

DATED _____ **2017**

DEBENTURE

Between

CLOUDBUY PLC

and

ROBERTO SELLA

**THIS DEBENTURE IS SUBJECT TO THE TERMS OF
THE LOAN NOTE INSTRUMENT DATED 7 DECEMBER 2017**

CONTENTS

CLAUSE

| | | |
|-----|-------------------------------------|----|
| 1. | Definitions and interpretation..... | 1 |
| 2. | Covenant to pay..... | 4 |
| 3. | Grant of security..... | 4 |
| 4. | Liability of Borrower..... | 5 |
| 5. | Representations and warranties..... | 6 |
| 6. | Covenants..... | 6 |
| 7. | Powers of RS..... | 6 |
| 8. | Enforcement..... | 6 |
| 9. | Costs and indemnity..... | 7 |
| 10. | Release..... | 7 |
| 11. | Assignment and transfer..... | 7 |
| 12. | Further provisions..... | 7 |
| 13. | Notices..... | 9 |
| 14. | Governing law and jurisdiction..... | 10 |

SCHEDULE

| | | |
|------------|-------------------------------------|----|
| SCHEDULE 1 | REPRESENTATIONS AND WARRANTIES..... | 12 |
| SCHEDULE 2 | COVENANTS..... | 12 |
| SCHEDULE 3 | POWERS OF LENDER..... | 14 |
| SCHEDULE 4 | ENFORCEMENT..... | 16 |
| SCHEDULE 5 | FURTHER POWERS OF RECEIVER..... | 21 |

THIS DEED is dated _____ 2017

PARTIES

- (1) **CLOUDBUY PLC** incorporated and registered in England and Wales with company number 03732253 whose registered office is at Unit 5, Jupiter House, Calleva Park, Aldermaston, Reading RG7 8NN (**Borrower**); and
- (2) **ROBERTO SELLA** whose address is at 2003 Delancey Street, Philadelphia PA, 19103-6509 United States of America (**RS**).

BACKGROUND

- (A) RS has agreed pursuant to the Subscription Letter (as defined below) to subscribe for the New Loan Notes issued by the Borrower (as defined below) on a secured basis.
- (B) This debenture provides Security (as defined below) in accordance with its terms which the Borrower has agreed to give RS for the monies paid by RS to the Borrower by way of subscription for the New Loan Notes and the 2016 Loan Notes excluding the sum of £300,000 which shall be allocated to the bankers of the Company from time to time in priority to the Security of RS.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this debenture the definitions and rules of interpretation in this clause apply.

2016 Loan Note Instrument: the loan note instrument executed by the Borrower dated 8 April 2016 constituting 2.33% fixed rate secured convertible loan notes 2016 in the aggregate principal amount of £4,172,562 and 2.33% fixed rate secured loan notes 2016 in the aggregate principal amount of £1,577,438.

2016 Loan Notes: the loan notes constituted by the 2016 Loan Note Instrument.

Administrator: an administrator appointed to manage the affairs, business and property of the Borrower pursuant to paragraph 15 of Schedule 4.

Business Day: a day (other than a Saturday or Sunday) on which banks are open for general business in London.

Charged Property: all the assets, property and undertaking for the time being subject to the security interests created by this debenture (and references to the Charged Property include references to any part of it) provided always that the Excluded Assets shall not form part of the Charged Property.

Encumbrance: 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.

Excluded Assets: the sum of £300,000 (in aggregate and without double counting the sum of the Excluded Assets under the debenture between the parties to this debenture dated 26 April 2016) which shall be allocated to the bankers of the Company from time to time in priority to the security of RS.

Final Redemption Date: has the meaning given to it in the New Loan Note Instrument.

Finance Documents: this debenture, the Loan Notes, the Loan Note Instruments and the Subscription Letter and any other document designated as such by RS and the Borrower.

Financial Collateral: shall have the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations: the Financial Collateral Arrangements (No. 2) Regulations 2003 (*SI 2003/3226*).

Intellectual Property: the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.

Loan Note Instruments: the 2016 Loan Note Instrument and the New Loan Note Instrument.

Loan Notes: means the New Loan Notes and the 2016 Loan Notes.

New Loan Note Instrument: the loan note instrument executed by the Borrower on or around the date of this debenture constituting 2.33% fixed rate secured convertible loan notes 2027 in the aggregate principal amount of £3,400,000.

New Loan Notes: the loan notes constituted by the New Loan Note Instrument.

Receiver: a receiver and/or manager of any or all of the Charged Property appointed under Schedule 4.

Redemption Date: has the meaning given to it in the Loan Note Instrument.

Secured Liabilities: all present and future monies, obligations and liabilities owed by the Borrower to RS, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever, under or in connection with the Loan Notes, the Loan Note Instruments or this debenture together with interest payable in respect of such monies or liabilities (if any).

Security: 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.

Security Financial Collateral Arrangement: shall have the meaning given to that expression in the Financial Collateral Regulations.

Security Period: the period starting on the date of this debenture and ending on the earlier of the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding and the Final Redemption Date.

Subscription Letter: the subscription letter dated 7 December 2017 made between the Borrower and RS for the subscription by RS for certain New Loan Notes secured by this debenture.

1.2 Interpretation

Unless the context otherwise requires, in this debenture:

- (a) any reference to any statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture;
- (b) a reference to one gender includes a reference to the other gender;
- (c) words in the singular include the plural and vice versa;
- (d) a reference to a clause or Schedule is to a clause or Schedule of or to this debenture;
- (e) a reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended or novated from time to time;
- (f) a reference to a **person** shall be construed as including a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person;
- (g) a reference to an **amendment** includes a supplement, variation, novation or re-enactment (and **amended** shall be construed accordingly);
- (h) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (i) a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
- (j) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- (k) the headings do not form part of this debenture or any part of it and do not affect its interpretation.

1.3 **Clawback**

If RS considers that an amount is capable of being avoided or otherwise set aside on liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture.

1.4 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the terms of the Loan Note Instrument and the Loan Notes and of any side letters between any parties in relation to the same are incorporated in this debenture.

1.5 **Insolvency Act 1986**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture.

2. **COVENANT TO PAY**

The Borrower shall on demand pay to RS and discharge the Secured Liabilities when they become due under the terms of the Loan Notes.

3. **GRANT OF SECURITY**

3.1 **Charging clause**

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee:

- (a) charges to RS, by way of fixed charge all present and future goodwill and uncalled capital for the time being of the Borrower;
- (b) charges to RS, by way of floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1(a).

provided always that the Excluded Assets shall not form part of the Security to be provided to RS under the terms of this debenture.

3.2 **Automatic conversion of floating charge**

The floating charge created by clause 3.1(b) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

- (a) the Borrower:

- (i) creates, or attempts to create, over all or any part of the Charged Property an Encumbrance without the prior written consent of RS or any trust in favour of another person; or
- (ii) disposes or attempts to dispose of all or any part of the Charged Property (other than property subject only to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business); or
- (b) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
- (c) any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property; or
- (d) RS receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower.

3.3 Conversion of floating charge by notice

RS may in its sole discretion at any time by written notice to the Borrower convert the floating charge created under this debenture into a fixed charge as regards any part of the Charged Property specified by RS in that notice.

3.4 Assets acquired after any floating charge crystallisation

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this debenture which but for such crystallisation would be subject to a floating charge shall (unless RS confirms in writing to the contrary) be charged to RS by way of first fixed charge.

4. LIABILITY OF BORROWER

4.1 Liability not discharged

The liability of the Borrower under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by or available to RS being or becoming wholly or partially illegal, void or unenforceable on any ground; or
- (b) RS renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission which but for this provision might have discharged or otherwise prejudiced or affected the liability of the Borrower.

4.2 **Immediate recourse**

The Borrower waives any right it may have of requiring RS to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this debenture against the Borrower.

5. **REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to RS in the terms set out in Schedule 1. The representations and warranties set out in Schedule 1 are made on the date of this debenture and are deemed to be repeated by the Borrower on the First Completion Date and any Subsequent Completion Date (each as defined in the Subscription Letter).

6. **COVENANTS**

The Borrower covenants with RS during the continuance of the Security constituted by this debenture in the terms set out in Schedule 1.

7. **POWERS OF RS**

RS shall have the powers set out in Schedule 3.

8. **ENFORCEMENT**

8.1 **Enforcement events**

The Security constituted by this debenture shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 4. The parties to this debenture agree that the provisions of Schedule 4 shall apply to this debenture and shall be binding between them.

8.2 **Receiver's powers**

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 5.

8.3 **Right of appropriation**

To the extent that the Charged Property constitutes Financial Collateral and this debenture and the obligations of the Borrower hereunder constitute a Security Financial Collateral Arrangement, RS shall have the right, at any time after the Security constituted this debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as RS in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by

such other method as RS may select (including independent valuation). The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

9. COSTS AND INDEMNITY

9.1 The Borrower shall pay, within 20 Business Days of the First Completion Date and any Subsequent Completion Date (as the case may be) (each as defined in the Subscription Letter), all costs and expenses (together with any United Kingdom Value Added Tax on them) that RS incurs in connection with the negotiation, preparation and execution of the Finance Documents.

9.2 The Borrower shall pay, within 20 Business Days of demand, any costs and expenses (together with any United Kingdom Value Added Tax on them) that RS incurs in connection with the amendment, extension, alteration, preservation and enforcement of the Finance Documents.

9.3 The Borrower shall pay any stamp, documentary and other similar duties and taxes to which the Finance Documents may be subject, or give rise and shall indemnify RS against any losses or liabilities that RS may incur as a result of any delay or omission by the Borrower in paying any such duties or taxes.

9.4 RS shall provide the Borrower as soon as practicable after the date of this debenture with copies of any correspondence giving rise to any duties or taxes or any demands for payment of any such duties or taxes.

10. RELEASE

Upon the expiry of the Security Period (but not otherwise) RS shall promptly at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the Security constituted by this debenture.

11. ASSIGNMENT AND TRANSFER

Neither RS nor the Borrower shall assign any of its rights or transfer any of its rights or obligations by novation under the Finance Documents without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

12. FURTHER PROVISIONS

12.1 Independent security

This debenture shall be in addition to and independent of every other security or guarantee which RS may at any time hold for any of the Secured Liabilities and no prior security held by RS over the whole or any part of the Charged Property shall merge in the Security created by this debenture.

12.2 Discharge conditional

Any release, discharge or settlement between the Borrower and RS shall be deemed conditional upon no payment or security received by RS in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise and, notwithstanding any such release, discharge or settlement:

- (a) RS or its nominee shall be at liberty to retain this debenture and the Security created by or pursuant to this debenture, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as RS shall deem necessary to provide RS with security against any such avoidance, reduction or order for refund; and
- (b) RS shall be entitled to recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

12.3 Certificates

A certificate or determination by RS as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

12.4 Rights cumulative

The rights and powers of RS conferred by this debenture are cumulative, may be exercised as often as RS considers appropriate, and are in addition to its rights and powers under the general law.

12.5 Waivers

Any waiver or variation of any right by RS (whether arising under this debenture or under the general law) shall only be effective if it is in writing and signed by RS and applies only in the circumstances for which it was given and shall not prevent RS from subsequently relying on the relevant provision.

12.6 Further exercise of rights

No act or course of conduct or negotiation by or on behalf of RS shall in any way preclude RS from exercising any right or power under this debenture or constitute a suspension or variation of any such right or power.

12.7 Delay

No delay or failure to exercise any right or power under this debenture shall operate as a waiver.

12.8 Single or partial exercise

No single or partial exercise of any right under this debenture shall prevent any other or further exercise of that or any other such right.

12.9 Consolidation

The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture.

12.10 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions.

12.11 Counterparts

Each Finance Document may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

12.12 Third party rights

12.13 Except as expressly provided in this debenture, a person who is not a party to this debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this debenture. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

12.14 The rights of the parties to rescind or agree any amendment or waiver under this debenture are not subject to the consent of any other person.

12.15 Perpetuity period

The perpetuity period applicable to all trusts declared by this debenture shall be 125 years.

13. NOTICES

13.1 Any notice or other communication given to a party under or in connection with, any Finance Documents shall be:

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service with additional sending by email; and

- (c) sent to:
 - (i) the Borrower at:
Unit 5, Jupiter House
Calleva Park
Aldermaston
Reading
Berkshire RG7 8NN

Attention: Ronald Duncan (ronald.duncan@cloudbuy.com) / David Gibbon (david.gibbon@cloudbuy.com)
 - (ii) RS at:
2003 Delancey Street,
Philadelphia PA,
19101-6509
United States of America
Attention: Roberto Sella (roberto.sella@llfunds.com)

or to any other address as is notified in writing by one party to the other from time to time.

- 13.2 Any notice or other communication that RS gives to the Borrower under or in connection with, any Finance Document shall be deemed to have been received:
 - (a) if delivered by hand, at the time it is left at the relevant address;
 - (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
 - (c) if sent from outside UK by express delivery, on the second Business Day after posting.
- 13.3 A notice or other communication given as described in Clause 13.2(a) or Clause 13.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.
- 13.4 Any notice or other communication given to RS shall be deemed to have been received only on actual receipt.
- 13.5 A notice or other communication given under or in connection with the Finance Documents is not valid if sent by email.

14. GOVERNING LAW AND JURISDICTION

- 14.1 This debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

Execution Version

- 14.2 Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim that arises out of, or in connection with this debenture or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 Representations and warranties

1. The Borrower represents and warrants to RS on the First Completion Date and any Subsequent Completion Date (each as defined in the Subscription Letter) that:
 - (a) It is a duly incorporated public limited liability company validly existing under the laws of its jurisdiction of incorporation;
 - (b) It has the power to own its assets and carry on its business as it is being conducted;
 - (c) It has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, this debenture and the transactions contemplated by it;
 - (d) No limit on its powers will be exceeded as a result of the borrowing contemplated by the Finance Documents;
 - (e) The entry into and performance by it of, and the transactions contemplated by, this debenture, do not and will not contravene or conflict with:
 - (i) its constitutional documents;
 - (ii) any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
 - (iii) any law or regulation or judicial or official order, applicable to it;
 - (f) It has obtained all required authorisations to enable it to enter into, exercise its rights and comply with its obligations in the Finance Documents;
 - (g) Its obligations under the Finance Documents are legal, valid, binding and enforceable in accordance with their terms;
 - (h) This debenture creates (or once entered into, will create):
 - (i) valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
 - (ii) subject to registration under section 859A of the Companies Act 2006 and, in the case of real property registration at HM Land Registry, perfected Security over the assets expressed to be subject to Security in it, in favour of RS, having the priority and ranking expressed to be created in it and ranking ahead of all (if any) Security and rights of third parties except with regard to any Security from time to time over the Excluded Assets required by Barclays Bank plc or such other bank(s) based in the United Kingdom which the Borrower uses as its main UK bank(s) for certain payments required to be made in the ordinary course of the business of the Borrower and those preferred by law.

Schedule 2 Covenants

1. The Borrower covenants with RS that, as from the date of this debenture until all its liabilities under the Finance Documents have been discharged it will:
 - (a) promptly obtain all consents or authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Finance Documents in its jurisdiction of incorporation; and
 - (b) notify RS of any Event of Default (as defined in the Loan Note Instrument) (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

Schedule 3 Powers of RS

1. POWER TO REMEDY

RS shall be entitled (but shall not be bound) to remedy a breach at any time by the Borrower of any of its obligations contained in this debenture and the Borrower irrevocably authorises RS and its agents to do all such things as are necessary or desirable for that purpose.

2. EXERCISE OF RIGHTS

The rights of RS under paragraph 1 of this Schedule 3 are without prejudice to any other rights of RS under this debenture and the exercise of those rights shall not make RS liable to account as a mortgagee in possession.

3. POWER TO DISPOSE OF CHATTELS

At any time after the Security constituted by this debenture shall have become enforceable, RS or any Receiver:

- (a) may dispose of any chattels or produce found on any property as agent for the Borrower; and
- (b) without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Borrower against any liability arising from such disposal.

4. PRIOR ENCUMBRANCES

At any time after the Security constituted by this debenture shall have become enforceable or after any powers conferred by any Encumbrance having priority to this debenture shall have become exercisable, RS may:

- (a) redeem such or any other prior Encumbrance or procure its transfer to itself; and
- (b) settle any account of the holder of any prior Encumbrance.

The settlement of any such account shall be conclusive and binding on the Borrower and all monies paid by RS to an encumbrancer in settlement of such an account shall, as from its payment by RS, be due from the Borrower to RS on current account and shall bear interest and be secured as part of the Secured Liabilities.

5. CONVERSION OF CURRENCY

For the purpose of or pending the discharge of any of the Secured Liabilities RS may convert any monies received, recovered or realised by RS under this debenture (including the proceeds of any previous conversion under this paragraph 5) from their existing currencies of denomination into such other currencies of denomination as RS may think fit and any such conversion shall be effected at then prevailing spot selling rate of exchange for such other currency against the existing currency. Each previous

reference in this paragraph 5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

6. NEW ACCOUNTS

6.1 If RS receives notice of any subsequent Encumbrance or other interest affecting all or part of the Charged Property, RS may open a new account or accounts for the Borrower in RS's books and (without prejudice to RS's right to combine accounts) no money paid to the credit of the Borrower in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities.

6.2 If RS does not open a new account or accounts immediately on receipt of notice under paragraph 6.1 of this Schedule 3, then, unless RS gives express written notice to the contrary to the Borrower, as from the time of receipt of the relevant notice by RS all payments made by the Borrower to RS shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities.

7. RS'S SET-OFF RIGHTS

If RS shall have more than one account for the Borrower in its books RS may at any time after:

- (a) the Security constituted by this debenture has become enforceable; or
- (b) RS has received notice of any subsequent Encumbrance or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit but RS shall notify the Borrower of the transfer once made.

8. INDULGENCE

RS may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons are jointly liable with the Borrower) in respect of any of the Secured Liabilities or of any other Security for them without prejudice either to this debenture or to the liability of the Borrower for the Secured Liabilities.

Schedule 4 Enforcement

1. EVENTS OF DEFAULT

- 1.1 The Borrower fails to repay the Loan Notes on a Redemption Date or the Final Redemption Date unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within 3 (three) Business Days of its due date.
- 1.2 The Borrower fails (other than by failing to pay), to comply with any provision of any Finance Document and (if RS considers, acting reasonably, that the default is capable of remedy), such default is not remedied within (21) twenty one Business Days of the earlier of:
 - (a) RS notifying the Borrower of the default and the remedy required;
 - (b) the Borrower becoming aware of the default.
- 1.3 Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, any Finance Document is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made.
- 1.4 The Borrower stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due.
- 1.5 Any action, proceedings, procedure or step is taken for:
 - (a) the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or
 - (b) the composition, compromise, assignment or arrangement with any creditor; or
 - (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets; or
 - (d) the enforcement of any Security over any assets of the Borrower.
- 1.6 The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties).
- 1.7 At any time after an Event of Default (as defined in the Loan Note Instrument and this debenture) has occurred which is continuing, RS may, by notice to the Borrower:

- (a) cancel all outstanding obligations of RS under the Loan Notes whereupon they shall immediately be cancelled; and/or
- (b) declare that the amounts outstanding under the Loan Notes (and all other amounts outstanding under the Finance Documents) are immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (c) declare that the amounts outstanding under the Loan Notes be payable on demand, whereupon such amounts shall become immediately payable on demand by RS; and/or
- (d) declare this debenture to be enforceable.

2. STATUTORY POWER OF SALE

The powers of sale conferred upon mortgagees under the Law of Property Act 1925 shall, as between RS and a purchaser from RS, arise on and be exercisable at any time after the execution of this debenture, but RS shall not exercise such power of sale until the Security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 4.

3. EXTENSION OF STATUTORY POWERS

The statutory powers of sale, leasing and accepting surrenders conferred upon mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by RS under this debenture and are extended so as to authorise RS whether in its own name or in that of the Borrower to make any lease or agreement for lease, accepts surrenders of lease or grant any option of the whole or any part or parts of the freehold and leasehold property of the Borrower with whatever rights relating to other parts of it and containing whatever covenants on the part of the Borrower and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as RS thinks fit.

4. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with RS or any Receiver shall be concerned:

- (a) to enquire whether any of the Secured Liabilities have become due or payable or remain unpaid or undischarged, or whether the power RS or a Receiver is purporting to exercise has become exercisable; or
- (b) to see to the application of any money paid to RS or any Receiver.

5. NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither RS nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property nor shall any of them be liable for any loss upon realisation of, or for any neglect or default of any

nature whatsoever in connection with, all or any of the Charged Property for which a mortgage in possession might as such be liable.

6. APPOINTMENT OF RECEIVER

6.1 At any time after the Security constituted by this debenture has become enforceable, or at the request of the Borrower, RS may without further notice:

- (a) appoint under seal or by writing under hand of a duly authorised officer of RS any one or more person or persons to be a receiver or a receiver and manager of all or any part of the Charged Property; and
- (b) (subject to section 45 of the Insolvency Act 1986) from time to time under seal or by writing under hand of a duly authorised officer of RS, remove any person appointed to be Receiver and may in like manner appoint another in his place.

Where more than one person is appointed Receiver, they will have power to act separately (unless the appointment by RS specifies to the contrary).

6.2 RS may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this debenture which shall be due and payable immediately upon its being paid by RS.

7. POWERS ADDITIONAL

7.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of RS under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in sections 103 and 109 of the Law of Property Act 1925 or otherwise.

7.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be and remain exercisable by RS notwithstanding any prior appointment in respect of all or any part of the Charged Property.

8. AGENT OF THE BORROWER

Any Receiver appointed by RS under this debenture shall be the agent of the Borrower and the Borrower shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

9. POWERS OF RECEIVER

Any Receiver appointed by RS under this debenture shall in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and in particular the powers set out in Schedule 5.

10. ORDER OF APPLICATION OF PROCEEDS

All monies received by RS or a Receiver in the exercise of any enforcement powers conferred by this debenture shall be applied:

- (a) first in paying all unpaid fees, costs and other liability incurred by or on behalf of RS (and any Receiver, attorney or agent appointed by it);
- (b) second in paying the remuneration of any Receiver (as agreed between him and RS);
- (c) third in or towards discharge of the Secured Liabilities in such order and manner as RS shall determine; and
- (d) finally in paying any surplus to the Borrower or any other person entitled to it.

11. SECTION 109(8) LAW OF PROPERTY ACT 1925

Neither RS nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

12. SUSPENSE ACCOUNT

All monies received by RS or a Receiver under this debenture may, at the discretion of RS or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between RS and the Borrower and may be held in such account for so long as RS or Receiver thinks fit.

13. POWER OF ATTORNEY

By way of security the Borrower irrevocably appoints RS and every Receiver separately to be the attorney of the Borrower and in its name and on its behalf and as its act and deed to execute any documents, and do any acts and things which:

- (a) the Borrower is required to execute and do under this debenture; and/or

- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on RS or any Receiver.

14. RATIFICATION OF ACTS OF ATTORNEY

The Borrower ratifies and confirms and agrees to ratify and confirm anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13 of this Schedule 4.

15. APPOINTMENT OF AN ADMINISTRATOR

15.1 RS may without notice to the Borrower appoint any one or more persons to be an administrator of the Borrower pursuant to paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable.

15.2 Any appointment under this paragraph 15 shall:

- (a) be in writing signed by a duly authorised signatory of RS, and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

15.3 RS may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 15 and appoint under that paragraph a replacement for any Administrator whose appointment ends for any reason.

Schedule 5 Further powers of Receiver

1. TO EMPLOY PERSONNEL AND ADVISORS

A Receiver may provide services and employ, or engage, such managers contractors and other personnel and professional advisors on such terms as he deems expedient.

2. TO MAKE VAT ELECTIONS

A Receiver may make such elections for value added tax purposes as he thinks fit.

3. TO CHARGE REMUNERATION

A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as RS may prescribe or agree with him.

4. TO REALISE CHARGED PROPERTY

A Receiver may collect and get in the Charged Property in respect of which he is appointed or any part thereof and for that purpose make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights.

5. TO MANAGE OR RECONSTRUCT THE BORROWER'S BUSINESS

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower.

6. TO DISPOSE OF CHARGED PROPERTY

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of, all or any of the property of the Borrower in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Borrower) and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a Borrower to purchase the property to be sold.

7. TO MAKE SETTLEMENTS

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person which he may think expedient.

8. TO MAKE CALLS ON BORROWER MEMBERS

A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them.

9. TO APPOINT STAFF AND AGENTS

A Receiver may appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine.

10. TO INSURE

A Receiver may, if he thinks fit, but without prejudice to the indemnity contained in clause 9, effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance.

11. LAW OF PROPERTY ACT 1925

A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

12. TO BORROW

A Receiver may for any of the purposes authorised by this Schedule 5 raise money by borrowing from RS or from any other person on the Security of all or any of the Charged Property in respect of which he is appointed upon such terms (including if RS shall consent to terms under which such Security ranks in priority to this debenture) as he shall think fit.

13. TO REDEEM PRIOR ENCUMBRANCES

A Receiver may redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed shall be conclusive and binding on the Borrower and the monies so paid will be deemed to be an expense properly incurred by him.

14. INCIDENTAL POWERS

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 5 or which he lawfully may or can do as agent for the Borrower.

15. SCOPE OF POWERS

Any exercise of any of these powers may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in paragraph 8 of this Schedule 5) or himself.

Execution Version

Executed as a deed by
CLOUDBUY PLC acting by a
Director in the presence of:

.....
Director

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation:

SIGNED as a **DEED** by
ROBERTO SELLA in the presence
of:

.....
ROBERTO SELLA

Witness Signature:

Witness Name:

Witness Address:

Witness Occupation: