

MR01

Particulars of a charge



Companies House

20948/26

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form MR08



L3LLZRD4

LD9

28/11/2014

#186

COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge.
If delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record. **Do not send the original**

1 Company details

Company number 0 9 3 0 8 4 7 9

Company name in full Dialectix Redress Limited

For official use

→ Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 6 1 1 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Preos Investments S A R L
as Lender

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

not applicable

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Latham & Watkins

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name **Boin Cheong**

Company name **Latham & Watkins**

Address **99 Bishopsgate**

Post town **London**

County/Region

Postcode **E C 2 M 3 X F**

Country **United Kingdom**

DX **C/M 055461-0001**

Telephone **020 7710 4606**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9308479

Charge code. 0930 8479 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th November 2014 and created by DIALECTIX REDRESS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th November 2014

P

Given at Companies House, Cardiff on 4th December 2014



Companies House



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

I certify that, save for material redacted pursuant to section 859G of the Companies Act 2006, the enclosed copy of the security instrument, delivered as part of this application for registration under section 859A of the Companies Act 2006, is a correct copy of the original security instrument

EXECUTION VERSION

Signature

Ben Cery

Date

27 November 2014

26 November 2014

DIALECTIX NETWORK LIMITED

as Parent

DIALECTIX REDRESS LIMITED

as Borrower

and

PREOS INVESTMENTS S.À R.L.

as Lender, Calculation Agent and Paying Agent

DEBENTURE

LATHAM & WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel: +44.20.7710 1000
www.lw.com

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THIS DEBENTURE is made as a deed on 26 November 2014

BETWEEN:

- (1) **DIALECTIX NETWORK LIMITED**, a company incorporated in England and Wales with company number 09307329 and having its registered office at Generator Studios, Trafalgar Street, Newcastle Upon Tyne, Tyne and Wear, NE1 2LA (hereinafter called the "**Parent**"),
- (2) **DIALECTIX REDRESS LIMITED**, a company incorporated in England and Wales with company number 09308479 and having its registered office at Generator Studios, Trafalgar Street, Newcastle Upon Tyne, Tyne and Wear, NE1 2LA (hereinafter called the "**Borrower**"), and
- (3) **PREOS INVESTMENTS S.À R.L.**, a société à responsabilité limitée incorporated in Luxembourg, registered with the Luxembourg Trade and Companies Register under the number B 190851, having a share capital of EUR 12,500 and having its registered office at 6 rue Eugène Ruppert L-2453 Luxembourg, Grand-Duchy of Luxembourg in its capacity as lender (hereinafter called the "**Lender**"), as calculation agent (hereinafter called the "**Calculation Agent**"), and as paying agent (hereinafter called the "**Paying Agent**")

each a "**Party**" and together, the "**Parties**"

BACKGROUND

- (A) The Lender has agreed, pursuant to the terms of the Transaction Documents, to provide financing to the Borrower, by way of Loans and Profit Participating Notes, on a secured basis.
- (B) Under this Debenture, the Borrower and the Parent provide security to the Lender for the Secured Obligations

IT IS AGREED AS FOLLOWS.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Save as otherwise provided in this Debenture, the following words and phrases have the following meanings throughout this Debenture:

"**Account Details Notice**" means the notice containing the details of the Bank Accounts in the form set out in Schedule 3 (*Form of Account Details Notice*),

"**Account Notice**" means the notice to the account bank in the form set out in Schedule 2 (*Form of Account Notice*),

"**Allocated Collateral**" means, with respect to a Maturity Defaulted Loan, the Customer Contracts and related Collateral in respect of the Investment Tranche to which such Loan relates and does not include the Customer Contracts and related Collateral in respect of any other Investment Tranche(s) and the Loan(s) related to such other Investment Tranche(s),

“Assigned Agreements” means the Transaction Documents, the Swap Agreements and the Introducer Agreements,

“Bank Accounts” means the Client Account, the Collections Account, the Promote Account, the Reserve Account, the Trading Account, the VAT Account, and any other bank account of the Borrower from time to time opened with the consent of the Lender,

“Charged Accounts” means the Collections Account, the Reserve Account, the Trading Account, the VAT Account, and any other bank account of the Borrower from time to time over which the Lender has security, as identified in the schedule to the Account Notice,

“Chargor” means each of the Parent and the Borrower, and **“Chargors”** mean both of them together,

“Client Account” means a bank account of the Borrower established with Barclays Bank, details of which shall be provided by the Borrower in writing to the Lender prior to the first Drawdown Date,

“Client Notice” means a notice to the Clients informing them that the benefit of the Customer Contracts has been assigned to the Lender and all payments with respect to the Customer Contracts should be paid to the Lender or as the Lender may direct and notifying the Clients of the servicing arrangements with respect to the Customer Contracts going forward in the form provided by the Lender,

“Clients” has the meaning given to it in the JVA,

“Collateral” means all the assets and undertaking of the Chargors which from time to time are the subject of the Security;

“Collections Account” means a bank account of the Borrower established with REDACTED with account number REDACTED and sort code REDACTED;

“Counterparty Notice” means the notice of assignment in the form set out in Schedule 1,

“Customer Contract” means a contract between a Client and the Borrower, in the agreed form, under which a Client agrees to accept the services of the Borrower in relation to its Claim(s),

“Event of Default” means an event of default as defined in clause 12 (*Events of Default*) of the Loan Agreement;

“Loan Agreement” means the loan agreement dated on or about the date hereof and made between the Borrower and the Lender,

“Material Event of Default” means an event of default as defined in clause 11.2 (*Insolvency Event*), clause 11.3 (*Insolvency Proceedings*), or clause 11.6 (*Termination under the JVA*) of clause 11 (*Events of Default*) of the Loan Agreement,

“Maturity Defaulted Loan” means a Loan in respect of which an Event of Default occurred on the Maturity Date as a result of failure to pay the Redemption Amount,

“Promote Account” means a bank account of the Borrower established with Barclays Bank, details of which shall be provided by the Borrower in writing to the Lender prior to the first Drawdown Date,

“Quasi-Security” means a transaction in which a Chargor.

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by a Chargor or any other member of its group,
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms,
- (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or
- (d) enters into any other preferential arrangement having a similar effect,
- (e) in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset,

“Receivables” means any indebtedness or obligation of any nature owing by a Client to the Borrower in connection with the Customer Contracts, including the payment of any charges or fees with respect thereto,

“Receiver” means an administrator, a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Collateral however appointed under or in connection with this Debenture,

“Related Rights” means in relation to any of the Collateral

- (a) all assets deriving from such Collateral (or from any other asset referred to in paragraph (b) below) including all allotments, accretions, offers, rights, dividends, distributions, interest, income, benefits, powers, privileges, authorities, remedies and advantages at any time accruing, offered or otherwise derived from or incidental to such Collateral (or to any other asset referred to in paragraph (b) below); and
- (b) all rights, money or property accruing or offered at any time by way of conversion, consolidation, redemption, bonus, preference, exchange, purchase, subdivision, substitution, option, interest or otherwise in respect thereof

“Reserve Account” means a bank account of the Borrower established with Barclays Bank, details of which shall be provided by the Borrower in writing to the Lender prior to the first Drawdown Date,

“Rights” means any Security or other right or benefit whether arising by set-off, counterclaim, subrogation, indemnity, proof in liquidation or otherwise and whether from contribution or otherwise,

“Secured Obligations” means all money, obligations or liabilities due, owing or incurred by the Borrower to the Lender, at present or in the future, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety or in any other capacity, under or in connection with the Loan Agreement, the Profit Participating Notes and the Transaction Documents with respect to all Investment Tranches, together with

all interest accruing thereon (both before and after judgment) and all Losses incurred by the Lender in connection therewith (and for this purpose, “Losses” includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities),

“**Security**” means the security created by (or purported to be created by) this Debenture,

“**Shares**” means the means all of 1,000 fully paid ordinary shares of £1 00 each owned by the Parent in the Borrower,

“**Trading Account**” means a bank account of the Borrower established with Barclays Bank, details of which shall be provided by the Borrower in writing to the Lender prior to the first Drawdown Date, and

“**VAT Account**” means a bank account of the Borrower established with Barclays Bank, details of which shall be provided by the Borrower in writing to the Lender prior to the first Drawdown Date

1.2 Construction

In this Debenture, unless a contrary intention appears, a reference to:

- (a) an “**agreement**” includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written),
- (b) an “**amendment**” includes any amendment, supplement, variation, novation, modification, replacement or restatement and “**amend**”, “**amending**” and “**amended**” shall be construed accordingly,
- (c) “**assets**” includes present and future properties, revenues and rights of every description,
- (d) “**including**” means including without limitation and “**includes**” and “**included**” shall be construed accordingly,
- (e) “**losses**” includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and “**loss**” shall be construed accordingly,
- (f) a “**person**” includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing,
- (g) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation, and
- (h) 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

1.3 Other References

- (a) In this Debenture, unless a contrary intention appears, a reference to
 - (i) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and in the case of the Lender, any person for the

time being appointed as Lender or Lenders in accordance with the Transaction Documents,

- (ii) any Transaction Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended or novated, including by way of increase of the facilities or other obligations or addition of new facilities or other obligations made available under them or accession or retirement of the parties to these agreements but excluding any amendment or novation made contrary to any provision of any Transaction Document,
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Debenture and any reference to this Debenture includes its schedules, and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted
- (b) The index to and the headings in this Debenture are inserted for convenience only and are to be ignored in construing this Debenture
- (c) Words importing the plural shall include the singular and vice versa.

1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Debenture, words and expressions defined in the Loan Agreement and the JVA have the same meanings when used in this Debenture

1.5 Miscellaneous

- (a) Notwithstanding any other provision of this Debenture, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Debenture to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver
- (b) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Debenture and no rights or benefits expressly or impliedly conferred by this Debenture shall be enforceable under that Act against the Parties by any other person
- (c) The parties hereto intend that this document shall take effect as a deed notwithstanding that any party may only execute this document under hand

2. COVENANT TO PAY

Each Chargor covenants with the Lender that it will on demand pay to the Lender and discharge the Secured Obligations when they become due

3. ASSIGNMENT AND CHARGING PROVISIONS

3.1 Security Assignment

The Borrower with full title guarantee, and as a continuing security for the payment, performance and discharge of the Secured Obligations, hereby assigns absolutely (in each case

to the fullest extent capable of assignment) by way of security to the Lender all of its rights, title, interest and benefits from time to time, both present and future, in and to the Customer Contracts, the Related Rights, the Receivables and the Assigned Agreements

3.2 Charge

To the extent not effectively assigned by Clause 3.1 (*Security Assignment*), the Borrower with full title guarantee, and as continuing security for the payment, performance and discharge of all the Secured Obligations, hereby charges in favour of the Lender, by way of first fixed charge, the following assets, both present and future from time to time owned by it or in which it has an interest

- (i) all the Customer Contracts and all corresponding Related Rights,
- (ii) all of its right, title and interest from time to time in the Receivables,
- (iii) all of its right, title and interest from time to time in the Charged Accounts and all monies (including interest) from time to time standing to their credit,
- (iv) all monies standing to the credit of the Charged Accounts and all of its rights, title and interest in relation to that account, and any other bank accounts which it may have with any bank, financial institution or other person and all of its rights, title and interest in relation to those accounts, and
- (v) all its rights, title and interest in the Assigned Agreements

3.3 Share Charge

The Parent, with full title guarantee, and as continuing security for the payment, performance and discharge of all the Secured Obligations, hereby charges in favour of the Lender, by way of first fixed charge, all of the Shares and all corresponding Related Rights

3.4 Removal of impediments to charges and assignments

- (a) To the extent that any right, title or interest in relation to the assets or undertakings of each Chargor is not capable of being charged or assigned, as purported to be charged or assigned, pursuant to the terms and provisions of this Debenture, that Chargor shall
 - (i) immediately notify the Lender of the same, and
 - (ii) use its best endeavours to obtain as soon as reasonably practicable any relevant consent to such assignment or charge or to otherwise render the same capable of assignment or charge
- (b) Pending such interest becoming capable of assignment or charge, the charge or the assignment purported to be effected by this Debenture shall, without prejudice to the provisions in relation to Receivables, only operate as a charge or an assignment (as the case may be) by way of continuing security of any and all proceeds, damages, compensation, remuneration, profit or income which a Chargor may derive therefrom or be awarded or entitled to in respect thereof, in each case as continuing security for the payment, discharge and performance of the Secured Obligations. Forthwith upon receipt of the relevant consent, the relevant right, title or interest shall stand charged to the Lender under the relevant provisions of Clause 3 and the Borrower shall.

- (i) immediately notify the Lender of the receipt of the relevant consent, and
- (ii) if required by the Lender, forthwith execute a valid fixed charge or assignment (as the case may be) in such form as the Lender shall require but on terms no more onerous than this Debenture

3.5 Floating Charge

- (a) As further continuing security for the payment of the Secured Obligations, the Borrower charges with full title guarantee in favour of the Lender by way of first floating charge all its present and future assets, undertakings and rights, including all of its right, title and interest from time to time in its goodwill
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Debenture

3.6 Conversion of Floating Charge

- (a) The Lender may, by notice to the Borrower, convert the floating charge created under this Debenture into a fixed charge with immediate effect as regards those assets specified in the notice, if
 - (i) a Material Event of Default has occurred, or
 - (ii) the Lender is of the view that any asset charged under the floating charge created under this Debenture is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy, or
 - (iii) the Lender reasonably considers that it is necessary in order to protect the priority, value or enforceability of the Security created under this Debenture
- (b) The floating charge created under this Debenture will automatically (without notice) and immediately be converted into a fixed charge over all the assets of the Borrower which are subject to the floating charge created under this Debenture, if
 - (i) the members of the Borrower convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor;
 - (ii) the Borrower creates, or purports to create, Security (except as permitted by the Assigned Agreements or with the prior consent of the Lender) on or over any asset which is subject to the floating charge created under this Debenture, or
 - (iii) if any other floating charge created by the Borrower crystallises for any reason
- (c) Upon the conversion of any floating charge pursuant to this Clause 3 6, the Borrower shall, at its own expense, immediately upon request by the Lender execute a fixed charge or legal assignment in such form as the Lender may require

4. FURTHER ASSURANCE

4.1 General

- (a) Each Chargor shall promptly (and at its own expense) do all such acts or execute all such documents (including assignments, transfers, charges, notices and instructions on terms equivalent or similar to those set out in this Debenture) as the Lender may reasonably specify (and in such form as the Lender may reasonably require)
 - (i) to perfect the Security created or intended to be created under or evidenced by this Debenture or for the exercise of any rights, powers and remedies of the Lender, or any Receiver provided by or pursuant to this Debenture or by law,
 - (ii) to confer on the Lender, Security over any property and assets of that Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture, and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created under this Debenture.
- (b) Each 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
- (c) Each Chargor shall take all action within its power to procure, maintain in effect and comply with all the terms and conditions of all approval authorisation, consents and registration necessary or appropriate to ensure and preserve the legal, valid, binding and enforceable nature of the Security and the ranking in priority thereto

5. NEGATIVE PLEDGE

No Chargor may

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Collateral;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Collateral (other than in respect of assets charged under Clause 3.5 (*Floating Charge*) on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so, or
- (c) dispose of the equity of redemption in respect of all or any part of the Collateral,

except as permitted by the Transaction Documents or with the prior consent of the Lender

6. PERFECTION OF SECURITY

6.1 Notice of Assignment

The Borrower shall promptly deliver the perfection notices at the times and in the manner described in Clauses 10.1(a)(iii) (*Receivables and Charged Accounts*) and 10.3 (*Assigned Agreements*)

6.2 Registration of charge

Each Chargor shall, with respect to all Collateral charged by it under this Debenture, procure that all the formalities required in relation to the perfection of the security thereunder, including the registration of the charge with Companies House, are completed within the required timeframe

7. LIABILITY OF THE CHARGORS

7.1 Liability not discharged

Each Chargor's liability under this Debenture in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Obligations,
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Lender may now or after the date of this Debenture have from or against the Borrower, the Chargor or any other person in connection with the Secured Obligations,
- (c) any act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Borrower, the Chargor or any other person;
- (d) any termination, amendment, variation, novation or supplement of or to any of the Secured Obligations,
- (e) any grant of time, indulgence, waiver or concession to the Borrower, the Chargor or any other person,
- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Borrower, the Chargor or any other person,
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from, the Borrower, the Chargor or any other person in connection with the Secured Obligations,
- (h) any claim or enforcement of payment from the Borrower, the Chargor or any other person, or
- (i) any other act or omission which would not have discharged or affected the liability of the Chargor had it been a principal debtor or by anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Chargor or otherwise reduce or extinguish its liability under this Debenture

7.2 Immediate recourse

Each Chargor waives any right it may have to require the Lender

- (a) to take any action or obtain judgment in any court against the Borrower or any other person,
- (b) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Borrower or any other person, or
- (c) to make demand, enforce or seek to enforce any claim, right or remedy against the Borrower or any other person,

before taking steps to enforce any of its rights or remedies under this Debenture

7.3 Non-competition

Each Chargor warrants to the Lender that it has not taken or received, and shall not take, exercise or receive the benefit of any Rights from or against the Borrower, its liquidator, an administrator, co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this Debenture but

- (a) if any of the Rights is taken, exercised or received by the Chargor, those Rights and all monies at any time received or held in respect of those Rights shall be held by the Chargor on trust for the Lender for application in or towards the discharge of the Secured Obligations under this Debenture, and
- (b) on demand by the Lender, the Chargor shall promptly transfer, assign or pay to the Lender all Rights and all monies from time to time held on trust by the Chargor under this Clause 7.3

8. REPRESENTATIONS AND WARRANTIES OF THE CHARGORS

In addition to the representations and warranties made under the JVA, each Chargor makes the representations and warranties set out in this Clause 8 to the Lender on the date of this Debenture, on each Distribution Date, each date a Drawdown Request is submitted and each Drawdown Date thereafter by reference to the facts and circumstances then subsisting

8.1 Binding Obligations

The obligations of the Chargor under this Debenture are legal, valid, binding and enforceable and this Debenture creates:

- (a) valid, legally binding and enforceable Security for the obligations expressed to be secured by it, and
- (b) subject to registration pursuant to Part 25 of the Companies Act 2006, perfected Security over the assets referred to in this Debenture,

in favour of the Lender, having the priority and ranking expressed to be created by this Debenture and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law

8.2 Registration

Subject to registration pursuant to Part 25 of the Companies Act 2006 and payment of registration fees to Companies House, it is not necessary to file, record or enrol this Debenture

with any court or other authority or pay any stamp, registration or similar tax in relation to this Debenture

9. IMPLIED COVENANTS FOR TITLE

9.1 The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Assignment and Charging Provisions*)

9.2 It shall be implied in respect of Clause 3 (*Assignment and Charging Provisions*) that each Chargor is disposing of the Collateral free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment)

10. PROTECTION OF SECURITY

10.1 Receivables and Charged Accounts

(a) The Borrower shall

(i) as agent for the Lender, collect all Receivables and other amounts charged to the Lender under this Debenture, pay the proceeds (or procure that the same are paid) into the Collections Account promptly upon receipt and, pending such payment, hold those proceeds on trust for the Lender,

(ii) not charge, factor, discount or assign any of the Receivables other amounts charged in favour of any person, or purport to do so unless permitted by the Transaction Documents or with the prior consent of the Lender, and

(iii) on the date of this Agreement, serve an Account Notice on the bank(s) with whom the Charged Accounts are maintained and procure that (each) such bank signs and delivers to the Lender an acknowledgement substantially in the form of the schedule to the Account Notice

(b) The Borrower may not withdraw all or any monies from time to time standing to the credit of the Collections Account except with the prior consent of the Lender. The parties to this Debenture acknowledge and agree that the signature of the Paying Agent shall be required with respect to the Collections Account and no distributions shall be made from the Collections Account without the signature of the Paying Agent

(c) With respect to any Charged Account other than the Collections Account, the Borrower may withdraw monies from such Bank Account at its discretion at any time until the Lender serves a notice on the relevant bank stating that the Borrower ceases to have authority to make withdrawals from the Bank Account following an Event of Default or if any of the circumstances described in Clause 3.6 (*Conversion of Floating Charge*) has arisen

10.2 Title Documents

(a) The Parent will, prior to the first Drawdown Date, promptly deposit with the Lender (or as it shall direct)

(i) share certificates and other documents of title relating to the Shares together with stock transfer forms executed in blank and left undated on the basis that the Lender shall be able to hold such documents of title until all the Secured Obligations have been irrevocably and unconditionally discharged in full and

shall be entitled, at any time following the occurrence of a Material Event of Default, or if the Lender reasonably considers that the security constituted by this Debenture is in jeopardy, to complete, under its power of attorney given in this Debenture, the stock transfer forms on behalf of the Borrower in favour of itself or such other person as it shall select, and

- (ii) following a Material Event of Default, all other documents relating to the Collateral which the Lender may from time to time reasonably require
- (b) The Lender may retain any document delivered to it under this Clause 10.2 or otherwise until the security created under this Debenture is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the Parent require that the document be redelivered to it and the Parent shall promptly comply (or procure compliance) with that notice
- (c) Any document required to be delivered to the Lender under Clause 10.2(a) which is for any reason not so delivered or which is released by the Lender to the Parent shall be held on trust by the Parent for the Lender

10.3 Assigned Agreements

- (a) The Borrower will
 - (i) on or before the date of this Agreement, give notice to the other party to each Transaction Document (other than the Services Agreement, the Introducer Agreements, the Swap Agreements and the Customer Contracts) that it has assigned or charged its right under the relevant agreement to the Lender under this Debenture. Such notice will be a Counterparty Notice. The Borrower will procure that the relevant counterparty signs and delivers to the Lender an acknowledgement substantially in the form of that set out in the schedule to the Counterparty Notice,
 - (ii) on request of the Lender following the occurrence of an Event of Default, promptly give notice to the other party to each Introducer Agreement and Swap Agreement that it has assigned or charged its right under the relevant agreement to the Lender under this Debenture. Such notice will be a Counterparty Notice,
 - (iii) on request of the Lender following an Event of Default, promptly give a Client Notice to each Client in respect of the Customer Contracts and Receivables the subject of an assignment pursuant to Clause 3.1; provided that, if a Material Event of Default has not occurred, the obligation to deliver a Client Notice to each Client in respect of the Customer Contracts and Receivables shall be limited to the Customer Contracts which comprise the Allocated Collateral for the relevant Maturity Defaulted Loan,
 - (iv) perform all its obligations under the Transaction Documents in a diligent and timely manner, and
 - (v) not make or agree to make any material amendments to the Assigned Documents, waive any of its material rights under such agreements or exercise any right to terminate any Assigned Document, except with the prior consent of the Lender
- (b) The Lender shall not be entitled to give any notice referred to in paragraph 2 of the Counterparty Notice unless and until a Material Event of Default has occurred

11. LENDER'S POWER TO REMEDY

11.1 Power to Remedy

If any Chargor fails to comply with any obligation set out in Clause 8 (*Protection of Security*) and that failure is not remedied to the satisfaction of the Lender within 14 days of the Lender giving notice to the relevant Chargor or the relevant Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Lender or any person which the Lender nominates to take any action on behalf of that Chargor which is necessary to ensure that those obligations are complied with

11.2 Indemnity

Each Chargor will indemnify the Lender against all losses incurred by the Lender as a result of a breach by any Chargor of its obligations under Clause 8 (*Protection of Security*) and in connection with the exercise by the Lender of its rights contained in Clause 11.1 above. All sums the subject of this indemnity will be payable by the relevant Chargor to the Lender on demand.

12. VOTING AND DISTRIBUTION RIGHTS

12.1 Prior to the occurrence of a Material Event of Default:

- (a) the Parent shall be entitled to receive and retain all dividends, distributions and other moneys paid on or derived from its Shares, and
- (b) the Parent shall be entitled to exercise all voting and other rights and powers attaching to its Shares provided that it shall not exercise any such voting rights or powers in a manner which would prejudice the interests of the Lender under this Debenture or adversely affect the validity, enforceability or existence of the Collateral or the Security created under this Debenture.

12.2 At any time after the occurrence of a Material Event of Default, all voting rights in respect of the Shares shall be exercised by the Parent as directed by the Lender, unless the Lender has notified the Parent in writing that it wishes to give up this right

12.3 At any time after the occurrence of a Material Event of Default, the Parent shall hold any dividends, distributions and other monies paid on or derived from the Shares that are received after the date of such Material Event of Default, on trust for the Lender and pay the same to, or as directed by, the Lender

12.4 If, at any time, any Shares are registered in the name of the Lender or its nominee, the Lender will not be under any duty to ensure that any dividends, distributions or other moneys payable in respect of those Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, moneys or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares

13. CONTINUING SECURITY

13.1 Continuing Security

The Security constituted by this Debenture shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing

13.2 Other Security

The Security constituted by this Debenture is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Lender may now or after the date of this Debenture hold for any of the Secured Obligations, and this Security may be enforced against each Chargor without first having recourse to any other rights of the Lender

14. ENFORCEMENT OF SECURITY

14.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Debenture. The power of sale and other powers conferred by this Debenture shall be immediately exercisable at any time after an Event of Default has occurred, provided that, if an Event of Default has occurred with respect to a Loan, but a Material Event of Default has not occurred at that time, then the power of sale shall be limited to the Allocated Collateral for the relevant Maturity Defaulted Loan

14.2 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture, and all or any of the rights and powers conferred by this Debenture on a Receiver (whether expressly or impliedly), may be exercised by the Lender without further notice to any Chargor at any time after an Event of Default, irrespective of whether the Lender has taken possession or appointed a Receiver of the Collateral, provided that, if an Event of Default has occurred with respect to a Loan, but a Material Event of Default has not occurred at that time, then the powers which may be exercised shall be limited to the Allocated Collateral for the relevant Maturity Defaulted Loan

14.3 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Collateral constitutes “financial collateral” and this Debenture and the obligations of the Chargors hereunder constitute “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (as amended) (the “Regulations”)), the Lender shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the relevant Chargors at any time after an Event of Default has occurred, provided that, if an Event of Default has occurred with respect to a Loan, but a Material Event of Default has not occurred at that time, then the rights which may be exercised shall be limited to the Allocated Collateral for the relevant Maturity Defaulted Loan
- (b) The Parties agree that the value of any such appropriated financial collateral shall be (x) in the case of securities, the price at which such securities can be disposed of by the Lender, and (y) in the case of any other asset, the market value of such financial

collateral as determined by the Lender, in each case, in a commercially reasonable manner (including by way of an independent valuation) The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations

15. RECEIVERS

15.1 Appointment of Receiver

- (a) Subject to paragraph (c) below, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Lender to any Chargor, or if so requested by the relevant Chargor, the Lender may by writing under hand signed by any officer or manager of the Lender, appoint any person (or persons) to be a Receiver of all or any part of the Collateral, provided that, if an Event of Default has occurred with respect to a Loan, but a Material Event of Default has not occurred at that time, the Receiver may only be appointed with respect to the Allocated Collateral for the relevant Maturity Defaulted Loan
- (b) The Lender shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986

15.2 Powers of Receiver

Each Receiver appointed under this Debenture shall have (subject to any limitations or restrictions which the Lender may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Debenture), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the relevant Chargor, each Receiver shall have power to

- (a) enter into or cancel any contracts on any terms or conditions,
- (b) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not,
- (c) establish subsidiaries to acquire interests in any of the Collateral and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Collateral on any terms and conditions,
- (d) make and effect all repairs, renewals and improvements to any of the Collateral and maintain, renew, take out or increase insurances,
- (e) exercise all voting and other rights attaching to the Shares and other securities owned by the relevant Chargor and comprised in the Collateral, but only following a written notification from either the Receiver or the Lender to the relevant Chargor stating that the Lender shall exercise all voting rights in respect of the Shares and stocks, shares and other securities owned by the relevant Chargor and comprised in the Collateral,
- (f) redeem any prior Security on or relating to the Collateral and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver,

- (g) appoint and discharge officers and others for any of the purposes of this Debenture and/or to guard or protect the Collateral upon terms as to remuneration or otherwise as he may think fit,
- (h) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the relevant Chargor or relating to any of the Collateral, and
- (i) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 15.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Collateral, and use the name of the relevant Chargor for all such purposes,

and in each case may use the name of any Chargor and exercise the relevant power in any manner which he may think fit

15.3 Receiver as Agent

Each Receiver shall be the agent of the relevant Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Lender will not be responsible for any misconduct, negligence or default of a Receiver.

15.4 Removal of Receiver

The Lender may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

15.5 Remuneration of Receiver

The Lender may from time to time fix the remuneration of any Receiver appointed by it.

15.6 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Debenture (unless the document appointing such Receiver states otherwise).

16. APPLICATION OF PROCEEDS

16.1 Order of Application

All moneys received or recovered by the Lender or any Receiver pursuant to this Debenture shall (subject to the claims of any person having prior rights thereto) be applied by the Paying Agent in the order and manner specified in Schedule 4 (*Debenture Distribution Waterfall*) to this Debenture notwithstanding any purported appropriation by any Chargor.

16.2 Application against Secured Obligations

Subject to Clause 16.1 above, any moneys or other value received or realised by the Lender from a Chargor or a Receiver under this Debenture may be applied by the Lender to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Lender may determine; provided that, if an Event of Default has occurred with respect to a Loan, but a Material Event of Default has

not occurred, only moneys or other value received or realised by the Lender with respect to the Allocated Collateral for the relevant Maturity Defaulted Loan may be applied by the Lender in or towards satisfaction of the Secured Obligations with respect to that Maturity Defaulted Loan

16.3 Suspense Account

Until the Secured Obligations are paid in full, the Lender or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realized pursuant to this Debenture or on account of any Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either the relevant Chargor or the Lender or the Receiver as the Lender or the Receiver shall think fit) and the Lender or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations

17. PROTECTION OF LENDER AND RECEIVER

17.1 No Liability

Neither the Lender nor any Receiver shall be liable in respect of any of the Collateral or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence or wilful default

17.2 Possession of Collateral

Without prejudice to Clause 17.1 above, if the Lender or the Receiver enters into possession of the Collateral, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession

17.3 Primary liability of Chargor

Each Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Collateral shall be deemed to be a principal security for the Secured Obligations. The liability of each Chargor under this Debenture and the charges contained in this Debenture shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Lender or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the relevant Chargor (as a surety only) or the charges contained in this Debenture (as secondary or collateral charges only) would, but for this provision, have been discharged

17.4 Waiver of defences

The obligations of each Chargor under this Debenture will not be affected by an act, omission, matter or thing which, but for this Debenture, would reduce, release or prejudice any of its obligations under this Debenture (without limitation and whether or not known to it or the Lender) including

- (a) any time, waiver or consent granted to, or composition with, any obligor or other person,
- (b) the release of any other obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,

- (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, any obligor or 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 an obligor or any other person,
- (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Transaction Document or other document or security,
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security, or
- (g) any insolvency or similar proceedings

17.5 Delegation

The Lender may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Debenture to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Lender will not be liable or responsible to any Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

17.6 Cumulative Powers

The powers which this Debenture confers on the Lender and any Receiver appointed under this Debenture are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Lender or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Lender and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

18. POWER OF ATTORNEY

Each Chargor, by way of security, irrevocably and severally appoints the Lender, each Receiver and any person nominated for the purpose by the Lender or any Receiver (in writing and signed by an officer of the Lender or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Debenture, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Lender or any Receiver under this Debenture or otherwise for any of the purposes of this Debenture, and each Chargor covenants with the Lender and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

19. PROTECTION FOR THIRD PARTIES

19.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Lender or any Receiver (or their agents) shall be obliged or concerned to enquire whether

- (a) the right of the Lender or any Receiver to exercise any of the powers conferred by this Debenture has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power, or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters

19.2 Receipt Conclusive

The receipt of the Lender or any Receiver 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 moneys paid to or by the direction of the Lender or any Receiver

20. ENFORCEMENT EXPENSES

Each Chargor shall, within three Business Days of demand, pay to each of the Lender and any Receiver the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under (and any documents referred to in) this Debenture and any proceedings instituted by or against the Lender and the Lender as a consequence of taking or holding the Security created under this Debenture or enforcing these rights

21. REINSTATEMENT AND RELEASE

21.1 Amounts Avoided

If any amount paid by a Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the relevant Chargor or otherwise, then for the purposes of this Debenture that amount shall not be considered to have been paid

21.2 Discharge Conditional

Any settlement or discharge between a Chargor and the Lender shall be conditional upon no security or payment to the Lender by that Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Lender under this Debenture) that the Lender shall be entitled to recover from that Chargor the value which the Lender has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred

21.3 Covenant to Release

Once all the Secured Obligations have been irrevocably paid in full and the Lender has no actual or contingent liability to advance further monies to, or incur liability on behalf of, any Chargor, the Lender shall, at the request and cost of each Chargor, execute any documents (or procure that its nominees execute any documents) or take any action which may be necessary to release the Collateral from the Security constituted by this Debenture

Provided that, if the Secured Obligations with respect to an Investment Tranche have been irrevocably paid in full and the Lender has no actual or contingent liability to advance further monies to, or incur liability with respect to that Investment Tranche, and a Material Event of Default has not occurred at that time, then the release described above shall apply with respect to the Customer Contracts and related Collateral with respect to the relevant Investment Tranche only

22. UNLIQUIDATED CLAIMS/ NO SET-OFF

22.1 Unliquidated Claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Lender to any Chargor, the relevant obligation or liability is unliquidated or unascertained, the Lender may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained

22.2 No Set-off

The Chargor will pay all amounts payable under this Debenture without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made

23. RULING OFF

If the Lender receives notice of any subsequent Security or other interest affecting any of the Collateral (except as permitted by the Loan Agreement) it may open a new account for the relevant Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the relevant Chargor), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Chargor and not as having been applied in reduction of the Secured Obligations.

24. REDEMPTION OF PRIOR CHARGES

The Lender may, at any time after an Event of Default has occurred, redeem any prior Security on or relating to any of the Collateral or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on each Chargor. Each Chargor will on demand pay to the Lender all principal monies and interest and all losses incidental to any such redemption or transfer

25. NOTICES

All notices or other communications under or in connection with this Agreement shall be in writing and sent to the respective postal address, email address, or telefax number as may from time to time be notified to the relevant Party. All such notices or other communications shall be delivered by hand, mailed or telefaxed, and addressed as aforesaid, and shall be effective when received (if mailed, emailed or telefaxed)

26. CHANGES TO PARTIES

A Party may only assign or otherwise transfer all or any part of its rights under this Debenture in accordance with the provisions on assignment in the Loan Agreement

27. MISCELLANEOUS

27.1 Certificates Conclusive

A certificate or determination of the Lender as to any amount payable under this Debenture will be conclusive and binding on each Chargor, except in the case of manifest error

27.2 Counterparts

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

27.3 Invalidity of any Provision

If any provision of this Debenture is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way

27.4 Limited recourse

- (a) The Lender acknowledges and agrees that once the Collateral provided by the Parent has been realised, it is not entitled to take any further steps against the Parent to recover any further sums due under the Transaction Documents and the right to receive any such sum shall be extinguished
- (b) The Lender acknowledges and agrees that its recourse with respect to the repayment of the Secured Obligations with respect to an Investment Tranche shall be limited to the Allocated Collateral for that Investment Tranche and once the Collateral has been realised in full, it is not entitled to take any further steps against the Borrower to recover any further sums due with respect to that Investment Tranche, provided that, if a Material Event of Default has occurred, the Lender's recourse with respect to the repayment of all of the Secured Obligations shall be limited to the Collateral for all Investment Tranches and once the Collateral has been realised in full, it is not entitled to take any further steps against the Borrower to recover any further sums due under the Secured Obligations and the right to receive any sum with respect to the Secured Obligations shall be extinguished

28. GOVERNING LAW AND JURISDICTION

This Debenture and the rights and obligations of the parties hereto are governed by, and shall be construed in accordance with, English law

**SCHEDULE 1
FORM OF COUNTERPARTY NOTICE**

To [insert *name and address of counterparty*]

Dated [●]

Dear Sirs

Re: [here identify the relevant Assigned Agreement] (the “Agreement”)

- 1 We notify you that [insert *name of Chargor*] (the “**Chargor**”) has assigned to [●] (the “**Lender**”) for all its right, title and interest in the Agreement as security for certain obligations owed by the Chargor to the Lender by way of a debenture dated [●]
- 2 We further notify you that
 - (a) the Chargor may not agree to amend or terminate the Agreement without the prior written consent of the Lender,
 - (b) you may continue to deal with the Chargor in relation to the Agreement until you receive written notice to the contrary from the Lender. Thereafter the Chargor will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Lender,
 - (c) you are authorised to disclose information in relation to the Agreement to the Lender on request,
 - (d) after receipt of written notice in accordance with paragraph (b) above, you must pay all monies to which the Chargor is entitled under the Agreement direct to the Lender (and not to the Chargor) unless the Lender otherwise agrees in writing, and
 - (e) the provisions of this notice may only be revoked with the written consent of the Lender

Please sign and return the enclosed copy of this notice to the Lender by way of confirmation that

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions,
- (b) you have not received notice that the Chargor has assigned its rights under the agreement to a third party or created any other interest (whether by way of security or otherwise) in the agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against the Chargor any right of set-off, counter-claim or other right relating to the Agreement

The provisions of this notice are governed by English law

Yours faithfully

for and on behalf of
[insert name of Chargor]

[On acknowledgement copy]

To [insert name and address of Lender]

Copy to [insert name and address of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (c) above

for and on behalf of
[insert name of Counterparty]

Dated

**SCHEDULE 2
FORM OF ACCOUNT NOTICE**

To [insert name and address of Account Bank] (the “Account Bank”)

Dated [●]

Dear Sirs

Re: [●] Security over Bank Accounts

We notify you that [insert name of Chargor] (the “Chargor”) charged to [insert name of Lender] (the “Lender”) all their right, title and interest in and to the monies from time to time standing to the credit of the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by the Chargor (the “Charged Accounts”) and to all interest (if any) accruing on the Charged Accounts by way of a debenture dated [●]

1 We irrevocably authorise and instruct you

- (a) to hold all monies from time to time standing to the credit of the Charged Accounts to the order of the Lender and to pay all or any part of those monies to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect, and
- (b) to disclose to the Lender any information relating to the Chargor and the Charged Accounts which the Lender may from time to time request you to provide.

2 We also advise you that

- (a) the Customers may not withdraw any monies from the Charged Accounts designated as “Blocked” in the schedule below without first having obtained the prior written consent of the Lender,
- (b) by counter-signing this notice the Lender confirms that the Chargor may make withdrawals from the Charged Accounts designated as “Not blocked” in the schedule below until such time as the Lender shall notify you (with a copy to the Chargor) in writing that their permission is withdrawn. That permission may be withdrawn or modified by the Lender in its absolute discretion at any time; and
- (c) the provisions of this notice may only be revoked or varied with the prior written consent of the Lender

3. Please sign and return the enclosed copy of this notice to the Lender (with a copy to the Chargor) by way of your confirmation that

- (a) you agree to act in accordance with the provisions of this notice,
- (b) you have not received notice that any Customer has assigned its rights to the monies standing to the credit of the Charged Accounts or otherwise granted any security or other interest over those monies in favour of any third party,
- (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts, except for the netting of credit and debit balances pursuant to current account netting arrangements previously approved in writing by the Lender, and

- (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Chargor, any right of set-off, counter-claim or other right relating to the Charged Accounts

The provisions of this notice are governed by English law

Yours faithfully,

for and on behalf of
[Insert name of Chargor]
as agent for and on behalf of
all of the Customers

Counter-signed by

for and on behalf of
[Insert name of Lender]

[On acknowledgement copy]

To [Insert name and address of Lender]

Copy to [Insert name of Chargor]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above

for and on behalf of
[Insert name of Account Bank]

Dated [●]

Schedule to Account Notice

Customer	Account Reference Name	Account Number	Sort Code	Status
[•]	[•]	[•]	[•]	[Blocked] [Not blocked]

SCHEDULE 3
FORM OF ACCOUNT DETAILS NOTICE

From Dialectix Redress Limited
To Preos Investments S à r l ,
Date [●]

Dear Sirs,

Account Details Notice in relation to the Bank Accounts

We notify you that the Bank Accounts listed below have been opened as of the date of this Account Details Notice. The details of each of the Bank Accounts are listed in the table below.

Account Reference Name	Account Number	Sort Code
[●]	[●]	[●]

Yours faithfully,

for and on behalf of

Dialectix Redress Limited

SCHEDULE 4
DEBENTURE DISTRIBUTION WATERFALL

- 1 Following the delivery of a Maturity Date Enforcement Notice, but prior to the delivery of a Material Default Enforcement Notice, the Paying Agent will distribute all Receivables received with respect to the Allocated Collateral for the relevant Loan, and proceeds of enforcement of the Security over the Allocated Collateral for the relevant Loan, in accordance with the following order of priority
 - (a) *first*, in or towards payment of an amount equal to the Lender Operating Expenses,
 - (b) *second*, in or towards payment of servicing costs and expenses to any new servicer engaged by the Lender to manage the Claims in relation to the relevant Customer Contracts comprising the Allocated Collateral for that Loan,
 - (c) *third*, in or towards payment to the Lender of the Redemption Amount for the Loan with respect to the relevant Investment Tranche,
 - (d) *fourth*, once the items above have been paid in full, applying the remainder (the **"Remainder"**) as follows
 - (i) to pay the RTC Distribution Amount (if any) due and payable to the Company on such date into the Promote Account in accordance with Paragraphs 3 and 4 below, and
 - (ii) the balance of the Remainder to be applied on such Distribution Date in payment to the Lender under the Profit Participating Note for the Investment Tranche
- 2 Following the delivery of a Material Default Enforcement Notice, the Paying Agent will distribute all Receivables received with respect to the Collateral and proceeds of enforcement of the Security over the Collateral in accordance with the following order of priority
 - (a) *first*, in or towards payment of an amount equal to the Lender Operating Expenses;
 - (b) *second*, in or towards payment of servicing costs and expenses to any new servicer engaged by the Lender to manage the Claims in relation to the Customer Contracts,
 - (c) *third*, in or towards payment to the Lender of the Redemption Amount for all Loans with respect to all Investment Tranches, and
 - (d) *fourth*, once the items above have been paid in full, applying the remainder (the **"Remainder"**) as follows
 - (i) to pay the RTC Distribution Amount (if any) due and payable to the Company on such date into the Promote Account in accordance with Paragraphs 3 and 4 below,
 - (ii) the balance of the Remainder to be applied on such Distribution Date in payment to the Lender under the Profit Participating Notes for all Investment Tranches on a pari passu and pro rata basis
- 3 The RTC Distribution Amount payable with respect to an Investment Tranche will, subject to the following paragraph, be calculated by the Calculation Agent as an amount equal to the following percentages of the amounts available to be distributed in accordance with item (d) (*fourth*) of the relevant Debenture Distribution Waterfall in accordance with the information below by reference to the Remainder on such date

- (a) 0 per cent of that part of the Remainder which would give an Investor Multiple of less than or equal to 1.1x,
- (b) 20 per cent of that part of the Remainder which would give an Investor Multiple of greater than or equal to 1.1x, but less than 1.3,
- (c) 55 per cent of that part of the Remainder which would give an Investor Multiple of greater than or equal to 1.3x

4 The following adjustments to the RTC Distribution Amount shall apply

- (a) where a Distribution Date is more than 24 months following the applicable Investment Date for an Investment Tranche, the percentage referred to in Paragraph 3 (c) above will be reduced to 40%, and
- (b) where a Distribution Date is more than 36 months following the applicable Investment Date for an Investment Tranche, the percentage referred to in Paragraph 3 (c) above will be reduced to 30%

IN WITNESS whereof this Debenture has been duly executed as a deed and each Party intends to deliver and hereby delivers the same on the date first above written and, before such delivery, this Debenture has been duly signed on behalf of each of the Parties, in the manner appearing below

SIGNATORIES TO DEBENTURE

THE PARENT

EXECUTED as a DEED by
DIALECTIX NETWORK LIMITED

acting by:

REDACTED

Director

Notice Details

Address

Generator Studios
Trafalgar Street
Newcastle Upon Tyne
Tyne and Wear, NE1 2LA
United Kingdom

Email

Attention

in the presence of:

REDACTED

Witness

Name of Witness

LISA ILLINGWORTH JOHNSON

Address

REDACTED

Occupation of Witness.

DIRECTOR.

THE BORROWER

**EXECUTED and DELIVERED as a DEED by
DIALECTIX REDRESS LIMITED
acting by:**

REDACTED

Director

Notice Details

Address

Generator Studios
Trafalgar Street
Newcastle Upon Tyne
Tyne and Wear, NE1 2LA
United Kingdom

Email

Attention

in the presence of:

REDACTED

Witness

Name of Witness

LISA ILLINGWORTH JOHNSON

Address

REDACTED

Occupation of Witness

DIRECTOR .

THE LENDER, CALCULATION AGENT AND PAYING AGENT

**EXECUTED and DELIVERED as a DEED by
PREOS INVESTMENTS S.À R.L.**

acting by:

REDACTED

A Manager

Elliot Greenberg

B Manager

Notice Details

Address:

6, rue Eugène Ruppert
L-2453 Luxembourg
Grand-Duchy of Luxembourg

**Email
Attention**

REDACTED

with a copy to:

Address

Elliott Management Corporation
40 West 57th Street, 5th Floor
New York, NY 10019
U S A

Email

REDACTED

Attention

with a further copy to:

Address

Elliott Advisors (UK) Limited
Park House
116 Park Street
London, W1K 6AF
United Kingdom

Email

REDACTED

Attention

THE LENDER, CALCULATION AGENT AND PAYING AGENT

EXECUTED and DELIVERED as a DEED by
PREOS INVESTMENTS S.À R L.

acting by:

A Manager

REDACTED

B Manager


Jérôme Devillet

Notice Details

Address

6, rue Eugène Ruppert
L-2453 Luxembourg
Grand-Duchy of Luxembourg

Email
Attention

REDACTED

with a copy to:

Address

Elliott Management Corporation
40 West 57th Street, 5th Floor
New York, NY 10019
U S A

Email
Attention

REDACTED

with a further copy to:

Address

Elliott Advisors (UK) Limited
Park House
116 Park Street
London, W1K 6AF
United Kingdom

Email

REDACTED

Attention