



Registration of a Charge

Company name: **LENDING WORKS LIMITED**

Company number: **08302549**

Received for Electronic Filing: **30/06/2020**



X98ANBY2

Details of Charge

Date of creation: **26/06/2020**

Charge code: **0830 2549 0003**

Persons entitled: **LENDING PLATFORM HOLDING LIMITED**

Brief description: **ALL CURRENT AND FUTURE LAND AND INTELLECTUAL PROPERTY, IN EACH CASE AS SPECIFIED (AND DEFINED) IN THE DEBENTURE REGISTERED BY THIS FORM MR01 (THE "DEBENTURE"). FOR MORE DETAILS PLEASE REFER TO THE DEBENTURE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A TRUE COPY OF THE COMPOSITE ORIGINAL INSTRUMENT.**

Certified by: **THOMAS ALMOND**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8302549

Charge code: 0830 2549 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th June 2020 and created by LENDING WORKS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th June 2020 .

Given at Companies House, Cardiff on 1st July 2020

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

LENDING WORKS LIMITED
(as Chargor)

- and -

LENDING PLATFORM HOLDING LIMITED
(as Lender)

DEBENTURE



Matter ref: 766843/000002
Ref: F3A/ROBINSOJ/SHAFEOLI/6707541

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION	1
2. COVENANT TO PAY	5
3. CREATION OF SECURITY	5
4. CRYSTALLISATION	7
5. TITLE DOCUMENTS, INSURANCE POLICIES AND TRANSFERS	8
7. NEGATIVE PLEDGE AND OTHER RESTRICTIONS	9
8. RIGHT OF APPROPRIATION	9
9. FURTHER ASSURANCE	10
10. CONTINUING SECURITY	11
11. LAND	11
12. SPECIFIED INVESTMENTS	11
13. OPENING OF NEW ACCOUNTS	12
14. POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS	12
15. APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR	13
16. POWERS OF A RECEIVER	13
17. POWER OF ATTORNEY	15
18. OTHER POWERS EXERCISABLE BY THE LENDER	15
19. APPLICATION OF MONEY RECEIVED BY THE LENDER OR A RECEIVER	16
20. PROTECTION OF THIRD PARTIES	16
21. PROTECTION OF THE LENDER, ANY NOMINEE AND RECEIVER	16
22. INTEREST ON OVERDUE AMOUNTS	17
23. SET-OFF	17
24. TRANSFER BY THE LENDER	17
25. RELEASE OF SECURITY	17
26. THIRD PARTY RIGHTS	17
27. JOINT AND SEPARATE LIABILITY	18
28. FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS	18
29. COUNTERPARTS	18
30. NOTICES	19
31. GOVERNING LAW	19
32. ENFORCEMENT	19
EXECUTION PAGES	1

BETWEEN:

- (1) **LENDING WORKS LIMITED** incorporated and registered in England and Wales with company number 08302549 whose registered office is at 60 Gray's Inn Road, London, WC1X 8AQ (the "**Chargor**"); and
- (2) **LENDING PLATFORM HOLDING LIMITED**, a company registered in Jersey with registered number 131770, whose address is 11-15 Seaton Place, St Helier, Jersey JE4 0QH (the "**Lender**").

WITNESSES AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Definitions:** Unless the context otherwise requires, words or expressions defined in the Facility Agreement shall have the same meanings in this Debenture and this construction shall survive the termination of the Facility Agreement. In addition, in this Debenture:

"Act" means the Companies Act 2006.

"Assets" means in relation to the Chargor, all its undertaking, property, assets, revenues and rights of every description, or any part of it (and for the avoidance of doubt including, without limitation, all the Chargor's rights in respect of the Management Fees).

"Declared Default" means that an Event of Default has occurred and as a result the Lender has taken steps to exercise any of its respective rights under Clause 13.4 (*Acceleration*) of the Facility Agreement.

"Default" means a Default under and as defined in the Facility Agreement.

"Derivative Rights" includes:

- (a) allotments, rights, money or property arising at any time in relation to any Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (b) dividends, distributions, interest and other income paid or payable in relation to any Investments; and
- (c) stock, shares and securities offered in addition to or in substitution for any Investments.

"Event of Default" means an Event of Default under and as defined in the Facility Agreement.

"Facility Agreement" means the £500,000 facility agreement entered into on or around the date of this Debenture between Lending Works Limited (as borrower) and Lending Platform Holding Limited (as lender).

"Finance Document" means the Facility Agreement, any Security Document and any other document designated as such by the Lender and the Chargor.

"Financial Collateral" in relation to the Chargor, means any of its Assets comprising financial collateral within the meaning of the Financial Collateral Regulations;

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No.2) Regulations 2003, as amended;

"Fixed Security Asset" means an Asset for the time being comprised within an assignment created by Clause 3.1 (*Assignments*) or within a fixed charge created by Clause 3.2 (*Fixed security*) or arising on crystallisation of a floating charge whether under Clause 4 (*Crystallisation*) or otherwise.

"Floating Charge Asset" means an Asset for the time being comprised within the floating charge created by Clause 3.3 (*Creation of Floating Charge*) but, in relation to Assets situated in Scotland and charged by clause 3.3(b) only in so far as concerns the floating charge over that Asset.

"Group" means the Chargor and each of its subsidiaries from time to time.

"Insolvency Event" means, in relation to the Chargor:

- (a) any resolution is passed or order made for its winding up, dissolution, administration or reorganisation, a moratorium is declared in relation to any of its indebtedness or an administrator is appointed to it;
- (b) any composition, compromise, assignment or arrangement is made with any of its creditors;
- (c) the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of it or any of its assets; or
- (d) any analogous procedure or step is taken in any jurisdiction.

"Insurance Policy" means any contract or policy of insurance of the Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest at any time but excluding any liability insurance and any directors' and officers' insurance.

"Intellectual Property" means patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs (including in relation to semiconductor products) anywhere in the world and, in each case, any extensions and renewals of, and any applications for, such rights.

"Intellectual Property Rights" in relation to the Chargor, means all and any of its Intellectual Property and all other intellectual property rights, causes of action, interests and assets charged by it pursuant to paragraphs 3.2(k) to 3.2(o) inclusive of Clause 3.2 (*Fixed security*).

"Investments" means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Schedule 2, Part II of the Financial Services and Markets Act 2000), whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise.

"Land" means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures).

"Liability" means any liability, damage, loss, costs, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise.

"Management Fees" means lender fees charged to lender customers and borrower fees charged to borrower customers, including in each case by the Chargor pursuant to its online consumer lending platform. This includes, but is not limited to, any arrangement fees charged to borrowers, any interest rate margins levied by the Chargor and any administration fees charged to lenders exiting some or all of their loans, less any amounts properly and reasonably transferred to the shield contingency fund in the ordinary course of business.

"Nominee" means any custodian and/or nominee for the Lender and also includes any additional or substitute custodian or nominee which the Lender may designate from time to time and any agent or sub-custodian acting for the Lender or any such custodian and/or nominee.

"Party" means a party to this Debenture.

"Receivables" in relation to the Chargor, means all sums of money receivable by it at any time consisting of or payable under or derived from any Asset described in Clause 3.2 (*Fixed security*).

"Receiver" means any receiver or receiver and manager appointed under Clause 15 (*Appointment of a Receiver or an Administrator*) including (where the context requires or permits) any substituted receiver or receiver and manager.

"Relevant System" has the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, Investments.

"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether incurred jointly or severally and whether as principal or surety or in any other capacity whatsoever and whether incurred originally by the Chargor or by some other person) of the Chargor to the Lender under each or any of the Finance Documents, in each case together with:

- (a) all costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its rights under any Finance Document; and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents.

"Security" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Specified Investments" means, in relation to the Chargor, all Investments which at any time:

- (a) represent a holding in a subsidiary of the Chargor or an undertaking which would be its subsidiary undertaking if in section 1162(2)(a) of the Companies Act 2006 "30 per cent or more" were substituted for a "majority";
- (b) are held in the name of the Lender or its Nominee or to its order; or
- (c) the Chargor has deposited certificates for with the Lender or which, if uncertificated, are held in an escrow or other account in favour of the Lender or its Nominee.

1.2 **Interpretation:** Unless the context otherwise requires, the interpretative provisions set out in the paragraphs below shall apply in this Debenture.

- (a) References to any Party shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees.
- (b) **"Including"** and **"in particular"** shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing".
- (c) A **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- (d) **"Property"** includes any interest (legal or equitable) in real or personal property and any thing in action.
- (e) **"Variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly.
- (f) **"Writing"** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Debenture to be signed and **"written"** has a corresponding meaning.
- (g) Subject to Clause 28.4 (*Variations*), references to this Debenture or to any other document (including any Finance Document) include references to this Debenture or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this Debenture or such other document or to the nature or amount of any facilities made available under such other document.
- (h) References to uncertificated Investments are to Investments the title to which can be transferred by means of an electronic or other entry in a Relevant System and references to certificated Investments are to Investments which are not uncertificated Investments.
- (i) The singular shall include the plural and vice versa and any gender shall include the other genders.

- (j) Clauses and paragraphs shall be construed as references to Clauses and paragraphs of this Debenture.
- (k) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances.
- (l) Headings in this Debenture are inserted for convenience and shall not affect its interpretation.
- (m) A Default (other than an Event of Default) is "**continuing**" for the purposes of the Finance Documents if it has not been remedied or waived and an Event of Default is "continuing" for those purposes if it has not been waived.

2. COVENANT TO PAY

- 2.1 **Covenant to pay:** The Chargor (as primary obligor and not merely as surety) covenants with the Lender that it will, on the Lender's written demand, pay or discharge the Secured Sums when due at the times and in the manner provided in the relevant Finance Documents.
- 2.2 **Proviso:** The covenants contained in this Clause and the security created by this Debenture shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.
- 2.3 **Demands:**
 - (a) The making of one demand shall not preclude the Lender from making any further demands.
 - (b) Any third party dealing with the Lender or any Receiver shall not be concerned to see or enquire as to the validity of any demand under this Debenture.

3. CREATION OF SECURITY

- 3.1 **Assignments:** The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) to the Lender all of its rights, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies.
- 3.2 **Fixed Security:** The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges to the Lender, by way of fixed charge:
 - (a) all Land which is now, or in the future becomes, its property;
 - (b) all other interests and rights in or relating to Land or in the proceeds of sale of Land now or in the future belonging to it;
 - (c) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 3.2;
 - (d) all rental and other income and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land;

- (e) all Specified Investments which are now its property, including all proceeds of sale derived from them;
- (f) all Specified Investments in which the Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them;
- (g) all Derivative Rights of a capital nature now or in the future accruing or offered in respect of its Specified Investments;
- (h) all Derivative Rights of an income nature now or in the future accruing or offered at any time in respect of its Specified Investments;
- (i) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are now or in the future deposited by it with the Lender, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in this Debenture;
- (j) all its goodwill and uncalled capital for the time being;
- (k) all Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- (l) all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- (m) the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world;
- (n) all its rights now or in the future in relation to trade secrets, confidential information and knowhow in any part of the world;
- (o) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs (k) to (n) inclusive of this Clause;
- (p) all trade debts now or in the future owing to it;
- (q) all other debts now or in the future owing to it, excluding those arising on fluctuating accounts with other members of the Group;
- (r) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under Clause 3.1(*Assignments*);
- (s) any beneficial interest, claim or entitlement it has to any pension fund now or in the future;
- (t) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of this Debenture; and

- (u) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them.

3.3 Creation of floating charge: The Chargor, with full title guarantee, charges to the Lender as security for the payment or discharge of all Secured Sums, by way of floating charge:

- (a) all its Assets, except to the extent that such Assets are for the time being effectively assigned by way of security by virtue of Clause 3.1 (*Assignments*) or charged by any fixed charge contained in Clause 3.2 (*Fixed security*), including any Assets comprised within a charge which is reconverted under Clause 4.4 (*Reconversion*); and
- (b) without exception, all its Assets in so far as they are for the time being situated in Scotland.

3.4 Notices:

The Chargor shall, if requested by the Lender, execute and deliver to the provider of any Insurance Policy, such notices and other documents as the Lender may reasonably require in relation to the assignment by way of security.

3.5 Priority:

- (a) Any fixed Security created by the Chargor and subsisting in favour of the Lender shall (save as the Lender may otherwise declare at or after the time of its creation) have priority over the floating charge created by Clause 3.3 (*Creation of floating charge*).
- (b) Any Security created in the future by the Chargor (except in favour of the Lender) shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created by this Debenture.

4. CRYSTALLISATION

4.1 Crystallisation by notice: The floating charge created by the Chargor in Clause 3.3 (*Creation of floating charge*) may, subject to Clause 4.5 (*Moratorium Assets*), be crystallised into a fixed charge by notice in writing given at any time by the Lender to the Chargor if

- (a) a Declared Default has occurred and is continuing;
- (b) the Lender in good faith considers that an Insolvency Event has occurred and is continuing;
- (c) the Lender in good faith considers that any of the Assets expressed to be charged to the Lender by this Debenture may be in danger of being seized or sold pursuant to any form of legal process; or
- (d) a circumstance envisaged by paragraph (a) of Clause 4.2 (*Automatic Crystallisation*) occurs and the Lender in good faith considers that such crystallisation is desirable in order to protect the priority of its security.

Such crystallisation shall take effect over the Floating Charge Assets or class of Assets specified in the notice. If no Floating Charge Assets are specified, it shall take effect over all Floating Charge Assets of the Chargor.

4.2 Automatic crystallisation: If, without the Lender's prior written consent:

- (a) the Chargor, in contravention of any Finance Document, resolves to take or takes any step to:
 - (i) charge or otherwise encumber any of its Floating Charge Assets;
 - (ii) create a trust over any of its Floating Charge Assets; or
 - (iii) dispose of any Floating Charge Asset (except by way of sale in the ordinary course of the Chargor's business to the extent that such disposal is not otherwise prohibited by any Finance Document); or
- (b) any person takes any step to seize or sell any Floating Charge Asset pursuant to any form of legal process; or
- (c) an Insolvency Event has occurred,

then the floating charge created by Clause 3.3 (*Creation of floating charge*) shall, subject to Clause 4.5 (*Moratorium Assets*), be automatically and instantly crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset or, in the case of paragraph (c) above into a fixed charge over all Floating Charge Assets of the Chargor.

4.3 Future Floating Charge Assets: Except as otherwise stated in any notice given under Clause 4.1 (*Crystallisation by notice*) or unless the crystallisation relates to all its Floating Charge Assets, prospective Floating Charge Assets acquired by the Chargor after crystallisation has occurred under Clause 4.1 (*Crystallisation by notice*) or 4.2 (*Automatic crystallisation*) shall become subject to the floating charge created by Clause 3.3 (*Creation of floating charge*), so that the crystallisation shall be effective only as to the specific Floating Charge Assets affected by the crystallisation.

4.4 Reconversion: Any charge which has crystallised under Clause 4.1 (*Crystallisation by notice*) or 4.2 (*Automatic crystallisation*) may, by notice in writing given at any time by the Lender to the Chargor, be reconverted into a floating charge in relation to the Assets specified in such notice.

4.5 Moratorium Assets: The floating charge created by the Chargor in Clause 3.3 (*Creation of floating charge*) may not be converted into a fixed charge on Assets for which a moratorium is in force if and for so long as such conversion would breach paragraph 13 and/or paragraph 43 of Schedule A1 of the Insolvency Act 1986.

5. TITLE DOCUMENTS

Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Lender, the Chargor shall:

- (a) deposit with the Lender, and the Lender shall be entitled to retain during the continuance of the security created by this Debenture, all deeds and documents of title relating to its Fixed Security Assets that are necessary to give effect to or to perfect the fixed security described in Clause 3.2 (*Fixed Security*), including

certificates of registration and certificates constituting or evidencing Specified Investments; and

- (b) as soon as reasonably practicable, and in any event within 5 Business Days of request, execute and deliver to the Lender such documents and transfers and give such instructions and perform such other acts as the Lender may reasonably require at any time to constitute or perfect an equitable charge or legal mortgage (at the Lender's option) over its Specified Investments, including any eligible to participate in a Relevant System.

6. RECEIVABLES

- 6.1 **Restriction:** The Chargor shall not purport, without the Lender's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery, other than in relation to the commutation of Receivables with its customers in the ordinary course of trade or unless such action is permitted under the Facility Agreement.
- 6.2 **Factoring:** If the Lender releases, waives or postpones its rights in respect of any Receivable to enable the Chargor to factor or discount them to any person (the "**factor**"), the charges created by this Debenture shall in all other respects remain in full force and effect. In particular, all amounts becoming due to the Chargor from the factor and any Receivables reassigned, or due to be reassigned to the Chargor, shall be subject to the charges created by this Debenture, subject only to any defences or rights of set-off which the factor may have against the Chargor.

7. NEGATIVE PLEDGE AND OTHER RESTRICTIONS

The Chargor shall not, without the prior written consent of the Lender, except as specifically permitted by the Facility Agreement:

- (a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets; or
- (b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so.

8. RIGHT OF APPROPRIATION

- 8.1 **Financial Collateral Arrangement:** The Parties acknowledge and intend that the charges over the Chargor's Financial Collateral provided under or pursuant to this Debenture will constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations.
- 8.2 **Right of Appropriation:** The Lender may, on or at any time after the security constituted by this Debenture becomes enforceable in accordance with its terms, by notice in writing to the Chargor appropriate with immediate effect all or any of its Financial Collateral charged by this Debenture which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) and apply it in or towards the discharge of the Secured Sums, whether such Assets are held by the Lender or otherwise.
- 8.3 **Value:** The value of any Financial Collateral appropriated under Clause 8.2 shall be:

- (a) in the case of cash, its face value at the time of appropriation; and
- (b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Lender by reference to a public index or other applicable generally recognised price source or such other process as the Lender may reasonably select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Lender;

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Lender.

8.4 Surplus or Shortfall: The Lender will account to the Chargor for any amount by which the value of the appropriated Assets exceeds the Secured Sums and the Chargor shall remain liable to the Lender for any amount by which the value of the appropriated Assets is less than the Secured Sums.

8.5 Confirmation: The Chargor agrees that the method of valuing Financial Collateral under Clause 8.3 is commercially reasonable.

9. FURTHER ASSURANCE

- (a) The Chargor shall promptly do all such acts as are available to it and execute all such documents (including assignments, transfers, mortgages, charges, notices, forms and instructions) as the Lender may reasonably specify and in such form as the Lender may reasonably require (in favour of the Lender or its Nominee) in order to:
 - (i) perfect or protect the Security created or intended to be created by this Debenture (which may include the execution of a mortgage, charge, assignment, transfer, notice, instruction or other Security over all or any of the Assets which are, or are intended to be, the subject of the Security constituted by this Debenture) or for the exercise of any rights, powers and remedies of the Lender provided by this Debenture or by law;
 - (ii) confer on the Lender, Security over any Assets of the Chargor located in any jurisdiction outside England and Wales which is (to the extent permitted by local law) equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture; and/or
 - (iii) after this Debenture becomes enforceable, facilitate the realisation of the Assets subject to the Security conferred or intended to be conferred by this Debenture or the exercise of any rights vested in the Lender, any Receiver, administrator or Nominee, including executing any transfer, conveyance, charge, assignment or assurance of all or any of the Assets which are the subject of the Security constituted by this Debenture, making any registration and giving any notice, order or instructions.
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to this Debenture.

10. **CONTINUING SECURITY**

This Debenture shall be a continuing security for the Lender, notwithstanding any intermediate payment or settlement of accounts or other matter whatever, and shall be in addition to and shall not prejudice or be prejudiced by any right of set-off, combination, lien or other rights exercisable by the Lender as banker against the Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by the Lender.

11. **LAND**

11.1 **Negative covenants:** The Chargor shall not without the prior written consent of the Lender:

- (a) **No onerous obligations:** enter into any onerous or restrictive obligation affecting its Land or create or permit to arise any overriding interest or any easement or right whatever in or over it which, in each case, would be reasonably likely to affect materially and adversely its value or the value of the Security constituted by this Debenture over it; or
- (b) **No sharing:** share the occupation of any Land with any other person (or agree to do so) to the extent that to do so would materially adversely affect (i) the value of such Land; or (ii) the interest of the Lender.

11.2 **Consolidation of Mortgages:** Section 93 of the Law of Property Act 1925, dealing with the consolidation of mortgages, shall not apply to this Debenture.

12. **SPECIFIED INVESTMENTS**

12.1 **Voting and other rights:** The Chargor undertakes not to exercise any voting powers or rights in a way which would be reasonably likely to prejudice the value of its Specified Investments or otherwise to jeopardise the Security constituted by this Debenture over them.

12.2 **Before Enforcement:** Unless and until the occurrence of a Declared Default:

- (a) all voting powers and rights attaching to Specified Investments (including Derivative Rights) belonging to the Chargor shall continue to be exercised by the Chargor for so long as it remains their registered owner and the Chargor shall not permit any person other than the Chargor, the Lender or its Nominee to be registered as holder of such Specified Investments or any part of them; and
- (b) if Specified Investments belonging to the Chargor are registered in the name of the Lender or its Nominee, all voting powers and rights attaching to them (including Derivative Rights) shall be exercised by the Lender or its Nominee in accordance with instructions in writing from time to time received from the Chargor and, in the absence of any such instructions, the Lender or its Nominee shall not exercise any such rights.

12.3 **After Enforcement:** At any time after the occurrence of a Declared Default:

- (a) the Lender may, for the purposes of protecting its interests in relation to the Secured Sums and preserving the value of the security created by this Debenture (in each case in its absolute discretion) and/or realising the security created by this Debenture, exercise (but is not obliged to exercise) in the name of the

Chargor or otherwise and without any further consent or authority on the part of the Chargor, all voting powers and rights attaching to the Specified Investments (including Derivative Rights) as it sees fit, including any rights to nominate or remove a director, as if the Lender were the sole beneficial owner of the Specified Investments;

- (b) all Derivative Rights shall, if received by the Chargor or its nominee, be held on trust for and forthwith paid or transferred to the Lender; and
- (c) the Chargor shall (and shall procure that its nominees shall) accept short notice for and attend any shareholders meetings relating to the Specified Investments, appoint proxies and exercise voting and other rights and powers exercisable by the holders of the Specified Investments as the Lender may direct from time to time as it sees fit for the purpose of protecting its interests in relation to the Secured Sums.

For the avoidance of doubt, unless and until the Lender takes any steps to exercise any voting powers or rights attaching to the Specified Investments after becoming entitled (but not obliged) to do so under this Clause, all such powers and rights remain with the Chargor.

- 12.4 **Negative covenant:** The Chargor covenants with the Lender that it will not, without the prior written consent of the Lender, consent to its Specified Investments being consolidated, sub-divided or converted or any rights attached to them being varied.

13. OPENING OF NEW ACCOUNTS

- 13.1 **Creation of new account:** On receiving notice that the Chargor has granted Security over or otherwise encumbered or disposed of any of its Assets in contravention of any Finance Document, the Lender may rule off all its accounts and open new accounts with the Chargor.

- 13.2 **Credits to new account:** If the Lender does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day. From that day, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to the Lender at the time when it received such notice.

14. POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS

- 14.1 **Section 103 of the LPA:** Section 103 of the Law of Property Act 1925 shall not apply to this Debenture, and the statutory power of sale shall arise on, and be exercisable at any time after, the execution of this Debenture. However, the Lender shall not exercise such power of sale until this Debenture has become enforceable.

- 14.2 **Powers of sale extended:** The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender by virtue of this Debenture are extended so as to authorise the Lender (whether in its own name or that of the Chargor concerned) to:

- (a) grant a lease of any Land vested in the Chargor or in which it has an interest on such terms and conditions as the Lender shall think fit; and
- (b) sever any fixtures from Land vested in the Chargor and sell them separately.

15. APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR

15.1 Appointment: Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Debenture and the floating charges contained in this Debenture. At any time after:

- (a) the occurrence of a Declared Default;
- (b) in relation to the Chargor, a step or proceeding is taken, or a proposal made, for the appointment of an administrator, or for a voluntary arrangement under Part I of the Insolvency Act 1986); or
- (c) a request has been made by the Chargor to the Lender for the appointment of a Receiver or an administrator over its Assets or in respect of the Chargor,

then this Debenture shall become enforceable and, notwithstanding the terms of any other agreement between the Chargor and the Lender, the Lender may (unless precluded by law) appoint in writing any person or persons to be a receiver or a receiver and manager (or receivers or receivers and managers) of all or any part of the Assets of the Chargor or, an administrator or administrators of the Chargor, as the Lender may choose in its entire discretion.

15.2 Power to act separately: Where more than one Receiver or administrator is appointed, the appointees shall have power to act separately unless the Lender shall specify to the contrary.

15.3 Receiver's remuneration: The Lender may from time to time determine the remuneration of a Receiver.

15.4 Removal of Receiver: The Lender may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Assets of which he is the Receiver.

15.5 Further appointments of a Receiver: Such an appointment of a Receiver shall not preclude:

- (a) the Lender from making any subsequent appointment of a Receiver over all or any Assets over which a Receiver has not previously been appointed or has ceased to act; or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act.

15.6 Receiver's agency: The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Lender.

16. POWERS OF A RECEIVER

The Receiver may exercise, in relation to the Chargor over whose Assets he is appointed, all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Assets of the Chargor, without the need to observe any of the provisions of Sections 99 and

100 of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, Investments or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of the Chargor;

- (b) promote the formation of a subsidiary of the Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Assets of the Chargor;
- (c) sever any fixtures from Land and/or sell them separately;
- (d) exercise all voting and other rights attaching to Investments owned by the Chargor;
- (e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the Chargor by any subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, Investments, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit;
- (f) make any arrangement or compromise with the Lender or others as he shall think fit;
- (g) make and effect all repairs, renewals and improvements to the Assets of the Chargor and effect, renew or increase insurances on such terms and against such risks as he shall think fit;
- (h) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine;
- (i) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (j) pay the proper administrative charges of the Lender in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor;
- (k) commence and/or complete any building operations upon any Land of the Chargor and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit;
- (l) take all steps necessary to effect all registrations, renewals, applications and notifications as the Receiver may in his discretion think prudent to maintain in force or protect any of the Chargor's Intellectual Property Rights; and
- (m) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Assets.

17. POWER OF ATTORNEY

17.1 Appointment of attorney: The Chargor, by way of security and to more fully secure the performance of its obligations under this Debenture, hereby irrevocably appoints the Lender and separately any Nominee, and/or any Receiver to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise (whether or not a Receiver or administrator has been appointed) to:

- (a) do anything which the Chargor is obliged to do (but has not done within 5 Business Days of being notified by the Lender of such failure and being requested to comply) in accordance with this Debenture, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document; and
- (b) enable the Lender or any such Nominee and/or Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Debenture or by statute in relation to this Debenture or the Assets charged, or purported to be charged, by it,

PROVIDED THAT the Lender acknowledges that the security power of attorney granted by this Clause 17 shall only be exercisable following a Declared Default.

17.2 Ratification: The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to his appointment under this clause.

17.3 Sums recoverable: All sums expended by the Lender, Nominee and/or any Receiver under this Clause 17 shall be recoverable from the Chargor under Clause 7 (*Costs*) the Facility Agreement.

18. OTHER POWERS EXERCISABLE BY THE LENDER

18.1 Receiver's powers: All powers of a Receiver conferred by this Debenture may be exercised by the Lender after this Debenture has become enforceable. In that event, paragraph (i) of Clause 16 (*Powers of Receiver*) shall be read and construed as if the words "be charged on the Assets of the Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver".

18.2 Receipt of debts: Following the occurrence of a Declared Default, the Lender, its Nominee or any manager, officer or agent of the Lender is hereby irrevocably empowered to:

- (a) receive all trade debts and other debts and claims which may be assigned to the Lender pursuant to this Debenture and/or under any other Security Document;
- (b) on payment give an effectual discharge for them and on non-payment to take and institute (if the Lender in its sole discretion so decides) all steps and proceedings either in the name of the Chargor or in the name of the Lender for their recovery; and
- (c) agree accounts and make allowances and give time to any surety.

The Chargor ratifies and confirms whatever the Lender or any manager or officer of the Lender shall do or purport to do under this clause.

18.3 **Lender's powers:** The Lender shall have no liability or responsibility to the Chargor arising out of the exercise or non-exercise of the powers conferred on it by this Clause 18, except for gross negligence or wilful default.

18.4 **No duty of enquiry:** The Lender need not enquire as to the sufficiency of any sums received by it in respect of any debt or claim or make any claim or take any other action to collect in or enforce them.

19. **APPLICATION OF MONEY RECEIVED BY THE LENDER OR A RECEIVER**

19.1 **Order of priority:** Any money received or realised under the powers conferred by this Debenture shall be paid or applied in the following order of priority, subject to the discharge of any prior-ranking claims:

(a) in or towards satisfaction of the Secured Sums in the manner applicable under the terms of the Finance Documents; and

(b) as to the surplus (if any), to the person or persons entitled to it.

19.2 **Suspense account:** Until all the Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Lender may place and keep to the credit of a suspense account any money received from or realised in respect of the Chargor's liability under this Debenture. The Lender shall have no intermediate obligation to apply such money in or towards the discharge of any of the Secured Sums. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Lender in good faith to be a fair market rate.

19.3 **Discretion to apply:** Until all Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Lender may refrain from applying or enforcing any other moneys, security or rights held by it in respect of the Secured Sums or may apply and enforce such moneys, security or rights in such manner and in such order as it shall decide in its unfettered discretion.

20. **PROTECTION OF THIRD PARTIES**

20.1 **No duty to enquire:** No purchaser from, or other person dealing with, the Lender or any Nominee or Receiver or administrator appointed under this Debenture shall be concerned to enquire whether any of the powers which the Lender has exercised or purported to exercise has arisen or become exercisable, or whether this Debenture has become enforceable, or whether any Nominee, Receiver or administrator has been validly appointed, or whether any event or cause has happened to authorise the Lender, any Nominee, or a Receiver or administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

20.2 **Receipt:** The receipt of the Lender shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Lender.

21. **PROTECTION OF THE LENDER, ANY NOMINEE AND RECEIVER**

21.1 **Limitation:** Neither the Lender nor any Nominee, nor Receiver shall be liable in respect of any Liability which arises out of the exercise or the purported exercise of, or the failure

to exercise, any of their respective powers under or by virtue of this Debenture, except if and in so far as such Liability results from its own gross negligence or wilful default.

- 21.2 **Entry into possession:** Without prejudice to the generality of Clause 21.1 (*Limitation*), neither the Lender nor any Nominee, nor Receiver shall be liable to account as mortgagee in possession or otherwise for any sum not actually received by it or him respectively. If and whenever the Lender any Nominee enters into possession of any Assets, it shall be entitled at any time at its discretion to go out of possession.

22. **INTEREST ON OVERDUE AMOUNTS**

Any amount not paid in accordance with this Debenture when due shall carry interest at the rate and in accordance with the terms contained in the relevant Finance Document in relation to overdue sums or at such other rate as may be agreed between the Chargor and Lender from time to time.

23. **SET-OFF**

After the occurrence of an Event of Default which is continuing, the Lender may (but is not obliged to) retain any money standing to the credit of the Chargor with the Lender in any currency upon any account or otherwise (whether or not in the Chargor's name) as cover for any Secured Sums and/or at any time or times without notice to the Chargor set off against, or combine or consolidate all or any of such money with, all or such part of the Secured Sums due or owing by it as the Lender may select and the Lender may purchase with any such money any other currency required to effect such set-off, combination or consolidation.

24. **TRANSFER BY THE LENDER**

The Lender may at any time assign and transfer all or any of its rights in relation to this Debenture to any person or otherwise grant an interest in them to any person to the extent that it is permitted to transfer its rights under the terms of the Facility Agreement.

25. **RELEASE OF SECURITY**

- 25.1 **Redemption:** Subject to Clause 25.2 (*Avoidance of Payments*), if all Secured Sums have been irrevocably paid in full and the Lender is not under any further actual or contingent liability to make advance or provide other financial accommodation to any person under any Finance Document, the Lender will (at the request and cost of the Chargor), execute and do all such acts as may be necessary to release the Assets from the Security constituted by this Debenture.

- 25.2 **Avoidance of Payments:** If the Lender considers in good faith that any amount received in payment or purported payment of the Secured Sums is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws and notifies the Chargor of the same, the liability of the Chargor under this Debenture and the Security constituted by this Debenture shall continue and such amount shall not be considered to have been irrevocably paid. The Lender confirms that the provisions of this Clause 25.2 shall not apply where the Chargor is solvent at the time that the Secured Sums are paid in accordance with Clause 25.1 above.

26. **THIRD PARTY RIGHTS**

- 26.1 **Directly enforceable rights:** Pursuant to the Contracts (Rights of Third Parties) Act 1999:

- (a) the provisions of Clause 23 (*Set-off*), and Clause 24 (*Transfer by the Lender*) shall be directly enforceable by the Lender;
- (b) the provisions of Clause 15 (*Appointment of a Receiver or an Administrator*) to Clause 21 (*Protection of the Lender, any Nominee and Receiver*) inclusive shall be directly enforceable by any Nominee or Receiver; and
- (c) the provisions of Clause 20 (*Protection of third parties*) shall be directly enforceable by any purchaser.

26.2 **Exclusion of Contracts (Rights of Third Parties) Act 1999:** Save as otherwise expressly provided in Clause 26.1 (*Directly enforceable rights*), no person other than a Party shall have any right by virtue of either the Contracts (Rights of Third Parties) Act 1999 or any other provision of English law under which rights might accrue to persons other than a party, to enforce any term (express or implied) of this Debenture.

26.3 **Rights of the Parties to vary:** The Parties may by agreement vary any term of this Debenture (including this Clause 26) without the necessity of obtaining any consent from any other person.

27. **JOINT AND SEPARATE LIABILITY**

All covenants, agreements, representations and warranties on the part of the Chargor contained in this Debenture are given by them jointly and separately and shall be construed accordingly.

28. **FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS**

28.1 **Delay etc:** All rights, powers and privileges under this Debenture shall continue in full force and effect, regardless of the Lender or any Nominee or Receiver exercising, delaying in exercising or omitting to exercise any of them.

28.2 **Severability:** No provision of this Debenture shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable.

28.3 **Illegality, invalidity, unenforceability:** Any provision of this Debenture which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Debenture.

28.4 **Variations:** No variation of this Debenture shall be valid and constitute part of this Debenture, unless such variation shall have been made in writing and signed by all Parties.

28.5 **Consents:** Save as otherwise expressly specified in this Debenture, any consent of the Lender may be given absolutely or on any terms and subject to any conditions as the Lender may determine in its entire discretion.

29. **COUNTERPARTS**

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures were on a single copy of this Debenture.

30. NOTICES

Any communications to be made under or in connection with this Debenture shall be made in accordance with the notice provisions set out in clause 21 (*Notices*) of the Facility Agreement.

31. GOVERNING LAW

This Debenture and all non-contractual obligations arising in any way whatsoever out of or in connection with this Debenture shall be governed by, construed and take effect in accordance with English law.

32. ENFORCEMENT

32.1 Jurisdiction:

- (a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or any claim for set-off) or the legal relationships established by this Debenture (a "**Dispute**"), only where such Dispute is the subject of proceedings commenced by the Chargor.
- (b) Where a Dispute is the subject of proceedings commenced by the Lender, the Lender is entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England). If the Chargor raises a counter-claim in the context of proceedings commenced by the Lender, the Chargor shall bring such counter-claim before the court seized of the Lender's claim and no other court.
- (c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude the Lender from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not.
- (d) To the extent allowed by law, the Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum.

THIS DEBENTURE has been executed by the Chargor as a deed and signed by the Lender and it has been delivered and shall take effect on the date stated at the beginning of this document.

EXECUTION PAGES

THE CHARGOR

Executed as a deed by
Lending Works Limited
acting by
in the presence of

)
)
)

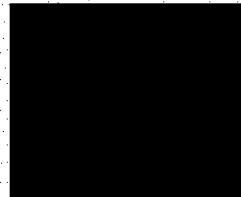


MATTHEW POWELL

Director

Witness' signature

Witness' address




JULIA LOSADA



THE LENDER

Executed and delivered as a Deed by **LENDING
PLATFORM HOLDING LIMITED** acting by its
authorised signatory:

A black rectangular box redacting the signature of the Director.

Sam Jones

Director