



**Registration of a Charge**

Company name: **Edge Case Games Ltd**

Company number: **09098609**



X66SWAXK

Received for Electronic Filing: **19/05/2017**

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**Details of Charge**

Date of creation: **11/05/2017**

Charge code: **0909 8609 0002**

Persons entitled: **MERCIA INVESTMENT PLAN LP (ACTING BY ITS GENERAL PARTNER  
MERCIA (GENERAL PARTNER) LIMITED)**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) .**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT  
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION  
IS A CORRECT COPY OF THE ORIGINAL CERTIFIED COPY  
(CERTIFIED BY PIPPA PEARCE) OF THE ORIGINAL INSTRUMENT.**

Certified by:

**PIPPA PEARCE**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 9098609

Charge code: 0909 8609 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th May 2017 and created by Edge Case Games Ltd was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th May 2017 .

Given at Companies House, Cardiff on 22nd May 2017

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



**Companies House**



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

DATED 11 May 2017

EDGE CASE GAMES LTD (1)

and

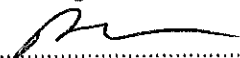
MERCIA INVESTMENT PLAN LP (2)

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DEBENTURE

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We/I certify that this is a true and complete copy  
of the original document.

  
.....  
For Mills & Reeve LLP, Solicitors

Ref: CPPE ..... Botanic House  
Date: 19.5.17 ..... 100 Hills Road  
Cambridge  
CB2 1PH

MILLS & REEVE

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THIS DEBENTURE is made on

11 May

2017

**BETWEEN:**

- (1) **EDGE CASE GAMES LTD** a company registered in England and Wales (company number 09098609) whose registered office is at 81 Walnut Tree Close, Guildford, Surrey, United Kingdom, GU1 4UH (the "**Chargor**"); and
- (2) **MERCIA INVESTMENT PLAN LP** a limited partnership registered under the Limited Partnerships Act 1907 (registered number LP016783) whose registered office is at Forward House, 17 High Street, Henley in Arden, B95 5AA (the "**Chargee**").

**THIS DEED WITNESSES** as follows:

**1 Interpretation**

**1.1 Definitions**

In this Deed the following words and expressions shall have the following meanings:

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Charged Property**" means all property, assets, rights and revenues of the Chargor from time to time comprised within the security constituted by this Deed;

"**Co-obligor**" means any person (other than the Chargor) who from time to time has any obligation to the Chargee in relation to the Secured Obligations;

"**Distributions**" means all dividends, interest and other income paid or payable in respect of the Securities;

"**Environmental Law**" means all legislation, common law, regulation, directives, guidance notes, orders, notices, demands and other measures for the time being in force or imposed and relating to the protection or pollution of the environment or public health or welfare;

"**Event of Default**" means any of the following:

- a) in the Chargee's reasonable opinion, the value of the Chargor's assets is seriously reduced or threatened;
- b) default is made in the repayment on the due date of any part of the Secured Obligations for a period of 15 Business Days or more;
- c) default is made by the Chargor in the due performance or observance of any material covenant, undertaking or obligation on its part contained in this Deed and continues for 15 Business Days or more after the date on which written notice of any such default is received by the Chargor from the Chargee;
- d) there has been a breach of any representation or warranty given to the Chargee under clause 6 and/or schedule 2 of the Investment Agreement, which in the Chargee's opinion (acting reasonably) is actionable;

- e) any Indebtedness of the Chargor in respect of borrowed moneys is not paid or met at its stated maturity (or within any applicable period of grace) or by reason of default on the part of the Chargor becomes due or capable of being declared due prior to its stated maturity (or if payable or repayable on demand is not paid or repaid on demand or within any applicable period of grace), or if any security for any such Indebtedness becomes enforceable and steps are taken to enforce the same, or if any loan capital or borrowings of the Chargor or any subsidiary becomes repayable by reason of default by the Chargor or any subsidiary (as the case may be) and steps are taken to enforce payment;
- f) an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Chargor or any of its subsidiaries (except for the purpose of reorganisation or amalgamation of the Chargor or any of its subsidiaries);
- g) an encumbrancer validly takes possession or a receiver is validly appointed of the whole or the major part of the assets or undertaking of the Chargor or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Chargor or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 10 Business Days;
- h) the Chargor or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business;
- i) the Chargor or any of its subsidiaries is deemed to, or is declared unable to, be unable to pay its debts for the purposes of section 123 of the Insolvency Act 1986;
- j) the Chargor or any of its subsidiaries by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Chargee) with a view to rescheduling any of its Indebtedness; or
- k) any security on or over the assets of the Chargor becomes enforceable;

**"Floating Charge Assets"** means, at any time, all or any part of the Charged Property which is at that time the subject only of the floating charge created by this Deed and not at such time the subject of any fixed security;

**"High Court"** means the High Court of Justice in England and Wales;

**"Indebtedness"** means the aggregate of each of (i) all bank overdrafts and bank loans, (ii) the capital amounts on both hire purchase and finance lease agreements, (iii) capitalised interest on each of (i) and (ii) above, (iv) any and all liabilities or potential liabilities under letters of credit or guarantees; (vi) debt purchase and factoring liabilities, and (vii) any amounts payable or potentially payable on any conditional sale, deferred subscription or other similar agreements or arrangements;

**"Insolvency Regulation"** means EU Council Regulation 1346/2000;

**"Intellectual Property Rights"** means all patents, supplementary protection certificates, utility models, registered and unregistered trade and service marks, copyright, database rights, registered and unregistered rights in designs and, in each

case, any extensions and renewals and any applications in respect of these rights together with the benefit of all agreements and licences now or in the future enjoyed by the Chargor relating to the use of these rights and all trade secrets, confidential information and know-how;

**"Investment Agreement"** means a consolidated investment agreement dated 4 November 2015 between the Company (1), the Founders (2), the Managers (3), the Business Angels (4), the Other Shareholders (5), The Mercia Fund (6), Endless Tiger Limited (7) and Season Games Corporation Limited (8) as amended, supplemented and/or adhered to from time to time (such capitalised terms being as defined therein);

**"Land"** means all freehold and leasehold and any other estate in land together with any buildings, structures and fixtures thereon including trade and tenant fixtures;

**"LPA"** means Law of Property Act 1925;

**"Secured Obligations"** means all monies, obligations and liabilities whatsoever which may now or at any time in the future be due, owing or incurred by the Chargor to the Chargee howsoever and whenever arising, and whether present or future, actual or contingent in any manner whatsoever, as principal or surety and whether alone or jointly with any other party or parties including interest, legal and other costs, charges and expenses;

**"Securities"** means all shares and securities and investments of any kind which are issued by any person (other than the Chargor) from time to time held by the Chargor or for the Chargor's account;

**"Security Period"** means the period from the date of this Deed to the date on which the Secured Obligations are irrevocably and unconditionally discharged in full (including without limitation by way of repayment or conversion into shares in the Chargor); and

**"VAT"** means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

## 1.2 Interpretation

In this Deed:

- 1.2.1 references to **"disposal"** means any disposal, sale, transfer, lease, surrender, assignment, loan, parting with or sharing of control, possession or occupation or diverting of rents or income relating to the Charged Property and any agreement, commitment or option in respect of the same and references to **"dispose"** shall be construed accordingly;
- 1.2.2 references to **"guarantee"** means any contract of guarantee, indemnity or surety or any other contract by which recourse is given to a person in relation to the performance of another person's obligations and whether as primary or secondary obligation or otherwise and howsoever described;
- 1.2.3 references to **"person"** shall include a company, partnership or unincorporated association and, where permitted by this Deed, that person's successors in title and assigns;



- 1.2.4 references to "**receiver**" shall be construed as a reference to any receiver, receiver and manager, administrative receiver, administrator or a creditor taking possession of or exercising a power of sale of assets or property or any other similar or equivalent appointment or taking of possession or exercise of powers in any jurisdiction;
- 1.2.5 references to "**security**" shall be construed as a reference to any mortgage, standard security, pledge, hypothecation, title retention, lien, charge, assignment by way of security or other arrangement howsoever described having the same or a similar effect;
- 1.2.6 references to any provision of law shall be deemed to include reference to such provision as amended or re-enacted from time to time whether before or after the date of this Deed;
- 1.2.7 references to "**this Deed**" or to a provision of this Deed, or any other document are references to it as amended, varied, novated, supplemented, extended, restated or acceded to from time to time whether before the date of this Deed or otherwise;
- 1.2.8 the terms of the documents under which the Secured Obligations arise and of any side letters between the Chargor and the Chargee relating to the Secured Obligations are incorporated in this Deed to the extent required for any purported disposition of the Charged Property to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;
- 1.2.9 references to this Deed include its Schedules;
- 1.2.10 references to a clause or Schedule are (unless otherwise stated) to a clause of, or a Schedule to, this Deed;
- 1.2.11 references in a Schedule or part of a Schedule to a paragraph are (unless otherwise stated) to a paragraph of that Schedule or that part of that Schedule;
- 1.2.12 clause headings in this Deed do not affect its interpretation;
- 1.2.13 use of the singular shall include the plural and vice versa;
- 1.2.14 any term or phrase defined in the Companies Act 2006 or the Insolvency Act 1986 (as the same may be amended from time to time) shall bear the same meaning in this Deed; and
- 1.2.15 a reference to **continuing** in relation to an Event of Default or a default under or breach of this Deed means an Event of Default, default or breach that has not been waived by the Chargee or remedied to the Chargee's satisfaction (acting reasonably).
- 1.3 For the purposes of this Deed, where the consent, waiver or approval of the Chargee is required, such consent, waiver or approval may be given by:
  - 1.3.1 the Fund Director (as defined in the Investment Agreement) either by written notice to the Chargor or by him signing the minutes recording the resolution to approve such matter; or

1.3.2 the Fund Observer (as defined in the Investment Agreement) either by written notice to the Chargor or by him signing the minutes recording the resolution to approve such matter; or

1.3.3 written notice to the Chargor signed by any fund manager of the Chargee.

## **2 Covenant to pay**

2.1 The Chargor covenants with the Chargee to pay and discharge the Secured Obligations on demand when they become due.

## **3 Security**

3.1 The Chargor with full title guarantee in favour of the Chargee and as security for the payment and discharge of the Secured Obligations:

3.1.1 charges by way of first legal mortgage all Land vested in the Chargor;

3.1.2 charges by way of first fixed charge:

- (i) all other land which in the future becomes vested in the Chargor;
- (ii) all plant and machinery now or in the future attached to any Land, now or in the future, vested in the Chargor;
- (iii) the Securities;
- (iv) all goodwill and uncalled share capital of the Chargor;
- (v) all Intellectual Property Rights;
- (vi) all trade and other debts now or in the future owing to the Chargor; and
- (vii) the benefit of all security and guarantees and other rights now or in the future available to the Chargor;

3.1.3 assigns and agrees to assign absolutely, the benefit of all of its rights, claims, title and interest in relation to the Charged Property including without limitation:

- (i) all insurance policies in relation to the Charged Property and all proceeds paid or payable thereunder; and
- (ii) all rental income receivable in respect of the Charged Property and the right to make demand for and receive the same; and

3.1.4 charges by way of floating charge all its property, assets, rights and revenues whatsoever and wheresoever present or future to the extent not otherwise effectively mortgaged, charged or assigned by clauses 3.1.1 to 3.1.3(ii) (inclusive) above.

3.2 The floating charge created under this Deed:

3.2.1 is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986; and

- 3.2.2 shall automatically and without notice operate as a fixed charge instantly upon the occurrence of an Event of Default that is continuing.
- 3.3 The Chargee may at any time by notice in writing to the Chargor convert the floating charge created under this Deed into a fixed charge as regards such assets as it shall specify in the notice in the event that the Chargee is of the view that:
- 3.3.1 such assets are in danger of being seized or of having a receiver appointed over them; or
- 3.3.2 any legal process or execution is or is at risk of being enforced against such assets; or
- 3.3.3 such assets are otherwise in jeopardy; or
- 3.3.4 steps have been taken which would, in the opinion of the Chargee, be likely to lead to the appointment of an administrator in relation to the Chargor (or such administrator has been appointed) or to the winding-up of the Chargor;

and by way of further assurance the Chargor will promptly execute a fixed charge over such assets in such form as the Chargee shall require.

#### **4 Continuing security**

- 4.1 The security constituted by this Deed shall operate as a continuing security and shall extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge of any of the Secured Obligations or any other matter whatsoever.
- 4.2 In the event that the security constituted by this Deed ceases to be a continuing security for whatever reason then the Chargee may at that time open or be deemed to have opened a new account or accounts and to credit all or any money arising from the enforcement of the security constituted by this Deed or receivable hereunder to such new account(s) and such events shall not operate to reduce the amount of the Secured Obligations nor shall the liability of the Chargor be reduced or affected by any subsequent transactions, receipts or payments.

#### **5 Further assurance**

- 5.1 The Chargor agrees that it shall promptly upon the request of the Chargee execute and deliver at its own cost and expense any deed or document and do any act or thing or take any action required by the Chargee in order to confirm or establish the validity and enforceability of or otherwise in connection with the creation, perfection, enhancement or protection of the security intended to be created, conferred on the Chargee by or pursuant to this Deed (including without limitation) any further legal or other mortgages, charges or assignments and/or notices in favour of the Chargee, the waiver of any landlord's rights to levy distress against or enforce any similar or replacement remedy against any of the Charged Property and any instructions, instruments, transfers, renunciations and/or proxies in favour of the Chargee or such other person as the Chargee may direct together with any and all filings or registrations or notices or instructions or other steps required by the Chargee.

## **6 Preservation of rights**

- 6.1 The security constituted by this Deed and the obligations of the Chargor contained herein and the rights and powers and remedies conferred on the Chargee by this Deed shall be in addition to and shall not be merged with nor in any way be prejudiced or affected by any security or guarantee or judgment or order, right of recourse or other right whatsoever (whether contractual, legal or otherwise) now or at anytime hereafter held by the Chargee or any other person nor by:
- 6.1.1 any time, waiver, indulgence, consent or concession which the Chargee may grant to or the terms of any composition or agreement that the Chargee may enter into with the Chargor or any Co-obligor; or
  - 6.1.2 any release or intermediate payment or discharge of the Secured Obligations; or
  - 6.1.3 any amendment, novation, supplement, extension or replacement (however fundamental and whether more or less onerous) of the Secured Obligations; or
  - 6.1.4 any legal limitation, disability, incapacity or lack of legal personality or power or authority on the part of the Chargor or any Co-obligor; or
  - 6.1.5 any unenforceability, illegality or invalidity of the Secured Obligations or any obligations owed by the Chargor or any Co-obligor; or
  - 6.1.6 any liquidation, winding up, dissolution, amalgamation, reconstruction, reorganisation, bankruptcy, administration or voluntary arrangement of the Chargor or any Co-obligor or the appointment of any receiver or liquidator or trustee in bankruptcy in respect of the property or business or assets of the Chargor or any Co-obligor (or the equivalent of such proceedings, appointments or matters in any jurisdiction) or the occurrence of any other circumstances affecting the liability of the Chargor or any Co-obligor.
- 6.2 If any payment or discharge or security or any arrangement made in connection with the Secured Obligations is avoided or reduced for whatever reason (including without limitation under any laws relating to liquidation or administration or bankruptcy) the liability of the Chargor and the security created by this Deed shall continue as if there had been no payment, discharge, avoidance or reduction or arrangement and the Chargee shall be entitled to recover the value or amount of the security or payment as if the payment discharge or reduction had not occurred.

## **7 Indemnities**

- 7.1 The Chargor shall indemnify and keep indemnified (on a full indemnity basis) the Chargee and any receiver upon first demand in respect of all claims, costs, expenses and liabilities whatsoever from time to time reasonably incurred in relation to this Deed including (without limitation) all sums paid and expenses reasonably incurred by the Chargee in relation to:
- 7.1.1 all legal, professional and other fees, stamp duty, stamp duty land tax, registration fees and taxes and any interest, penalties, costs and expenses resulting from any failure to pay such taxes or fees incurred by the Chargee in connection with the preparation and execution of this Deed and any release, discharge, reconveyance or reassignment of the

Charged Property and the protection, performance, preservation and enforcement of any rights under or in connection with this Deed and the transactions contemplated by it together in each case with any applicable VAT; and

- 7.1.2 all legal, professional and other fees, costs, losses, actions, claims, expenses, demands or liabilities howsoever and whenever arising which may be incurred by, or made against the Chargee or any receiver or against any manager, agent, officer or employee of any of them at any time relating to or arising directly or indirectly out of or as a consequence of anything done or omitted to be done in the exercise or purported exercise of the powers contained in this Deed.

## **8 Covenant to deposit**

8.1 The Chargor agrees that during the Security Period:

- 8.1.1 all title deeds to the Land and all documents evidencing title to the Charged Property shall be held by the Chargee or at the sole option of the Chargee with any lawyer or firm of lawyers or any other person whose business includes the safe custody of documents and the Chargee shall not be responsible for any loss thereby incurred; and
- 8.1.2 the Chargor shall deposit with the Chargee transfers of the Securities duly executed by the Chargor in favour of the Chargee or with the name of the transferee left blank (if the Chargee so requires) and stamped together with such other documents as the Chargee may require to enable the Chargee or the Chargee's nominee or any purchaser to be registered as the owner or otherwise to obtain title to the Securities.

## **9 Undertakings**

9.1 During the Security Period the Chargor shall:

- 9.1.1 not, without the prior written consent of the Chargee, create or permit to subsist any security in respect of the whole or any part of the Charged Property;
- 9.1.2 not, without the prior written consent of the Chargee, dispose of, deal with or attempt to dispose of or deal with:
- (i) the whole or any part of the Charged Property (other than the Floating Charge Assets and the Intellectual Property Rights, in respect of which the provisions of paragraph (ii) of this clause 9.1.2 shall apply), or any interest therein; or
  - (ii) the whole or any part of the Floating Charge Assets, or the Intellectual Property Rights, or any interest therein, other than in the ordinary course of the Chargor's business and on normal commercial terms;
- 9.1.3 not do or cause or permit to be done anything which may in the reasonable opinion of the Chargee, in any way depreciate, jeopardise or otherwise prejudice the value (whether monetary or otherwise) of the whole or any part of the Charged Property;

- 9.1.4 ensure that its centre of main interest, including (without limitation) its place of registered office, is and remains situated within the jurisdiction of the High Court for the purposes of the opening of insolvency proceedings under the Insolvency Regulation and all other applicable law;
- 9.1.5 insure and keep the Charged Property insured to its full reinstatement value with a reputable insurer previously approved by the Chargee against such risks and to the extent from time to time required by the Chargee usual for companies carrying on a business similar to that of the Chargor;
- 9.1.6 ensure that each insurance policy relating to the Charged Property contains (i) a note as to the Chargee's interest in respect of all claims and (ii) a first loss payee clause and a standard mortgagee clause whereby such insurance will not be invalidated, vitiated or avoided against a mortgagee in the event of any misrepresentation, act, neglect or failure to disclose on the part of the insured, all in such manner as the Chargee may in its absolute discretion require;
- 9.1.7 immediately give notice to the Chargee of any occurrence which may give rise to a claim under any insurance policy relating to the Charged Property and not without the prior written consent of the Chargee agree to settlement of any claim;
- 9.1.8 promptly pay all premiums and other monies payable under all its policies of insurance and promptly upon request, produce to the Chargee a copy of each policy and evidence acceptable to the Chargee of the payment of such sums; and
- 9.1.9 promptly copy to the Chargee and comply with all requests for information which are made under the Companies Act 2006 (including, without limitation, under sections 790D, 790E and 793 of the Companies Act 2006) relating to all or any part of the Securities. If it fails to do so, the Chargee may elect to provide such information as it may have on behalf of the Chargor.
- 9.2 The Chargee may at the cost of the Chargor effect or maintain or renew any insurance relating to the Charged Property on such terms, in such name(s) and in such amount(s) as it considers appropriate.
- 9.3 All monies received under any insurance whatsoever and whensoever relating to the Charged Property shall, as the Chargee so directs, be applied in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed or otherwise making good the loss or damage or in or towards the discharge of the Secured Obligations. The Chargor shall hold any such insurance monies received by it on trust for the Chargee pending payment to or direction from the Chargee and the Chargor waives any right it may have to require that any such monies are applied in any other manner than the Chargee so directs.
- 9.4 Prior to the date of the occurrence of an Event of Default that is continuing the Chargor shall be entitled to:
  - 9.4.1 receive and retain any Distributions paid to it; and

- 9.4.2 exercise and control the exercise of all voting and other rights relating to the Charged Property.
- 9.5 The entitlement of the Chargor under clause 9.4 may at any time be terminated following the occurrence of an Event of Default that is continuing upon and to the extent of any notice by the Chargee to the Chargor evidencing the Chargee's intention thenceforth to itself receive and retain any Distributions payable and/or direct the exercise of such rights and/or register any transfer of Securities for the purpose of preserving the value of the security constituted by this Deed. Any Distributions paid to the Chargor following the giving of such notice shall be held in trust by the Chargor (and otherwise separated from its assets) on behalf of the Chargee.

## **10 Representations**

- 10.1 The Chargor hereby represents and warrants to the Chargee on each day during the Security Period that:
- 10.1.1 it is the sole legal and beneficial owner of the whole of the Charged Property free from other security and encumbrances;
  - 10.1.2 it is duly incorporated and validly existing with the power and authority to own its assets and carry on its business as presently being conducted;
  - 10.1.3 all actions and conditions required in order for it to lawfully enter into and perform its obligations under this Deed as valid legally binding and enforceable obligations and for this Deed to be admissible in court have been taken, fulfilled and done;
  - 10.1.4 its entry into and performance of its obligations under this Deed will not contravene any existing applicable law or result in any breach or constitute a default under any of the terms of any agreement to which it is a party nor contravene or conflict with any provision of its memorandum or articles or statutes or other constitutional documents where such contravention, breach or default is reasonably likely to have a material adverse effect on the Chargor or the validity of the Security granted under this Deed;
  - 10.1.5 no litigation, arbitration or administrative proceedings are current or so far as the Chargor is aware pending which could have a material adverse effect on it, its assets or the performance of its obligations under this Deed;
  - 10.1.6 no proceedings or other steps have been taken and not discharged for the winding up or dissolution or bankruptcy or voluntary arrangement in relation to it or for the appointment of a receiver or liquidator or trustee in bankruptcy or similar appointment in relation to it or its assets;
  - 10.1.7 its centre of main interest, including (without limitation) its place of registered office, is and remains situated within the jurisdiction of the High Court for the purposes of the opening of insolvency proceedings under the Insolvency Regulation and all other applicable law; and

- 10.1.8 (i) The Chargor has complied with all notices relating to all or any of the Securities received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (ii) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Securities.

## **11 Amounts payable**

11.1 All payments by the Chargor under this Deed shall be made:

11.1.1 without set off, retention or counterclaim; and

11.1.2 free and clear of withholding or deduction of any taxes except to the extent that the Chargor is required by law to make such withholding or deduction in which case the Chargor shall pay such amount as will result in the receipt by the Chargee of the sums that would have been receivable by it in the absence of such withholding or deduction in respect of the Secured Obligations under this Deed.

11.2 The obligations of the Chargor to make payments under this Deed are in the currency of the Secured Obligations and shall not be discharged or satisfied by the receipt by the Chargee of any monies expressed or converted into any other currency and to the extent there is any shortfall between amounts due under this Deed in one currency and receipt by the Chargee in another currency then the Chargee shall be entitled to recover the amount of any shortfall from the Chargor and to sell any currency received for the currency due and the Chargor shall indemnify the Chargee against the full cost incurred in relation to such sale. The Chargee shall not have any liability to the Chargor in respect of any loss arising from any fluctuation in exchange rates after such sale.

11.3 The Chargee may (but is not obliged to) set off any obligation in respect of the Secured Obligations which is due and payable by the Chargor against any obligation (contingent or otherwise) owed by the Chargee to the Chargor and apply any money held for the account of the Chargor in such order as it shall deem in its absolute discretion appropriate.

11.4 Any amount due from the Chargor under the terms of this Deed but unpaid, including without limitation any interest, may, at the sole option of the Chargee, be added to the Secured Obligations and compounded in accordance with the usual practice of the Chargee.

## **12 Enforcement**

12.1 Upon the occurrence of an Event of Default that is continuing all of the Secured Obligations shall immediately become due and payable and the Chargee may, without notice to the Chargor enforce all or any part of the security constituted by this Deed at such times, in the manner and on such terms as it thinks fit including (without limitation) the appointment of a receiver to all or any part of the Charged Property.

12.2 Section 103 LPA shall not apply to this Deed and the power of sale under section 101 LPA and all other powers conferred on the Chargee and any receiver by this



Deed shall operate as a variation and extension of the statutory powers of sale and other powers under the LPA and such powers shall arise (and the Secured Obligations shall be deemed due and payable for these purposes) on the execution of this Deed.

- 12.3 The restrictions contained in section 93 LPA shall not apply to this Deed but the Chargee shall have the same right to consolidate this Deed and the money covenanted to be paid with any other security.
- 12.4 The statutory powers of leasing may be exercised by the Chargee at any time and the Chargee and any receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by sections 99 or 100 LPA.
- 12.5 The protection given to purchasers and persons dealing with a receiver in the LPA will apply to purchasers and any other persons dealing with the Chargee or any receiver and no purchaser or other person dealing with the Chargee or any receiver will be bound to see or inquire whether the right of the Chargee or any receiver to exercise any of its or his powers has arisen or become exercisable nor be concerned with any propriety or regularity on the part of the Chargee or any receiver in such exercise or dealings or whether any amount remains secured by this Deed.
- 12.6 The powers conferred by this Deed on the Chargee are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the LPA, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Deed the terms of this Deed will prevail.

### **13 Receivers**

- 13.1 At any time after having been requested to do so by the Chargor or after the occurrence of an Event of Default that is continuing or the security constituted by this Deed having become enforceable and save to the extent prohibited by section 72A Insolvency Act 1986 the Chargee may in writing by deed or otherwise and without prior notice to the Chargor appoint one or more persons to be a receiver of the whole or any part of the Charged Property and the Chargee may, from time to time, in similar manner, remove a receiver or receivers and appoint another or others in substitution thereof.
- 13.2 Each person appointed to be a receiver pursuant to this Deed will be:
  - 13.2.1 entitled to act independently or jointly with any other person appointed as a receiver except to the extent that the Chargee may specify to the contrary in the appointment;
  - 13.2.2 for all purposes deemed the agent of the Chargor who shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and at no time shall a receiver act as agent for the Chargee; and
  - 13.2.3 entitled to remuneration at a rate to be fixed by the Chargee from time to time (without being limited to any maximum rate).
- 13.3 The powers of appointment of a receiver shall be in addition to all statutory and other powers of appointment of the Chargee under the LPA (as extended by this Deed) or

otherwise and such powers shall remain exercisable from time to time by the Chargee in respect of any part of the Charged Property.

- 13.4 Any receiver shall have and be entitled to exercise, in relation to the Charged Property all rights and powers as the Chargee shall see fit as though the Chargee was absolute owner of the Charged Property, including (without limitation) the rights and powers set out in Schedule 1.
- 13.5 The receipt of the Chargee or any receiver shall be conclusive discharge to any purchaser and, in making any disposal of any of the Charged Property the Chargee or any receiver may do so for such consideration, in such manner and on such terms as the Chargee or any receiver thinks fit.
- 13.6 Neither the Chargee nor any receiver nor any officer, employee or agent of the Chargee or any receiver shall be deemed to be or in any way liable to account as mortgagee in possession in respect of all or any Charged Property or be liable in any way to the Chargor or any other person for the manner of exercise or non exercise of any powers or rights of the Chargee or any receiver or for any act or default or omission of any nature whatsoever.
- 13.7 Any liberty or power which may be exercised or any determination which may be made under this Deed by the Chargee or any receiver may be exercised or made in the Chargee's or any receiver's absolute and unfettered discretion without any obligation to give reasons.

#### **14 Appropriations and application of proceeds**

- 14.1 The Chargee may apply or refrain from applying any money or property received by it in or towards payment or discharge of any liability in respect of the Secured Obligations in such order or manner as it sees fit or determines and hold any money received by it in an interest bearing suspense account or on account of the Chargor's liabilities under this Deed.
- 14.2 If the Chargee (or any receiver) enforces the security constituted by this Deed at a time when no amount in respect of the Secured Obligations is due and payable, or when the amount due and payable is not ascertained, the Chargee (or any receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account. The Chargee may withdraw amounts standing to the credit of such suspense account for application in or towards discharge of the Secured Obligations.

#### **15 Immediate recourse**

- 15.1 The Chargee shall not be obliged to proceed first against, or enforce any rights or security or claim payment from any person before claiming any benefit under this Deed and the Chargor hereby waives any contrary right it may have whether arising under law or otherwise.

#### **16 Assignment and delegation**

- 16.1 Save in respect of the Chargee who shall be entitled to assign any of its rights under this Deed to any party to whom it transfers all of its shares in the Chargor in accordance with the Chargor's articles of association, this Deed is personal to the parties and no party shall:

- 16.1.1 assign any of its rights under this Deed; or
  - 16.1.2 transfer any of its obligations under this Deed; or
  - 16.1.3 sub-contract or delegate any of its obligations under this Deed; or
  - 16.1.4 charge or deal in any other manner with this Deed or any of its rights or obligations.
- 16.2 The Chargee and any receiver may from time to time employ professional advisors and delegate by power of attorney or otherwise to any person any of the powers and discretions of the Chargee or any receiver whether arising by statute, the provisions of this Deed or otherwise upon such terms and for such periods of time as they may think fit (disclosing such confidential information about the Chargor or this Deed as the Chargee or any receiver sees fit) and may at any time determine any such employment or delegation. At no time will either the Chargee or any receiver be liable to the Chargor for any loss or damage arising from any act, default, omission or misconduct of any person.
- 17 Miscellaneous**
- 17.1 If any term or provision of this Deed shall be determined to be or becomes invalid, illegal or unenforceable all other terms and provisions of this Deed shall nevertheless be valid, legal and enforceable to the fullest extent permitted by law.
- 17.2 No failure or delay on the part of the Chargee to exercise any right, remedy or power under this Deed or in respect of the Secured Obligations shall operate as a waiver nor shall any partial or defective exercise preclude or impair any other further exercise of that or any other right, remedy or power.
- 17.3 No failure by the Chargee to give any notice which it is required to give in respect of the Chargor or any Co-obligor shall affect or impair the liability of the Chargor to the Chargee under this Deed.
- 17.4 At any time after an Event of Default has occurred that is continuing or the security constituted by this Deed has become enforceable the Chargee may redeem or take a transfer of any security ranking in priority to the security constituted by this Deed. The Chargee may agree the accounts of the holder of any such prior security which agreement shall be binding and conclusive on the Chargor. Any amount paid in connection with such transfer shall be payable on demand by the Chargor to the Chargee.
- 17.5 The powers which this Deed confers on the Chargee are cumulative, without prejudice to its powers under general law, and may be exercised as often as the Chargee thinks appropriate.
- 17.6 Subject to clause 17.7, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 17.7 Any of the rights, powers, discretions and consents of the Chargee under this Deed may be exercised either by its fund manager or management company authorised from time to time to act on its behalf or by some other person or persons nominated

by the Chargee for the time and the Chargee or such person or persons may enforce such rights directly as if it were a party to this Deed.

- 17.8 This Deed may be executed in two or more counterparts each of which shall constitute an original but which, when taken together, shall constitute one agreement.
- 17.9 Any certificate signed as correct by the Chargee, showing the amount due under this Deed and any determination by the Chargee under this Deed shall be binding and conclusive on and against the Chargor in the absence of manifest error.
- 17.10 All notices or other communications required in connection with this Deed shall be in writing and may be delivered by hand or sent by post to the relevant address set out above or in the case of facsimile transmission to the last published number of the relevant addressee or such other address or facsimile number as the relevant party may notify to the other party. Notice, demand or other communication shall be deemed to have been received on the second Business Day after posting or at the time of delivery by hand delivery or facsimile transmission if effected during normal business hours and if outside normal business hours at the start of the next succeeding Business Day.
- 17.11 On the expiry of the Security Period (but not otherwise), the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to:
  - 17.11.1 release the Charged Property from the security constituted by this Deed; and
  - 17.11.2 reassign the Charged Property to the Chargor.

## **18 Power of attorney**

- 18.1 As further security for the performance of the Chargor's obligations under this Deed, the Chargor hereby irrevocably appoints each of the Chargee (whether or not a receiver has been appointed) and also (as a separate appointment) any receiver jointly and severally to be its attorney with full power of delegation in its names and on its behalf:
  - 18.1.1 to sign, execute, seal, complete and deliver any document, deed, agreement, instrument or act which the Chargee or any receiver may require for perfecting the title of the Chargee to the Charged Property or for vesting the same in the Chargee, its nominees or any purchaser or generally for the purposes set out in this Deed, in each case in connection with the exercise of any power conferred on the Chargee or receiver under this Deed;
  - 18.1.2 to sign, execute, seal, complete and deliver any further deed or document required pursuant to clause 5.1; and
  - 18.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Chargee or a receiver under this Deed or which may be deemed expedient by the Chargee or a receiver in connection with any disposal of the Charged Property, realisation or getting in of the Charged Property or any part of it pursuant to the terms of this Deed or in connection with any other exercise of any power under this Deed.

**19     Governing law and jurisdiction**

- 19.1     This Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with English law.
- 19.2     Each of the parties to this Deed irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Deed and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England and Wales.

**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Chargor and the Chargee and is intended to be and is hereby delivered on the date first above written.

## Schedule 1

### Powers of receivers

- 1 All the powers to do or abstain from doing anything which the Chargor could do or abstain from doing in relation to the Charged Property including, without limitation the powers conferred by section 109 LPA and Schedule 1 to the Insolvency Act 1986 and with all the powers of an absolute beneficial owner and in particular a receiver may:
  - 1.1 carry on, manage or concur in carrying on managing the whole or any part of the business of the Chargor as he may in his discretion think fit;
  - 1.2 manage, insure, repair, decorate, maintain, alter, improve, overhaul, renew or add to the Charged Property or concur in so doing as he may in his discretion think fit;
  - 1.3 commence or complete any building operations on the Land as he may in his discretion think fit;
  - 1.4 apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences as he may in his discretion think fit;
  - 1.5 in each case in such manner and generally on such terms as he may in his discretion think fit, (exercising any such power by effecting such transaction in the name of or on behalf of the Chargor or otherwise):
    - 1.5.1 let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
    - 1.5.2 grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Charged Property;
    - 1.5.3 exchange or concur in exchanging the Charged Property; and
    - 1.5.4 sell, exchange, convert into money and realise the Charged Property or concur in so doing whether by public auction or private contract or otherwise and generally in such manner and on such terms as he may in his discretion think fit for any valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may in his discretion think fit;
  - 1.6 for the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs which are incurred in the exercise of such powers, authorities or discretions or for any other purpose, raise and borrow money or incur any other liability either unsecured or secured on the Charged Property, either in priority to the security constituted by this Deed or otherwise, and generally on such terms as he may in his discretion think fit. No person lending such money is to be

concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of any money so raised or borrowed;

- 1.7 make, or require the directors of the Chargor to make, such calls upon the shareholders of the Chargor in respect of any uncalled capital of the Chargor as the Chargee may in his discretion require and enforce payment of any call so made by action (in the name of the Chargor or a receiver may in his discretion think fit) or otherwise;
- 1.8 settle or compromise any claim by, adjust any account with, refer to arbitration any dispute and deal with any question or demand relating in any way to the Charged Property, as he may in his discretion think fit;
- 1.9 bring, prosecute, enforce, defend and abandon all such action, suits and proceedings in relation to the Charged Property as he may in his discretion think fit;
- 1.10 promote the formation of any subsidiary of the Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Charged Property;
- 1.11 arrange for the purchase, lease, licence or acquisition or an interest in the Charged Property by any such subsidiary for any valuable consideration or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as a receiver may in his discretion think fit;
- 1.12 arrange for such subsidiary to trade or cease to trade as the receiver may in his discretion think fit;
- 1.13 appoint and discharge any manager, officer, agent, professional advisor, employee and any other person, upon such terms as he may in his discretion think fit, save that a receiver may only take any such action in relation to a Founder (as that term is defined in the Investment Agreement) where that Founder no longer has the right to be appointed as a director of the Chargor under the terms of the Investment Agreement or the Chargor's articles of association;
- 1.14 give valid receipts for all monies and execute all assurances and things which he may in his discretion think proper or desirable for selling, leasing, converting, realising or otherwise dealing with the Charged Property;
- 1.15 conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other action, whether required under Environmental Law or by the Chargee or otherwise and comply with all lawful orders and directives of all authorities regarding Environmental Law; and
- 1.16 do all such other acts and things as a receiver may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property.







DATED

11 May

2017

EDGE CASE GAMES LTD

(1)

and

MERCIA INVESTMENT PLAN LP

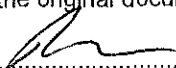
(2)

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DEBENTURE

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We/I certify that this is a true and complete copy  
of the original document.

  
For Mills & Reeve LLP, Solicitors

Ref: CPE

Botanic House  
100 Hills Road  
Cambridge  
CB2 1PH

Date: 19.5.17

MILLS & REEVE

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THIS DEBENTURE is made on

11 May

2017

BETWEEN:

- (1) **EDGE CASE GAMES LTD** a company registered in England and Wales (company number 09098609) whose registered office is at 81 Walnut Tree Close, Guildford, Surrey, United Kingdom, GU1 4UH (the "**Chargor**"); and
- (2) **MERCIA INVESTMENT PLAN LP** a limited partnership registered under the Limited Partnerships Act 1907 (registered number LP016783) whose registered office is at Forward House, 17 High Street, Henley in Arden, B95 5AA (the "**Chargee**").

THIS DEED WITNESSES as follows:

## 1 Interpretation

### 1.1 Definitions

In this Deed the following words and expressions shall have the following meanings:

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Charged Property**" means all property, assets, rights and revenues of the Chargor from time to time comprised within the security constituted by this Deed;

"**Co-obligor**" means any person (other than the Chargor) who from time to time has any obligation to the Chargee in relation to the Secured Obligations;

"**Distributions**" means all dividends, interest and other income paid or payable in respect of the Securities;

"**Environmental Law**" means all legislation, common law, regulation, directives, guidance notes, orders, notices, demands and other measures for the time being in force or imposed and relating to the protection or pollution of the environment or public health or welfare;

"**Event of Default**" means any of the following:

- a) in the Chargee's reasonable opinion, the value of the Chargor's assets is seriously reduced or threatened;
- b) default is made in the repayment on the due date of any part of the Secured Obligations for a period of 15 Business Days or more;
- c) default is made by the Chargor in the due performance or observance of any material covenant, undertaking or obligation on its part contained in this Deed and continues for 15 Business Days or more after the date on which written notice of any such default is received by the Chargor from the Chargee;
- d) there has been a breach of any representation or warranty given to the Chargee under clause 6 and/or schedule 2 of the Investment Agreement, which in the Chargee's opinion (acting reasonably) is actionable;

- e) any Indebtedness of the Chargor in respect of borrowed moneys is not paid or met at its stated maturity (or within any applicable period of grace) or by reason of default on the part of the Chargor becomes due or capable of being declared due prior to its stated maturity (or if payable or repayable on demand is not paid or repaid on demand or within any applicable period of grace), or if any security for any such Indebtedness becomes enforceable and steps are taken to enforce the same, or if any loan capital or borrowings of the Chargor or any subsidiary becomes repayable by reason of default by the Chargor or any subsidiary (as the case may be) and steps are taken to enforce payment;
- f) an order is made, or an effective resolution is passed, for the winding-up, liquidation, administration or dissolution of the Chargor or any of its subsidiaries (except for the purpose of reorganisation or amalgamation of the Chargor or any of its subsidiaries);
- g) an encumbrance or validly takes possession or a receiver is validly appointed of the whole or the major part of the assets or undertaking of the Chargor or any of its subsidiaries or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of the Chargor or any of its subsidiaries and is not discharged, paid out, withdrawn or removed within 10 Business Days;
- h) the Chargor or any of its subsidiaries stops (or threatens to stop) payment of its debts generally or ceases (or threatens to cease) to carry on its business or a substantial part of its business;
- i) the Chargor or any of its subsidiaries is deemed to, or is declared unable to, be unable to pay its debts for the purposes of section 123 of the Insolvency Act 1986;
- j) the Chargor or any of its subsidiaries by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Chargee) with a view to rescheduling any of its Indebtedness; or
- k) any security on or over the assets of the Chargor becomes enforceable;

**"Floating Charge Assets"** means, at any time, all or any part of the Charged Property which is at that time the subject only of the floating charge created by this Deed and not at such time the subject of any fixed security;

**"High Court"** means the High Court of Justice in England and Wales;

**"Indebtedness"** means the aggregate of each of (i) all bank overdrafts and bank loans, (ii) the capital amounts on both hire purchase and finance lease agreements, (iii) capitalised interest on each of (i) and (ii) above, (iv) any and all liabilities or potential liabilities under letters of credit or guarantees; (v) debt purchase and factoring liabilities, and (vi) any amounts payable or potentially payable on any conditional sale, deferred subscription or other similar agreements or arrangements;

**"Insolvency Regulation"** means EU Council Regulation 1346/2000;

**"Intellectual Property Rights"** means all patents, supplementary protection certificates, utility models, registered and unregistered trade and service marks, copyright, database rights, registered and unregistered rights in designs and, in each

case, any extensions and renewals and any applications in respect of these rights together with the benefit of all agreements and licences now or in the future enjoyed by the Chargor relating to the use of these rights and all trade secrets, confidential information and know-how;

**"Investment Agreement"** means a consolidated investment agreement dated 4 November 2015 between the Company (1), the Founders (2), the Managers (3), the Business Angels (4), the Other Shareholders (5), The Mercia Fund (6), Endless Tiger Limited (7) and Season Games Corporation Limited (8) as amended, supplemented and/or adhered to from time to time (such capitalised terms being as defined therein);

**"Land"** means all freehold and leasehold and any other estate in land together with any buildings, structures and fixtures thereon including trade and tenant fixtures;

**"LPA"** means Law of Property Act 1925;

**"Secured Obligations"** means all monies, obligations and liabilities whatsoever which may now or at any time in the future be due, owing or incurred by the Chargor to the Chargee howsoever and whenever arising, and whether present or future, actual or contingent in any manner whatsoever, as principal or surety and whether alone or jointly with any other party or parties including interest, legal and other costs, charges and expenses;

**"Securities"** means all shares and securities and investments of any kind which are issued by any person (other than the Chargor) from time to time held by the Chargor or for the Chargor's account;

**"Security Period"** means the period from the date of this Deed to the date on which the Secured Obligations are irrevocably and unconditionally discharged in full (including without limitation by way of repayment or conversion into shares in the Chargor); and

**"VAT"** means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

## 1.2 Interpretation

In this Deed:

- 1.2.1 references to **"disposal"** means any disposal, sale, transfer, lease, surrender, assignment, loan, parting with or sharing of control, possession or occupation or diverting of rents or income relating to the Charged Property and any agreement, commitment or option in respect of the same and references to **"dispose"** shall be construed accordingly;
- 1.2.2 references to **"guarantee"** means any contract of guarantee, indemnity or surety or any other contract by which recourse is given to a person in relation to the performance of another person's obligations and whether as primary or secondary obligation or otherwise and howsoever described;
- 1.2.3 references to **"person"** shall include a company, partnership or unincorporated association and, where permitted by this Deed, that person's successors in title and assigns;

- 1.2.4 references to "**receiver**" shall be construed as a reference to any receiver, receiver and manager, administrative receiver, administrator or a creditor taking possession of or exercising a power of sale of assets or property or any other similar or equivalent appointment or taking of possession or exercise of powers in any jurisdiction;
- 1.2.5 references to "**security**" shall be construed as a reference to any mortgage, standard security, pledge, hypothecation, title retention, lien, charge, assignment by way of security or other arrangement howsoever described having the same or a similar effect;
- 1.2.6 references to any provision of law shall be deemed to include reference to such provision as amended or re-enacted from time to time whether before or after the date of this Deed;
- 1.2.7 references to "**this Deed**" or to a provision of this Deed, or any other document are references to it as amended, varied, novated, supplemented, extended, restated or acceded to from time to time whether before the date of this Deed or otherwise;
- 1.2.8 the terms of the documents under which the Secured Obligations arise and of any side letters between the Chargor and the Chargee relating to the Secured Obligations are incorporated in this Deed to the extent required for any purported disposition of the Charged Property to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;
- 1.2.9 references to this Deed include its Schedules;
- 1.2.10 references to a clause or Schedule are (unless otherwise stated) to a clause of, or a Schedule to, this Deed;
- 1.2.11 references in a Schedule or part of a Schedule to a paragraph are (unless otherwise stated) to a paragraph of that Schedule or that part of that Schedule;
- 1.2.12 clause headings in this Deed do not affect its interpretation;
- 1.2.13 use of the singular shall include the plural and vice versa;
- 1.2.14 any term or phrase defined in the Companies Act 2006 or the Insolvency Act 1986 (as the same may be amended from time to time) shall bear the same meaning in this Deed; and
- 1.2.15 a reference to **continuing** in relation to an Event of Default or a default under or breach of this Deed means an Event of Default, default or breach that has not been waived by the Chargee or remedied to the Chargee's satisfaction (acting reasonably).
- 1.3 For the purposes of this Deed, where the consent, waiver or approval of the Chargee is required, such consent, waiver or approval may be given by:
- 1.3.1 the Fund Director (as defined in the Investment Agreement) either by written notice to the Chargor or by him signing the minutes recording the resolution to approve such matter; or

1.3.2 the Fund Observer (as defined in the Investment Agreement) either by written notice to the Chargor or by him signing the minutes recording the resolution to approve such matter; or

1.3.3 written notice to the Chargor signed by any fund manager of the Chargee.

## **2 Covenant to pay**

2.1 The Chargor covenants with the Chargee to pay and discharge the Secured Obligations on demand when they become due.

## **3 Security**

3.1 The Chargor with full title guarantee in favour of the Chargee and as security for the payment and discharge of the Secured Obligations:

3.1.1 charges by way of first legal mortgage all Land vested in the Chargor;

3.1.2 charges by way of first fixed charge:

- (i) all other land which in the future becomes vested in the Chargor;
- (ii) all plant and machinery now or in the future attached to any Land, now or in the future, vested in the Chargor;
- (iii) the Securities;
- (iv) all goodwill and uncalled share capital of the Chargor;
- (v) all Intellectual Property Rights;
- (vi) all trade and other debts now or in the future owing to the Chargor; and
- (vii) the benefit of all security and guarantees and other rights now or in the future available to the Chargor;

3.1.3 assigns and agrees to assign absolutely, the benefit of all of its rights, claims, title and interest in relation to the Charged Property including without limitation:

- (i) all insurance policies in relation to the Charged Property and all proceeds paid or payable thereunder; and
- (ii) all rental income receivable in respect of the Charged Property and the right to make demand for and receive the same; and

3.1.4 charges by way of floating charge all its property, assets, rights and revenues whatsoever and wheresoever present or future to the extent not otherwise effectively mortgaged, charged or assigned by clauses 3.1.1 to 3.1.3(ii) (inclusive) above.

3.2 The floating charge created under this Deed:

3.2.1 is a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act 1986; and



3.2.2 shall automatically and without notice operate as a fixed charge instantly upon the occurrence of an Event of Default that is continuing.

3.3 The Chargee may at any time by notice in writing to the Chargor convert the floating charge created under this Deed into a fixed charge as regards such assets as it shall specify in the notice in the event that the Chargee is of the view that:

3.3.1 such assets are in danger of being seized or of having a receiver appointed over them; or

3.3.2 any legal process or execution is or is at risk of being enforced against such assets; or

3.3.3 such assets are otherwise in jeopardy; or

3.3.4 steps have been taken which would, in the opinion of the Chargee, be likely to lead to the appointment of an administrator in relation to the Chargor (or such administrator has been appointed) or to the winding-up of the Chargor;

and by way of further assurance the Chargor will promptly execute a fixed charge over such assets in such form as the Chargee shall require.

#### **4 Continuing security**

4.1 The security constituted by this Deed shall operate as a continuing security and shall extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge of any of the Secured Obligations or any other matter whatsoever.

4.2 In the event that the security constituted by this Deed ceases to be a continuing security for whatever reason then the Chargee may at that time open or be deemed to have opened a new account or accounts and to credit all or any money arising from the enforcement of the security constituted by this Deed or receivable hereunder to such new account(s) and such events shall not operate to reduce the amount of the Secured Obligations nor shall the liability of the Chargor be reduced or affected by any subsequent transactions, receipts or payments.

#### **5 Further assurance**

5.1 The Chargor agrees that it shall promptly upon the request of the Chargee execute and deliver at its own cost and expense any deed or document and do any act or thing or take any action required by the Chargee in order to confirm or establish the validity and enforceability of or otherwise in connection with the creation, perfection, enhancement or protection of the security intended to be created, conferred on the Chargee by or pursuant to this Deed (including without limitation) any further legal or other mortgages, charges or assignments and/or notices in favour of the Chargee, the waiver of any landlord's rights to levy distress against or enforce any similar or replacement remedy against any of the Charged Property and any instructions, instruments, transfers, renunciations and/or proxies in favour of the Chargee or such other person as the Chargee may direct together with any and all filings or registrations or notices or instructions or other steps required by the Chargee.

## **6      Preservation of rights**

- 6.1      The security constituted by this Deed and the obligations of the Chargor contained herein and the rights and powers and remedies conferred on the Chargee by this Deed shall be in addition to and shall not be merged with nor in any way be prejudiced or affected by any security or guarantee or judgment or order, right of recourse or other right whatsoever (whether contractual, legal or otherwise) now or at anytime hereafter held by the Chargee or any other person nor by:
- 6.1.1      any time, waiver, indulgence, consent or concession which the Chargee may grant to or the terms of any composition or agreement that the Chargee may enter into with the Chargor or any Co-obligor; or
  - 6.1.2      any release or intermediate payment or discharge of the Secured Obligations; or
  - 6.1.3      any amendment, novation, supplement, extension or replacement (however fundamental and whether more or less onerous) of the Secured Obligations; or
  - 6.1.4      any legal limitation, disability, incapacity or lack of legal personality or power or authority on the part of the Chargor or any Co-obligor; or
  - 6.1.5      any unenforceability, illegality or invalidity of the Secured Obligations or any obligations owed by the Chargor or any Co-obligor; or
  - 6.1.6      any liquidation, winding up, dissolution, amalgamation, reconstruction, reorganisation, bankruptcy, administration or voluntary arrangement of the Chargor or any Co-obligor or the appointment of any receiver or liquidator or trustee in bankruptcy in respect of the property or business or assets of the Chargor or any Co-obligor (or the equivalent of such proceedings, appointments or matters in any jurisdiction) or the occurrence of any other circumstances affecting the liability of the Chargor or any Co-obligor.
- 6.2      If any payment or discharge or security or any arrangement made in connection with the Secured Obligations is avoided or reduced for whatever reason (including without limitation under any laws relating to liquidation or administration or bankruptcy) the liability of the Chargor and the security created by this Deed shall continue as if there had been no payment, discharge, avoidance or reduction or arrangement and the Chargee shall be entitled to recover the value or amount of the security or payment as if the payment discharge or reduction had not occurred.

## **7      Indemnities**

- 7.1      The Chargor shall indemnify and keep indemnified (on a full indemnity basis) the Chargee and any receiver upon first demand in respect of all claims, costs, expenses and liabilities whatsoever from time to time reasonably incurred in relation to this Deed including (without limitation) all sums paid and expenses reasonably incurred by the Chargee in relation to:
- 7.1.1      all legal, professional and other fees, stamp duty, stamp duty land tax, registration fees and taxes and any interest, penalties, costs and expenses resulting from any failure to pay such taxes or fees incurred by the Chargee in connection with the preparation and execution of this Deed and any release, discharge, reconveyance or reassignment of the

Charged Property and the protection, performance, preservation and enforcement of any rights under or in connection with this Deed and the transactions contemplated by it together in each case with any applicable VAT; and

- 7.1.2 all legal, professional and other fees, costs, losses, actions, claims, expenses, demands or liabilities howsoever and whenever arising which may be incurred by, or made against the Chargee or any receiver or against any manager, agent, officer or employee of any of them at any time relating to or arising directly or indirectly out of or as a consequence of anything done or omitted to be done in the exercise or purported exercise of the powers contained in this Deed.

## **8 Covenant to deposit**

8.1 The Chargor agrees that during the Security Period:

- 8.1.1 all title deeds to the Land and all documents evidencing title to the Charged Property shall be held by the Chargee or at the sole option of the Chargee with any lawyer or firm of lawyers or any other person whose business includes the safe custody of documents and the Chargee shall not be responsible for any loss thereby incurred; and
- 8.1.2 the Chargor shall deposit with the Chargee transfers of the Securities duly executed by the Chargor in favour of the Chargee or with the name of the transferee left blank (if the Chargee so requires) and stamped together with such other documents as the Chargee may require to enable the Chargee or the Chargee's nominee or any purchaser to be registered as the owner or otherwise to obtain title to the Securities.

## **9 Undertakings**

9.1 During the Security Period the Chargor shall:

- 9.1.1 not, without the prior written consent of the Chargee, create or permit to subsist any security in respect of the whole or any part of the Charged Property;
- 9.1.2 not, without the prior written consent of the Chargee, dispose of, deal with or attempt to dispose of or deal with:
- (i) the whole or any part of the Charged Property (other than the Floating Charge Assets and the Intellectual Property Rights, in respect of which the provisions of paragraph (ii) of this clause 9.1.2 shall apply), or any interest therein; or
  - (ii) the whole or any part of the Floating Charge Assets, or the Intellectual Property Rights, or any interest therein, other than in the ordinary course of the Chargor's business and on normal commercial terms;
- 9.1.3 not do or cause or permit to be done anything which may in the reasonable opinion of the Chargee, in any way depreciate, jeopardise or otherwise prejudice the value (whether monetary or otherwise) of the whole or any part of the Charged Property;

- 9.1.4 ensure that its centre of main interest, including (without limitation) its place of registered office, is and remains situated within the jurisdiction of the High Court for the purposes of the opening of insolvency proceedings under the Insolvency Regulation and all other applicable law;
- 9.1.5 insure and keep the Charged Property insured to its full reinstatement value with a reputable insurer previously approved by the Chargee against such risks and to the extent from time to time required by the Chargee usual for companies carrying on a business similar to that of the Chargor;
- 9.1.6 ensure that each insurance policy relating to the Charged Property contains (i) a note as to the Chargee's interest in respect of all claims and (ii) a first loss payee clause and a standard mortgagee clause whereby such insurance will not be invalidated, vitiated or avoided against a mortgagee in the event of any misrepresentation, act, neglect or failure to disclose on the part of the insured, all in such manner as the Chargee may in its absolute discretion require;
- 9.1.7 immediately give notice to the Chargee of any occurrence which may give rise to a claim under any insurance policy relating to the Charged Property and not without the prior written consent of the Chargee agree to settlement of any claim;
- 9.1.8 promptly pay all premiums and other monies payable under all its policies of insurance and promptly upon request, produce to the Chargee a copy of each policy and evidence acceptable to the Chargee of the payment of such sums; and
- 9.1.9 promptly copy to the Chargee and comply with all requests for information which are made under the Companies Act 2006 (including, without limitation, under sections 790D, 790E and 793 of the Companies Act 2006) relating to all or any part of the Securities. If it fails to do so, the Chargee may elect to provide such information as it may have on behalf of the Chargor.
- 9.2 The Chargee may at the cost of the Chargor effect or maintain or renew any insurance relating to the Charged Property on such terms, in such name(s) and in such amount(s) as it considers appropriate.
- 9.3 All monies received under any insurance whatsoever and whensoever relating to the Charged Property shall, as the Chargee so directs, be applied in repairing, replacing, restoring or rebuilding the property or assets damaged or destroyed or otherwise making good the loss or damage or in or towards the discharge of the Secured Obligations. The Chargor shall hold any such insurance monies received by it on trust for the Chargee pending payment to or direction from the Chargee and the Chargor waives any right it may have to require that any such monies are applied in any other manner than the Chargee so directs.
- 9.4 Prior to the date of the occurrence of an Event of Default that is continuing the Chargor shall be entitled to:
  - 9.4.1 receive and retain any Distributions paid to it; and

9.4.2 exercise and control the exercise of all voting and other rights relating to the Charged Property.

9.5 The entitlement of the Chargor under clause 9.4 may at any time be terminated following the occurrence of an Event of Default that is continuing upon and to the extent of any notice by the Chargee to the Chargor evidencing the Chargee's intention thenceforth to itself receive and retain any Distributions payable and/or direct the exercise of such rights and/or register any transfer of Securities for the purpose of preserving the value of the security constituted by this Deed. Any Distributions paid to the Chargor following the giving of such notice shall be held in trust by the Chargor (and otherwise separated from its assets) on behalf of the Chargee.

## **10 Representations**

10.1 The Chargor hereby represents and warrants to the Chargee on each day during the Security Period that:

10.1.1 it is the sole legal and beneficial owner of the whole of the Charged Property free from other security and encumbrances;

10.1.2 it is duly incorporated and validly existing with the power and authority to own its assets and carry on its business as presently being conducted;

10.1.3 all actions and conditions required in order for it to lawfully enter into and perform its obligations under this Deed as valid legally binding and enforceable obligations and for this Deed to be admissible in court have been taken, fulfilled and done;

10.1.4 its entry into and performance of its obligations under this Deed will not contravene any existing applicable law or result in any breach or constitute a default under any of the terms of any agreement to which it is a party nor contravene or conflict with any provision of its memorandum or articles or statutes or other constitutional documents where such contravention, breach or default is reasonably likely to have a material adverse effect on the Chargor or the validity of the Security granted under this Deed;

10.1.5 no litigation, arbitration or administrative proceedings are current or so far as the Chargor is aware pending which could have a material adverse effect on it, its assets or the performance of its obligations under this Deed;

10.1.6 no proceedings or other steps have been taken and not discharged for the winding up or dissolution or bankruptcy or voluntary arrangement in relation to it or for the appointment of a receiver or liquidator or trustee in bankruptcy or similar appointment in relation to it or its assets;

10.1.7 its centre of main interest, including (without limitation) its place of registered office, is and remains situated within the jurisdiction of the High Court for the purposes of the opening of insolvency proceedings under the Insolvency Regulation and all other applicable law; and

- 10.1.8 (i) The Chargor has complied with all notices relating to all or any of the Securities received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (ii) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Securities.

## **11 Amounts payable**

11.1 All payments by the Chargor under this Deed shall be made:

11.1.1 without set off, retention or counterclaim; and

11.1.2 free and clear of withholding or deduction of any taxes except to the extent that the Chargor is required by law to make such withholding or deduction in which case the Chargor shall pay such amount as will result in the receipt by the Chargee of the sums that would have been receivable by it in the absence of such withholding or deduction in respect of the Secured Obligations under this Deed.

11.2 The obligations of the Chargor to make payments under this Deed are in the currency of the Secured Obligations and shall not be discharged or satisfied by the receipt by the Chargee of any monies expressed or converted into any other currency and to the extent there is any shortfall between amounts due under this Deed in one currency and receipt by the Chargee in another currency then the Chargee shall be entitled to recover the amount of any shortfall from the Chargor and to sell any currency received for the currency due and the Chargor shall indemnify the Chargee against the full cost incurred in relation to such sale. The Chargee shall not have any liability to the Chargor in respect of any loss arising from any fluctuation in exchange rates after such sale.

11.3 The Chargee may (but is not obliged to) set off any obligation in respect of the Secured Obligations which is due and payable by the Chargor against any obligation (contingent or otherwise) owed by the Chargee to the Chargor and apply any money held for the account of the Chargor in such order as it shall deem in its absolute discretion appropriate.

11.4 Any amount due from the Chargor under the terms of this Deed but unpaid, including without limitation any interest, may, at the sole option of the Chargee, be added to the Secured Obligations and compounded in accordance with the usual practice of the Chargee.

## **12 Enforcement**

12.1 Upon the occurrence of an Event of Default that is continuing all of the Secured Obligations shall immediately become due and payable and the Chargee may, without notice to the Chargor enforce all or any part of the security constituted by this Deed at such times, in the manner and on such terms as it thinks fit including (without limitation) the appointment of a receiver to all or any part of the Charged Property.

12.2 Section 103 LPA shall not apply to this Deed and the power of sale under section 101 LPA and all other powers conferred on the Chargee and any receiver by this

Deed shall operate as a variation and extension of the statutory powers of sale and other powers under the LPA and such powers shall arise (and the Secured Obligations shall be deemed due and payable for these purposes) on the execution of this Deed.

- 12.3 The restrictions contained in section 93 LPA shall not apply to this Deed but the Chargee shall have the same right to consolidate this Deed and the money covenanted to be paid with any other security.
- 12.4 The statutory powers of leasing may be exercised by the Chargee at any time and the Chargee and any receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by sections 99 or 100 LPA.
- 12.5 The protection given to purchasers and persons dealing with a receiver in the LPA will apply to purchasers and any other persons dealing with the Chargee or any receiver and no purchaser or other person dealing with the Chargee or any receiver will be bound to see or inquire whether the right of the Chargee or any receiver to exercise any of its or his powers has arisen or become exercisable nor be concerned with any propriety or regularity on the part of the Chargee or any receiver in such exercise or dealings or whether any amount remains secured by this Deed.
- 12.6 The powers conferred by this Deed on the Chargee are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the LPA, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Deed the terms of this Deed will prevail.

### **13 Receivers**

- 13.1 At any time after having been requested to do so by the Chargor or after the occurrence of an Event of Default that is continuing or the security constituted by this Deed having become enforceable and save to the extent prohibited by section 72A Insolvency Act 1986 the Chargee may in writing by deed or otherwise and without prior notice to the Chargor appoint one or more persons to be a receiver of the whole or any part of the Charged Property and the Chargee may, from time to time, in similar manner, remove a receiver or receivers and appoint another or others in substitution thereof.
- 13.2 Each person appointed to be a receiver pursuant to this Deed will be:
  - 13.2.1 entitled to act independently or jointly with any other person appointed as a receiver except to the extent that the Chargee may specify to the contrary in the appointment;
  - 13.2.2 for all purposes deemed the agent of the Chargor who shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and at no time shall a receiver act as agent for the Chargee; and
  - 13.2.3 entitled to remuneration at a rate to be fixed by the Chargee from time to time (without being limited to any maximum rate).
- 13.3 The powers of appointment of a receiver shall be in addition to all statutory and other powers of appointment of the Chargee under the LPA (as extended by this Deed) or

otherwise and such powers shall remain exercisable from time to time by the Chargee in respect of any part of the Charged Property.

- 13.4 Any receiver shall have and be entitled to exercise, in relation to the Charged Property all rights and powers as the Chargee shall see fit as though the Chargee was absolute owner of the Charged Property, including (without limitation) the rights and powers set out in Schedule 1.
- 13.5 The receipt of the Chargee or any receiver shall be conclusive discharge to any purchaser and, in making any disposal of any of the Charged Property the Chargee or any receiver may do so for such consideration, in such manner and on such terms as the Chargee or any receiver thinks fit.
- 13.6 Neither the Chargee nor any receiver nor any officer, employee or agent of the Chargee or any receiver shall be deemed to be or in any way liable to account as mortgagee in possession in respect of all or any Charged Property or be liable in any way to the Chargor or any other person for the manner of exercise or non exercise of any powers or rights of the Chargee or any receiver or for any act or default or omission of any nature whatsoever.
- 13.7 Any liberty or power which may be exercised or any determination which may be made under this Deed by the Chargee or any receiver may be exercised or made in the Chargee's or any receiver's absolute and unfettered discretion without any obligation to give reasons.

#### **14 Appropriations and application of proceeds**

- 14.1 The Chargee may apply or refrain from applying any money or property received by it in or towards payment or discharge of any liability in respect of the Secured Obligations in such order or manner as it sees fit or determines and hold any money received by it in an interest bearing suspense account or on account of the Chargor's liabilities under this Deed.
- 14.2 If the Chargee (or any receiver) enforces the security constituted by this Deed at a time when no amount in respect of the Secured Obligations is due and payable, or when the amount due and payable is not ascertained, the Chargee (or any receiver) may pay the proceeds of any recoveries effected by it into an interest bearing suspense account. The Chargee may withdraw amounts standing to the credit of such suspense account for application in or towards discharge of the Secured Obligations.

#### **15 Immediate recourse**

- 15.1 The Chargee shall not be obliged to proceed first against, or enforce any rights or security or claim payment from any person before claiming any benefit under this Deed and the Chargor hereby waives any contrary right it may have whether arising under law or otherwise.

#### **16 Assignment and delegation**

- 16.1 Save in respect of the Chargee who shall be entitled to assign any of its rights under this Deed to any party to whom it transfers all of its shares in the Chargor in accordance with the Chargor's articles of association, this Deed is personal to the parties and no party shall:



16.1.1 assign any of its rights under this Deed; or

16.1.2 transfer any of its obligations under this Deed; or

16.1.3 sub-contract or delegate any of its obligations under this Deed; or

16.1.4 charge or deal in any other manner with this Deed or any of its rights or obligations.

16.2 The Chargee and any receiver may from time to time employ professional advisors and delegate by power of attorney or otherwise to any person any of the powers and discretions of the Chargee or any receiver whether arising by statute, the provisions of this Deed or otherwise upon such terms and for such periods of time as they may think fit (disclosing such confidential information about the Chargor or this Deed as the Chargee or any receiver sees fit) and may at any time determine any such employment or delegation. At no time will either the Chargee or any receiver be liable to the Chargor for any loss or damage arising from any act, default, omission or misconduct of any person.

## **17 Miscellaneous**

17.1 If any term or provision of this Deed shall be determined to be or becomes invalid, illegal or unenforceable all other terms and provisions of this Deed shall nevertheless be valid, legal and enforceable to the fullest extent permitted by law.

17.2 No failure or delay on the part of the Chargee to exercise any right, remedy or power under this Deed or in respect of the Secured Obligations shall operate as a waiver nor shall any partial or defective exercise preclude or impair any other further exercise of that or any other right, remedy or power.

17.3 No failure by the Chargee to give any notice which it is required to give in respect of the Chargor or any Co-obligor shall affect or impair the liability of the Chargor to the Chargee under this Deed.

17.4 At any time after an Event of Default has occurred that is continuing or the security constituted by this Deed has become enforceable the Chargee may redeem or take a transfer of any security ranking in priority to the security constituted by this Deed. The Chargee may agree the accounts of the holder of any such prior security which agreement shall be binding and conclusive on the Chargor. Any amount paid in connection with such transfer shall be payable on demand by the Chargor to the Chargee.

17.5 The powers which this Deed confers on the Chargee are cumulative, without prejudice to its powers under general law, and may be exercised as often as the Chargee thinks appropriate.

17.6 Subject to clause 17.7, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

17.7 Any of the rights, powers, discretions and consents of the Chargee under this Deed may be exercised either by its fund manager or management company authorised from time to time to act on its behalf or by some other person or persons nominated

by the Chargee for the time and the Chargee or such person or persons may enforce such rights directly as if it were a party to this Deed.

- 17.8 This Deed may be executed in two or more counterparts each of which shall constitute an original but which, when taken together, shall constitute one agreement.
- 17.9 Any certificate signed as correct by the Chargee, showing the amount due under this Deed and any determination by the Chargee under this Deed shall be binding and conclusive on and against the Chargor in the absence of manifest error.
- 17.10 All notices or other communications required in connection with this Deed shall be in writing and may be delivered by hand or sent by post to the relevant address set out above or in the case of facsimile transmission to the last published number of the relevant addressee or such other address or facsimile number as the relevant party may notify to the other party. Notice, demand or other communication shall be deemed to have been received on the second Business Day after posting or at the time of delivery by hand delivery or facsimile transmission if effected during normal business hours and if outside normal business hours at the start of the next succeeding Business Day.
- 17.11 On the expiry of the Security Period (but not otherwise), the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to:
  - 17.11.1 release the Charged Property from the security constituted by this Deed; and
  - 17.11.2 reassign the Charged Property to the Chargor.

## **18 Power of attorney**

- 18.1 As further security for the performance of the Chargor's obligations under this Deed, the Chargor hereby irrevocably appoints each of the Chargee (whether or not a receiver has been appointed) and also (as a separate appointment) any receiver jointly and severally to be its attorney with full power of delegation in its names and on its behalf:
  - 18.1.1 to sign, execute, seal, complete and deliver any document, deed, agreement, instrument or act which the Chargee or any receiver may require for perfecting the title of the Chargee to the Charged Property or for vesting the same in the Chargee, its nominees or any purchaser or generally for the purposes set out in this Deed, in each case in connection with the exercise of any power conferred on the Chargee or receiver under this Deed;
  - 18.1.2 to sign, execute, seal, complete and deliver any further deed or document required pursuant to clause 5.1; and
  - 18.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Chargee or a receiver under this Deed or which may be deemed expedient by the Chargee or a receiver in connection with any disposal of the Charged Property, realisation or getting in of the Charged Property or any part of it pursuant to the terms of this Deed or in connection with any other exercise of any power under this Deed.

**19     Governing law and jurisdiction**

- 19.1    This Deed (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with English law.
- 19.2    Each of the parties to this Deed irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in connection with this Deed and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England and Wales.

**IN WITNESS WHEREOF** this Deed has been executed as a deed by the Chargor and the Chargee and is intended to be and is hereby delivered on the date first above written.

## Schedule 1

### Powers of receivers

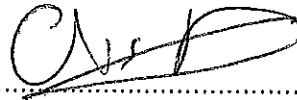
- 1 All the powers to do or abstain from doing anything which the Chargor could do or abstain from doing in relation to the Charged Property including, without limitation the powers conferred by section 109 LPA and Schedule 1 to the Insolvency Act 1986 and with all the powers of an absolute beneficial owner and in particular a receiver may:
  - 1.1 carry on, manage or concur in carrying on managing the whole or any part of the business of the Chargor as he may in his discretion think fit;
  - 1.2 manage, insure, repair, decorate, maintain, alter, improve, overhaul, renew or add to the Charged Property or concur in so doing as he may in his discretion think fit;
  - 1.3 commence or complete any building operations on the Land as he may in his discretion think fit;
  - 1.4 apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences as he may in his discretion think fit,
  - 1.5 in each case in such manner and generally on such terms as he may in his discretion think fit, (exercising any such power by effecting such transaction in the name of or on behalf of the Chargor or otherwise):
    - 1.5.1 let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
    - 1.5.2 grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Charged Property;
    - 1.5.3 exchange or concur in exchanging the Charged Property; and
    - 1.5.4 sell, exchange, convert into money and realise the Charged Property or concur in so doing whether by public auction or private contract or otherwise and generally in such manner and on such terms as he may in his discretion think fit for any valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may in his discretion think fit;
  - 1.6 for the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs which are incurred in the exercise of such powers, authorities or discretions or for any other purpose, raise and borrow money or incur any other liability either unsecured or secured on the Charged Property, either in priority to the security constituted by this Deed or otherwise, and generally on such terms as he may in his discretion think fit. No person lending such money is to be

concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of any money so raised or borrowed;

- 1.7 make, or require the directors of the Chargor to make, such calls upon the shareholders of the Chargor in respect of any uncalled capital of the Chargor as the Chargee may in his discretion require and enforce payment of any call so made by action (in the name of the Chargor or a receiver may in his discretion think fit) or otherwise;
- 1.8 settle or compromise any claim by, adjust any account with, refer to arbitration any dispute and deal with any question or demand relating in any way to the Charged Property, as he may in his discretion think fit;
- 1.9 bring, prosecute, enforce, defend and abandon all such action, suits and proceedings in relation to the Charged Property as he may in his discretion think fit;
- 1.10 promote the formation of any subsidiary of the Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Charged Property;
- 1.11 arrange for the purchase, lease, licence or acquisition or an interest in the Charged Property by any such subsidiary for any valuable consideration or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as a receiver may in his discretion think fit;
- 1.12 arrange for such subsidiary to trade or cease to trade as the receiver may in his discretion think fit;
- 1.13 appoint and discharge any manager, officer, agent, professional advisor, employee and any other person, upon such terms as he may in his discretion think fit, save that a receiver may only take any such action in relation to a Founder (as that term is defined in the Investment Agreement) where that Founder no longer has the right to be appointed as a director of the Chargor under the terms of the Investment Agreement or the Chargor's articles of association;
- 1.14 give valid receipts for all monies and execute all assurances and things which he may in his discretion think proper or desirable for selling, leasing, converting, realising or otherwise dealing with the Charged Property;
- 1.15 conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other action, whether required under Environmental Law or by the Chargee or otherwise and comply with all lawful orders and directives of all authorities regarding Environmental Law; and
- 1.16 do all such other acts and things as a receiver may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property.

Executed as a deed by **EDGE CASE  
GAMES LTD** acting by a director in the  
presence of:

)  
)  
)  
)  
.....

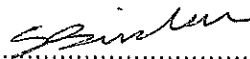


Director's signature

.....  
CHRISTOPHER MEHERS

Director's name

Witness' signature:

.....  


Witness' name:

.....  
SAMANTHA SINCLAR

Witness' address:

.....  
15 BELL CHASE

.....  
ALDERSHOT

.....  
GU11 3GY

Witness' occupation:

.....  
OFFICE MANAGER

Executed as a deed by **MERCIA  
(GENERAL PARTNER) LIMITED** acting by  
a director in the presence of the witness  
below, as general partner of **MERCIA  
INVESTMENT PLAN LP**:

)  
)  
)  
)  
)  
.....

Director's signature

.....  
Director's name

Witness' signature:

Witness' name (BLOCK CAPITALS):

Witness' address:

Witness' occupation:

