all applications and rights to use such assets of the Issuer (which may now or in the future subsist);

"Lease" means any lease, underlease, sub-lease, licence, tenancy or right to occupy all or any part of the Property and any agreement for the grant of a Lease;

"Licences" means any licence required for, or related to, the Issuer's business or its use of the Charged Assets;

"Loan Notes" has the meaning given to it in the Loan Note Instrument;

"Loan Note Documents" means the Loan Note Instrument, each Loan Note, this Debenture, the FLO Debenture and Guarantee, each Subscription Letter, the Priority

Agreement and any other document which may be designated as a Loan Note Document by the Issuer and the Security Trustee in writing;

"Loan Note Instrument" means the loan note instrument dated on or around the date of this Debenture entered into by the Issuer and the Security Trustee and pursuant to which the Loan Notes are constituted;

"Loan Note Obligor" means the Issuer and FLO;

"Noteholders" has the meaning given to it in the Loan Note Instrument;

"Payment Obligations" means all present and future debts (other than Book Debts) and monetary claims and all other amounts recoverable or receivable (whether ascertained or not) by the Issuer or due or owing to the Issuer (including any amounts owed to it by FLO);

"Permitted Security" has the meaning given to it in the Loan Note Instrument;

"Potential Noteholders" has the meaning given to it in the Loan Note Instrument;

"Priority Agreement" has the meaning given to it in the Loan Note Instrument;

"Property" means at any time the freehold, heritable and leasehold properties of the Issuer at that time or any of them as the context requires and shall include all buildings, structures, fixtures (including trade and tenant's fixtures) from time to time on or in any such property;

"Receiver" means any person, whether or not an employee or officer of the Security Trustee, appointed by the Security Trustee as a receiver and/or manager of the security given by the Issuer to the Security Trustee whether such appointment is pursuant to the Law of Property Act 1925 or otherwise;

"Receivables" together the Book Debts, the Payment Obligations and the Refundables (and shall include the benefit of all related rights and remedies (including equitable rights and rights under guarantees, indemnities, liens and Encumbrances));

"Refundables" means all present and future payments of or entitlements to claim payment or repayment of any taxes, insurance premiums or other over-payments by the Issuer;

"Secured Creditor" means each of:

- (A) the Security Trustee;
- (B) any Receiver appointed by the Security Trustee; and
- (C) the Noteholders and the Potential Noteholders;

"Secured Liabilities" means all present and future moneys, debts and liabilities due, owing or incurred by a Loan Note Obligor to the Secured Creditors or any of them under or in connection with a Loan Note Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, guarantor, surety or otherwise);

"Security Document" means this Debenture, any other Encumbrance creating or purporting to create security over assets of the Issuer as security for the Secured Liabilities from time to time and any guarantee, indemnity or other surety obligation

relating to the Secured Liabilities from time to time (including, but not limited to, the FLO Debenture and Guarantee);

"Security Financial Collateral Arrangements" shall have the meaning given to that expression in the Financial Collateral Regulations;

"Security Interest" means any mortgage, lien, charge, assignment, option, hypothecation or security interest or any other arrangement having a similar effect under the laws of any applicable jurisdiction;

"Specified Contract" means:

- (A) any contract entered into between the Issuer and FLO; and
- (B) any other contract which the Issuer and the Security Trustee may specify as a Specified Contract for the purposes of this Debenture from time to time in writing; and

"Subscription Letter" has the meaning given to it in the Loan Note Instrument.

- 23.2 Where a restrictive obligation is imposed on the Issuer in this Debenture, it shall be deemed to include an obligation on the Issuer not to permit or suffer such restrictive obligation to be done by any other person.
- 23.3 The singular shall include the plural and the masculine the feminine and neuter and vice versa.
- 23.4 The clause headings in this Debenture are for ease of reference and do not affect the construction of the relevant clauses.
- 23.5 Each of the provisions of this Debenture shall be severable and distinct from one another and if one or more of such provisions is invalid or unenforceable the remaining provisions shall not in any way be affected.
- 23.6 Reference to any Act or legislation includes reference to the Act or legislation as for the time being amended, replaced or re-enacted and includes reference to any subordinate legislation (including any European Community law which is applicable in the United Kingdom), order, regulation or direction made under or by virtue of that Act or legislation.
- 23.7 References to "the Security Trustee" include persons deriving title under the Security Trustee, its successors and assigns appointed in accordance with the provisions of Schedule 5 (*Role of the Security Trustee*) of the Loan Note Instrument and any person with which it may merge or amalgamate to the intent that this Debenture shall constitute a continuing security in favour of such person as if it had been expressly named herein instead of the Security Trustee.
- 23.8 References to the "Issuer" include its permitted successors and assigns and (in addition) any receiver, administrator or other person lawfully acting on behalf of the Issuer (though no personal liability shall attach to any authorised agent or attorney signing as such).
- 23.9 References to this "Debenture" shall be construed as including each separate or independent stipulation or agreement herein contained.
- 23.10 References to a "person" include any person, firm, company, corporation, government, state or agency of a state, association, unincorporated body of persons, trust or partnership (whether or not having a separate legal personality) and any two or more of the foregoing.

24. **Governing Law**

- 24.1 This Debenture and any non-contractual obligations arising out of or in connection therewith shall be governed by and construed in accordance with the laws of England and Wales.
- 24.2 The parties to this Debenture submit to the exclusive jurisdiction of the courts of England and Wales in any action or proceedings arising from or in connection with this Debenture and irrevocably agree that the courts of England are the most appropriate and convenient courts to settle any such disputes and accordingly will not argue to the contrary.

SCHEDULE 1: FORM OF NOTICE TO THE COLLECTIONS ACCOUNT BANK

From: Five Lamps Trading Limited
Community Resource Centre
Eldon Street
Thornaby
Teesside TS17 7DJ
(the "Issuer")

To: [*Collections Account Bank*]

(the "Collections Account Bank")

Copy: Big Issue Social Investments Limited
113-115 Fonthill Road, Finsbury Park
London N4 3HH
England
(the "Security Trustee")

[·] 2018

Dear Sir/Madam,

Notice of security created over account: [enter account details] (the "Collections Account")

Terms and expressions used in this notice shall have the meaning set out in the Loan Note Instrument dated [·] 2018 between the Issuer and the Security Trustee (the "Loan Note Instrument") and the issuer debenture dated [·] 2018 between the Issuer and the Security Trustee (the "Issuer Debenture").

We hereby give you notice that pursuant to the Issuer Debenture, the Issuer has granted security over the Collections Account and the amounts standing to the credit thereof in favour of the Security Trustee as security for the Issuer's obligations to the Noteholders under the Loan Note Instrument and the Issuer Debenture.

You are entitled to rely on the instructions of the Issuer in relation to the operation of the Collections Account, until such time as you receive a notice in writing from the Security Trustee that an Event of Default has occurred and is continuing. Following receipt by you of such a notice from the Security Trustee, you must act only on the instructions of the Security Trustee and from such date you will not act on the instructions of ourselves in respect of the operation of the Collections Account.

Please acknowledge receipt of this Notice by signing the enclosed acknowledgement and returning it to us.

This letter, and any non-contractual obligations arising out of or in connection therewith, shall be governed by, and construed in accordance with, the law of England and Wales.

Yours faithfully,

as Authorised Signatory for and on behalf of
Five Lamps Trading Limited

SCHEDULE 2: FORM OF ACKNOWLEDGMENT FROM COLLECTIONS ACCOUNT BANK

From: [Collections Account Bank]

To: Five Lamps Trading Limited
Community Resource Centre
Eldon Street
Thornaby
Teesside TS17 7DJ
(the "Issuer")

Copy: Big Issue Social Investments Limited
113-115 Fonthill Road, Finsbury Park
London N4 3HH
England
(the "Security Trustee")

[·] 2018

Dear Sir/Madam,

Acknowledgement of notice of security created over account

We acknowledge receipt of the notice dated [·] 2018 (a copy of which is attached) and addressed to us by the Issuer. Terms used in that notice have the same meaning herein.

We acknowledge and agree to the provisions of such notice and in addition we represent and undertake to the Issuer and the Security Trustee the following:

- (a) that no Security Interest exists in our favour on, over or with respect to the Collections Account or the monies standing to the credit thereof;
- (b) that we have no right at any time to pay, set off or transfer any of the amounts standing to the credit of Collections Account in or towards satisfaction of any obligations or liabilities which any person has or may have to us (under any guarantee, document or other Security Interest for the payment or repayment of monies, actual or contingent);
- (c) that we shall not combine, consolidate or merge the Collections Account with any other account;
- (d) that we shall not exercise any lien and shall give notice to the Security Trustee and the Issuer of any attempt (of which we become aware) to enforce any Security Interest by any other person (other than the Security Trustee) in respect of the Collections Account;
- (e) that we acknowledge that the Issuer has assigned and/or charged all of its right, title, interest and benefit, present and future, in the Collection Accounts to the Security Trustee;
- (f) that no notice has been received by us that any third party (other than the Security Trustee) has or will have any right or interest whatsoever in, or has made or will be making any claim or demand or taking any action whatsoever against, the Collections Account or the monies standing to the credit thereof and if, after the date hereof, we receive any such notice, we shall, save to the extent we are prohibited by law, give written notice thereof to the Issuer, copied to the Security Trustee; and
- (g) following the receipt by us of a notice in writing from the Security Trustee confirming that an Event of Default has occurred and is continuing, we will act only on the instructions of

the Security Trustee and from such date we will not act on the instructions of yourselves in respect of the operation of the Collections Account.

The Collections Account Bank represents and warrants, for the benefit of the Issuer, that it is a bank for the purposes of Section 991 of the Income Tax Act 2007 and payments of interest are made in the ordinary course of its business within the meaning of section 878 of the Income Tax Act 2007.

Yours faithfully,

Authorised signatory for and on behalf of
[Collections Account Bank]

IN WITNESS whereof this Debenture has been executed as a deed and is hereby delivered on the date written at the beginning of this document.

The Issuer

EXECUTED AS A DEED
by FIVE LAMPS TRADING LIMITED
acting by a director in the presence of:

REDACTED UNDER S859G OF
THE COMPANIES ACT 2006

Witness signature

REDACTED UNDER S859G OF
THE COMPANIES ACT 2006

Director

Signature of Director

Name of Director:

TREBOR GEORGE WATSON.

Witness Name: JOHN MICHAEL POOLE

Witness Address: BARNCOFT, CHINTERS HILL,
STOCKTON-ON-TYNE TS21 13G.

Witness Occupation:
ESTATE AGENT.

The Security Trustee

EXECUTED AS A DEED
by **BIG ISSUE SOCIAL INVESTMENTS LIMITED**

REDACTED UNDER S859G OF
THE COMPANIES ACT 2006

acting by a director in the presence of:

REDACTED UNDER S859G OF
THE COMPANIES ACT 2006

Director.....
Signature of Director

Name of Director:

.....
Witness signature

Witness Name: CLIVE EDWARD ELLIS

Witness Address: 113-115 FENTHILL ROAD, FINSBURY PARK

Witness Occupation:

LONDON N4 3HH

CHARTERED ACCOUNTANT