

14/29/23

In accordance with Sections 859A and 859J of the Companies Act 2006.

MR01

Particulars of a charge



Companies House



Go online to file this information
www.gov.uk/companieshouse

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

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

What this form is NOT for
You may not use this form to register a charge where there is no instrument. Use form MR08.

For further information, please refer to our guidance at:
www.gov.uk/companieshouse

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

THURSDAY



L68NDOOH

LD7 15/06/2017 #71
COMPANIES HOUSE

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

1 Company details

Company number 08703814 ✓

Company name in full FOUNDRY 42 LIMITED ✓

For official use
0002

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date 13/06/2017 ✓

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

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

Name COUTTS & CO. ✓

Name

Name

Name

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

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

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Particulars of a charge

4

Brief description

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

Brief description

N/A

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

Please limit the description to the available space.

5

Other charge or fixed security

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

Yes

No

6

Floating charge

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

Yes Continue

No Go to **Section 7**

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

Yes

7

Negative Pledge

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

Yes

No

8

Trustee statement ^①

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

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

9

Signature

Please sign the form here.

Signature

Signature

X *Sheridans* X

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

MR01

Particulars of a charge

Presenter information

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

Contact name **Tim Davies**

Company name **Sheridans**

Address **76 Wardour Street**

Post town **London**

County/Region

Postcode **W 1 F 0 U R**

Country **England**

DX **138879 Mayfair**

Telephone **020 7079 0228**

Certificate

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

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'

Where to send

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

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

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

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

Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8703814

Charge code: 0870 3814 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th June 2017 and created by FOUNDRY 42 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th June 2017.

DX

Given at Companies House, Cardiff on 22nd June 2017



Companies House



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

CHARGE AND DEED OF ASSIGNMENT

between

(1) COUTTS & CO.

and

(2) FOUNDRY 42 LIMITED

We hereby certify this
to be a true copy of
the original
SHERIDANS Date...15th June 2017

 (TD)

15th June 2017

THIS CHARGE AND DEED OF ASSIGNMENT IS DATED

13th June

2017

BETWEEN:

- (1) **COUTTS & CO** (Registered Number: 36695) ("**Chargee**"), a company incorporated under the laws of England and Wales with its trading office at 440 The Strand, London, WC2R 0QS (attention: Chris Harvell, email: Chris.Harvell@coutts.com); and
- (2) **FOUNDRY 42 LIMITED** (Company Number: 08703814) ("**Chargor**") a company incorporated under the laws of England and Wales and having its registered office at Freedom House, Church Street, Wilmslow, Cheshire SK9 1AX (attention Ortwin Freyermuth, email: ortwin@cloudimperiumgames.com with a mandatory copy to legal_notices@cloudimperiumgames.com).

RECITALS:

- (A) Pursuant to the Loan Agreement, the Chargee has agreed to make available the Loan to the Chargor.
- (B) By way of security for the performance and discharge of its obligations under the Loan Agreement, the Chargor has agreed to execute this Charge and Deed of Assignment as security for payment, satisfaction and discharge of the Secured Liabilities and has determined that it is in its commercial interests to do so.

1. INTERPRETATION

- 1.1 In this Charge and Deed of Assignment capitalised terms shall have the meanings set out in Schedule 1 and in the list of parties above (as applicable). Any capitalised term used but not defined in this Charge and Deed of Assignment shall have the meaning ascribed to it in the Loan Agreement.
- 1.2 In this Charge and Deed of Assignment (a) any reference to the parties includes a reference to their respective successors in title and permitted assigns; (b) any reference to a person includes any body corporate, unincorporated association, partnership or other legal entity; (c) the singular includes the plural and vice versa; (d) words imparting gender include the other gender; (e) Clause headings are for convenience only and shall not be taken into account in the construction or interpretation of this Charge and Deed of Assignment; (f) references to a **Clause** or a **Schedule** are references to a clause of or a schedule to, respectively, this Charge and Deed of Assignment; (g) any references to an agreement, deed, instrument or document is to the same as amended, modified, supplemented or restated from time to time; (h) the covenants implied by Sections 2(1) and 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall apply to the assignment hereby created provided that the operation of such covenants shall be extended by the omission of the words following **third parties** in Section 3(1)(b); and (i) notwithstanding the foregoing, wherever in this Charge and Deed of Assignment the word **Game** is used and the soundtrack is not expressly referred to, such word shall be deemed and construed to include the soundtrack of the Game.

2. **CONSIDERATION**

This Charge and Deed of Assignment is executed in consideration of:

- 2.1 the Chargee agreeing to make available the Loan pursuant to the terms of the Loan Agreement; and
- 2.2 the Chargee and Chargor agreeing to the terms of the Loan Agreement.

3. **COVENANT TO PAY**

The Chargor hereby covenants with the Chargee to pay or discharge to the Chargee the Secured Liabilities (as and when they fall due under the Loan Agreement).

4. **CHARGES**

- 4.1 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, charges in favour of the Chargee (subject only to the Chargee's obligation to release specified in Clause 21.1 hereof) by way of first fixed charge, all of the Chargor's right, title and interest (whether now owned or hereafter acquired), if any, in and to the following:

- 4.1.1 all copies made or to be made of the Game; and
- 4.1.2 the Game Assets and the Distribution Rights; and
- 4.1.3 any sound recordings made in the course of the production of the Game or pursuant to any right acquired in connection with, or arising from, the production of the Game; and
- 4.1.4 all copies made or to be made of the scripts and musical scores of the Game and any sketches and designs produced in connection with the Game; and
- 4.1.5 all digital material and sound and visual material made or to be made incorporating or reproducing all or any part of the Game; and
- 4.1.6 any agreements for the provision of any goods, services, facilities or finance for the Game and the benefit of any insurance policy taken out for or in connection with the production or exploitation of the Game; and
- 4.1.7 the benefit of all revenues accruing to the Chargor or the Chargor's order or on the Chargor's behalf in respect of the distribution and exploitation of the Game; and
- 4.1.8 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing); and
- 4.1.9 the UK Tax Credit Collateral; and

- 4.1.10 the benefit of all licences, consents and authorisations (statutory or otherwise) held by Chargor in connection with its business or the use of any charged asset specified in any other sub-paragraph in this Clause and the right to recover and receive all compensation which may be payable to it in respect of them;
 - 4.1.11 all the freehold and leasehold property now vested in or charged to the Chargor; and
 - 4.1.12 all estates or interests in any freehold and leasehold property now and in the future vested in or charged to the Chargor except the property charged by Clause 4.1.11; and
 - 4.1.13 all fixtures and fittings from time to time attached to any freehold and leasehold property of the Chargor; and
 - 4.1.14 all plant and machinery of the Chargor present and future and all associated warranties and maintenance contracts; and
 - 4.1.15 all rents receivable from any lease granted out of any freehold and leasehold property of the Chargor; and
 - 4.1.16 all the goodwill of the Chargor present and future; and
 - 4.1.17 all the uncalled capital of the Chargor present and future; and
 - 4.1.18 all stocks shares and other securities held by the Chargor from time to time in any subsidiary and all income and rights derived from or attaching to the same; and
 - 4.1.19 the benefit of any currency or interest rate swap cap or collar or other hedging agreement or any futures transaction or treasury instrument made with the Chargee or any third party; and
 - 4.1.20 the proceeds of any or all of the foregoing.
- 4.2 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, charges in favour of the Chargee by way of first floating charge all of the Chargor's undertaking, rights, title, interest and assets (including without limitation those expressed to be charged or assigned pursuant to Clauses 4 and 5 to the extent the same are not for the time being effectively charged by way of first fixed charge or effectively assigned (whether at law or in equity)) by way of security to the Chargee and agrees not to part with, sell or dispose of the whole or part of such undertaking, rights, title, interest and assets except by sale in the ordinary course of business and for the purpose of carrying on the same. Paragraph 14, schedule B1 Insolvency Act 1986 (incorporated by schedule 16 Enterprise Act 2002) shall apply to any floating charge created pursuant to this Charge and Deed of Assignment, which floating charge is accordingly a qualifying floating charge for such purposes.

5. **ASSIGNMENT AND TRUST**

5.1 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, assigns absolutely to the Chargee (subject only to the right of re-assignment in favour of the Chargor specified in Clause 21.1 hereof), all of the Chargor's right, title and interest (whether now owned or hereafter acquired or created), if any, in and to the following:

5.1.1 the Rights, the Distribution Rights and any rights in and to the Game Assets; and

5.1.2 all that copyright in the Game, programmes and any sound recordings made in the course of the production of the Game or pursuant to any right acquired in connection with, or arising from, the production of the Game; and

5.1.3 the benefit of all revenues accruing to the Chargor or to the Chargor's order or on the Chargor's behalf in respect of the exhibition, distribution and exploitation of the Game (including without limitation the Distribution Rights and/or of the Rights); and

5.1.4 all those rights of the Chargor in relation to all music composed and sketches and designs made for or used in the production of the Game including the following:

(a) the right to adapt the same for the purpose of and to reproduce the same in the form of the Game as are mentioned in Clause 4 hereof; and

(b) the right (except for musical performing rights if the composer is a member of the Performing Rights Society Limited) to perform the same in public by exhibition of the Game and any such programmes as aforesaid; and

(c) such rights as the Chargor may own to broadcast the same by radio and television and to include it in cable programmes whether by live performance of living persons or by performances of the Game; and

5.1.5 the benefit of all agreements entered into or to be entered into by the Chargor (or its agent) relating to the Game with all rights granted and all monies receivable thereunder and any interest thereon and the benefit of all subsisting undertakings, warranties, representations, covenants, agreements and acknowledgements therein contained; and

5.1.6 the benefit of any policy of insurance taken out and maintained in connection with the Game and any and all sums paid or payable thereunder; and

- 5.1.7 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing) constituting the UK Tax Credit Collateral or any element thereof; and
 - 5.1.8 the UK Tax Credit Collateral; and
 - 5.1.9 the proceeds of any or all of the foregoing.
- 5.2 The Chargor shall hold on trust for the Chargee (which trust the Chargor hereby declares) the Chargor's entire interest and benefit in and to the Collateral or any part thereof which cannot be charged or assigned by the Chargor together with all proceeds, money and other rights and benefits to which the Chargor is beneficially entitled in respect of such Collateral.

6. **DEFAULT**

On the happening of an Event of Default which remains unremedied on the date falling 60 days after the Chargee has given written notice to the Chargor of such Event of Default, the floating charge created by Clause 4.2 shall automatically be converted with immediate effect into a fixed charge, the obligation of the Chargee to advance monies under any agreement shall immediately terminate, the security hereby created shall become enforceable and the Secured Liabilities shall immediately become due and payable.

7. **EXERCISE OF RIGHTS**

- 7.1 The Chargee may at any time after the security hereby created shall have become enforceable in accordance with Clause 7:
- 7.1.1 without prejudice to any other powers the Chargee may have by law, exercise all of the powers set out in the Law of Property Act 1925 and in schedule 1 to the Insolvency Act 1986 and any other powers the Chargee may have by law and, in addition, all of the powers set out in Clause 7.2 below; and
 - 7.1.2 in writing appoint a Receiver over the whole or any part of the Collateral upon customary terms as to remuneration or such reasonable variation thereof and otherwise as the Chargee shall think fit and may from time to time remove any Receiver so appointed and appoint another in his stead; and
 - 7.1.3 appoint an administrator of the Chargor.
- 7.2 If a Receiver is appointed he shall be the agent of the Chargor and, without prejudice to any other powers the Receiver may have by law, he shall have all the powers set out in the Law of Property Act 1925 and in schedule 1 to the Insolvency Act 1986 and in addition shall have power:
- 7.2.1 to take possession of, get in or realise the Collateral and to take, enforce, defend or abandon any actions, suits and proceedings in the

name of the Chargor or otherwise in relation to the Collateral as he or the Chargee shall think fit;

- 7.2.2 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor relating in any way to the Collateral or any part thereof;
- 7.2.3 to assign, sell, lease, license (including, but not in limitation, by appointing a replacement distributor to distribute and exploit the Collateral in place of the Chargor), grant options to sell, deal with or manage or concur in assigning, selling, leasing, licensing, granting options to sell, dealing with or managing and to vary, terminate or accept surrenders of leases, licences or tenancies of any of the Collateral in such manner and generally on such terms and conditions as the Chargee or he shall think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor or otherwise;
- 7.2.4 to take any steps that may be necessary or desirable to effect compliance with all or any of the agreements hereby charged;
- 7.2.5 to exercise all the powers of the Chargor including to carry on manage or concur in carrying on and managing the business of the Chargor in relation to the Collateral or any part thereof and the Chargor acknowledges that it shall not seek to prevent the Receiver from so carrying on or managing;
- 7.2.6 to raise or borrow any money that may be required upon the security of the whole or any part of the Collateral or without such security;
- 7.2.7 to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Collateral;
- 7.2.8 to appoint and discharge advisers, managers, agents, employees, contractors and workmen in relation to the business of the Chargor relating to the Collateral at such salaries and for such periods as the Receiver may determine;
- 7.2.9 to make any arrangement or compromise, pay any compensation or incur any obligation and enter into any contracts in relation to the Collateral which the Receiver shall think expedient in the interests of the Chargee;
- 7.2.10 to make, effect and do all maintenance, repairs, developments, reconstructions, improvements, furnishings, equipment, insurances, alterations or additions to or in respect of the Collateral in the interests of the Chargee for maintaining the value of the Collateral in every such case as the Chargee or he shall think fit;
- 7.2.11 to make calls conditionally or unconditionally on the shareholders of the Chargor in respect of the uncalled capital of the Chargor (with the same

powers for the purpose of enforcing payment of any calls so made as are by the Articles of Association of the Chargor conferred upon the Chargor or the directors of the Chargor (as the case may be) in respect of calls authorised to be made by them and to make the same in the name of the directors or in that of the Chargor or otherwise and to the exclusion of any other person's power in that behalf);

- 7.2.12 to promote the formation of companies with a view to purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Collateral, to arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Collateral on such terms and conditions whether or not including payment by instalments secured or unsecured as the Receiver shall think fit;
- 7.2.13 to manage, develop, reconstruct, improve, amalgamate or diversify or concur in managing, developing, reconstructing, improving, amalgamating or diversifying the business of the Chargor in relation to the Collateral;
- 7.2.14 to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do; and
- 7.2.15 to exercise all such other power and authority in relation to the Collateral as the Chargee shall think fit and so that the Chargee may in relation to all or any part of the Collateral exercise and confer any powers and authorities which it could exercise and confer if it were the absolute beneficial owner thereof and to use the name of the Chargor for any such purposes,

PROVIDED ALWAYS THAT nothing herein contained shall make the Chargee liable to the Receiver in respect of his remuneration, costs, charges or expenses or otherwise for which together with the Receiver's acts, contracts, defaults and omissions the Chargor alone shall be liable.

- 7.3 In addition, but without prejudice, to the foregoing remedies if the security hereby created shall become enforceable the Chargee shall (without prejudice to the statutory power of sale conferred by the Law of Property Act 1925 which is applicable to this Charge and Deed of Assignment) be entitled to sell the Collateral or any part or parts thereof or otherwise exploit or turn to account the Collateral for such price and in such manner as the Chargee in its absolute discretion may think fit, without notice to the Chargor or any other formality, all of which are hereby waived by the Chargor. The Chargee shall be entitled to repayment of all costs and charges in connection therewith including all costs fees and charges it may incur as a consequence of the enforcement.
- 7.4 The restrictions contained in sections 93, 103 and 109 of the Law of Property Act 1925 shall not apply to the security hereby created.

- 7.5 The Chargee or the Receiver may enforce the security created by this Charge and Deed of Assignment in any order which the Chargee or the Receiver in their or its absolute discretion think(s) fit.
- 7.6 The Chargee may appoint more than one Receiver and in such event any reference in this Charge and Deed of Assignment to a Receiver shall apply to both or all of the Receivers so appointed and the appointment of Receivers so made shall be deemed to be a joint and several appointment and so that the rights, powers, duties and discretion vested in the Receivers so appointed may be exercised by them all jointly or severally by each of them.
- 7.7 The Chargee shall not nor shall the Receiver by reason of the Chargee or the Receiver entering into possession of the Collateral or any part thereof be liable to account as mortgagee in possession or for any default or omission of any nature whatsoever for which a mortgagee in possession might be liable, or be liable for any loss or damage occasioned by or upon realisation or diminution in value happening in or about the exercise of any power conferred hereby or by statute and the Chargor shall not have any right or action or claim against the Chargee on the grounds that a better price could or might have been obtained on any such realisation, sale or disposal. The Chargee and the Receiver shall be entitled to all the rights, powers, privileges and immunities conferred by statute on mortgagees and receivers.
- 7.8 If the Chargor shall without the express written agreement of the Chargee thereto create or permit to arise or subsist any Encumbrance affecting the Collateral of which the Chargee shall receive notice, actual or constructive, the Chargee may open a new account for the Chargor in respect of the Collateral and if the Chargee does not in fact open such new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Chargor to the Chargee shall be credited or be treated as having been credited to the new account, and such payments shall not operate to reduce the amount due from the Chargor to the Chargee at the said time until such payments may be indefeasibly so applied by the Chargee (but this Clause shall not prejudice any security which apart from this Clause the Chargee would have had but for the discharge by the Chargor of liabilities or obligations incurred after that time).
- 7.9 The Chargee may at any time without prior notice transfer, where the Chargee has more than one account for the Chargor in its books, all or any part of any balance standing to the credit of any such account to any other such account which may be in debt, combine and consolidate all or any of the accounts for the time being of the Chargor with the Chargee and/or in any event set off any monies or other assets which the Chargee may at any time hold for the account of the Chargor against the Chargor's liability under this Charge and Deed of Assignment and without prejudice to any other right of set-off or similar right to which the Chargee may be entitled in law.
- 7.10 All moneys received, recovered or realised by the Chargee under this Charge and Deed of Assignment may at the sole discretion of the Chargee be credited by the Chargee to any suspense or impersonal account pending the application from time

to time of such moneys and accrued interest thereon at the rate if any agreed in writing between the Chargor and the Chargee from time to time (as the Chargee shall be entitled to do in their discretion) in or towards the payment of the Secured Liabilities.

- 7.11 The proceeds of any Collateral obtained or disposed of pursuant to this Charge and Deed of Assignment shall be applied in payment of the Secured Liabilities and any and all expenses and fees (including, but not limited to, reasonable solicitor's fees) incurred by the Chargee in obtaining, taking possession of, removing, insuring, storing and disposing of the Collateral and any and all amounts incurred by the Chargee in connection therewith (including without limitation in connection with any proceedings brought in connection with any administration of the Chargor).

8. INDEMNITY AND INTEREST

- 8.1 The Chargor indemnifies the Chargee, the Receiver and any administrator appointed by the Chargee in respect of, and agrees to keep the Chargee, the Receiver and any administrator appointed by the Chargee fully and effectively indemnified from and against, all verifiable liabilities and expenses properly and reasonably incurred in the execution or purported execution of any of the powers, authorities or discretion vested in the Chargee, the Receiver or any administrator appointed by the Chargee pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by the Chargor in violation of this Agreement in any way relating to the Collateral and the Chargee, the Receiver and any administrator appointed by the Chargee may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

- 8.2 Any sums which are payable by the Chargor under this Charge and Deed of Assignment pursuant to Clause 9.1 and which are paid by the Chargee or the Receiver or any administrator appointed by the Chargee, shall be repaid by the Chargor on demand together with interest at the Default Rate (compounded quarterly) from the time of the same having been paid or incurred by the Chargee or, as the case may be, the Receiver or any administrator appointed by the Chargee to the time that payment is made in full by the Chargor (after as well as before judgment or demand therefor), and the payment of any such sum by the Chargee or the Receiver or any administrator appointed by the Chargee shall not constitute the Chargee or the Receiver or any administrator appointed by the Chargee a mortgagee in possession of the Collateral in respect of which such payment is made.

9. WARRANTIES, REPRESENTATIONS AND COVENANTS

- 9.1 The Chargor hereby covenants and undertakes with the Chargee that it will comply at all times with the terms of this Charge and Deed of Assignment and further covenants and undertakes that it shall so long as the Secured Liabilities have not been indefeasibly paid, satisfied or discharged (as applicable) to the Chargee and until the Chargee has no obligation, actual or contingent, to make further sums available:

- 9.1.1 remain liable under the contracts and agreements charged or assigned or to be charged or assigned hereunder to perform all the obligations assumed by it thereunder and the Chargee shall not be under any obligations or liability under or in respect of any of such contracts and agreements;
 - 9.1.2 not require the Chargee to enforce any term of any of the said contracts and agreements against any party (it being acknowledged that in no circumstances shall the Chargee have any obligation so to enforce);
 - 9.1.3 duly perform its obligations under the said agreements, notify the Chargee of any material default by itself and institute and maintain all such proceedings (subject to the terms hereof) as may be necessary or expedient to preserve or protect the interest of the Chargee and itself in the said agreements;
 - 9.1.4 not exercise any right or power conferred on it by or available to it under the said agreements (including, without limitation, the right of termination) other than in the ordinary course of business save where to do so would (in the Chargee's sole discretion, acting reasonably) adversely affect the ability of the Chargee to be paid the Secured Liabilities when they are due;
 - 9.1.5 not accept or make any claim that the said agreements have been frustrated or have ceased to be in full force and effect other than in the ordinary course of business save where to do so would (in the Chargee's sole discretion, acting reasonably) adversely affect the ability of the Chargee to be paid the Secured Liabilities when they are due;
 - 9.1.6 not assign or otherwise dispose of any of its rights under the said agreements other than in the ordinary course of business save where to do so would (in the Chargee's sole discretion, acting reasonably) adversely affect the ability of the Chargee to be paid the Secured Liabilities when they are due; and
 - 9.1.7 do all such things as are necessary to maintain its corporate existence in good standing (including without limitation the filing of all necessary returns).
- 9.2 The Chargor further covenants and undertakes with the Chargee that until the Secured Liabilities have been indefeasibly paid, satisfied or discharged (as applicable) to the Chargee:
- 9.2.1 it shall not exercise any right or power conferred on it or available to it in relation to the Collateral other than in the ordinary course of business save where to do so would (in the Chargee's sole discretion, acting reasonably) adversely affect the ability of the Chargee to be paid the Secured Liabilities when they are due; and
 - 9.2.2 it shall not assign or otherwise dispose of any of its copyright (if any) in the Collateral other than in the ordinary course of business save where

to do so would (in the Chargee's sole discretion, acting reasonably) adversely affect the ability of the Chargee to be paid the Secured Liabilities when they are due.

- 9.3 The Chargor hereby repeats in favour of the Chargee the warranties, representations, undertakings and covenants set out in the Loan Agreement as if the same were set forth and incorporated herein.

10. NATURE OF SECURITY

Subject to Clause 21, this Charge and Deed of Assignment shall be a continuing security to the Chargee notwithstanding any settlement of account or other act, omission, matter or thing whatsoever which but for this provision might operate to release or otherwise exonerate the Chargor from its obligations hereunder or affect such obligations or release or diminish the security conferred hereunder. Such security is in addition to, and shall not be merged into, or in any way prejudice any other security interest, charge document or right which the Chargee may now or at any time hereafter hold or have as regards the Chargor or any other person firm or corporation in respect of the Collateral and shall not in any way be prejudiced or affected thereby or by the invalidity thereof or by the Chargee now or hereafter dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any rights which it now or hereafter has or by the Chargee giving time for payment or indulgence or compounding with any other person liable and this security shall remain in full force and effect as a continuing security unless and until the Chargee shall release and discharge this Charge and Deed of Assignment in accordance with Clause 21 hereof. The rights granted to the Chargee hereunder are in addition to, and in no way limit or restrict, the rights granted to the Chargee in the Loan Agreement or any other agreement. The exercise by the Chargee of its rights under this Charge and Deed of Assignment shall in no way affect or be in substitution for such other legal or equitable rights and remedies as the Chargee may have against the Chargor or any third party.

11. GRANT OF TIME OR INDULGENCE

The security created by this Charge and Deed of Assignment shall not be affected or prejudiced in any way by the Chargee giving time or granting any indulgence or accepting any composition from or compounding with or making any other arrangement with the Chargor or any other person firm or company in respect of the Secured Liabilities or otherwise.

12. PROTECTION OF THIRD PARTIES

- 12.1 No purchaser from the Chargee and/or the Receiver or other person dealing with the Chargee and/or the Receiver shall be concerned to enquire whether any of the powers which the Chargee or the Receiver have exercised or purported to exercise have arisen or become exercisable or whether the Secured Liabilities remain outstanding or as to the propriety or validity of the exercise or purported exercise of any such power and the title of a purchaser and the position of such a person shall not be prejudiced by reference to any of those matters.

12.2 The receipt of the Chargee or the Receiver shall be an absolute and conclusive discharge to a purchaser and shall relieve such person of any obligation to see to the application of any sums paid to or by the direction of the Chargee or the Receiver.

13. WAIVERS, REMEDIES CUMULATIVE

The powers which this Charge and Deed of Assignment confers on the Chargee are cumulative and without prejudice to its powers under general law and may be exercised as often as the Chargee deems appropriate. The rights of the Chargee and the Receiver (whether arising under this Charge and Deed of Assignment or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and in particular any failure to exercise or any delay in exercising on the part of the Chargee or the Receiver any of such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on the part of either the Chargee or the Receiver or on its or their behalf shall in any way preclude either the Chargee or the Receiver from exercising any such right or constitute a suspension or variation of any such right.

14. GOVERNING LAW

This Charge and Deed of Assignment and any non-contractual obligations and/or liability arising out of or in connection with it shall be governed by and construed in accordance with the laws of England & Wales and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

15. FURTHER ASSURANCE

The Chargor agrees to execute all further documents reasonably required by the Chargee to give effect to or perfect the security hereby created.

16. NOTICE OF DEFAULT

The Chargor shall give written notice to the Chargee at the address set out against such party at the beginning of this Charge and Deed of Assignment or as shall be notified from time to time to the Chargor hereafter of the occurrence of any Event of Default as soon as such occurrence becomes known to the Chargor.

17. POWER OF ATTORNEY

17.1 Subject to the happening of an Event of Default which remains unremedied on the date falling 60 days after the Chargee has given written notice to the Chargor of such Event of Default, the Chargor hereby irrevocably appoints the Chargee and, if any Receiver or an administrator has been appointed, each of the Chargee, the Receiver and any administrator appointed by the Chargee to be an attorney of it in its name and on its behalf to sign, execute and deliver all deeds and documents and do all acts and things which the Chargee, the Receiver or an administrator appointed by the Chargee may reasonably require or reasonably deem appropriate for the purpose of exercising any of its powers or for the perfection,

protection or realisation of any security hereby constituted. The Chargor hereby acknowledges that such appointment shall be irrevocable (until this Charge and Deed of Assignment is released and reassigned under Clause 21).

17.2 This appointment shall operate as a power of attorney for the purposes of Clause 17.1 only, made under Section 10 of the Powers of Attorney Act 1971, such appointment constituting a power coupled with an interest under English law. This power of attorney shall terminate without further notice on the release and discharge of this Charge and Deed of Assignment pursuant to sub-Clause 21.1 hereof but subject to sub-Clause 21.2 hereof.

17.3 The Chargor hereby covenants with the Chargee that on request it will ratify and confirm all documents, acts and things and all transactions entered into by the Chargee, the Receiver or an administrator appointed by the Chargee or by the Chargor at the instance of the Chargee, the Receiver or an administrator appointed by the Chargee in the exercise or purported exercise of the aforesaid powers.

18. INVALIDITY OF ANY PROVISION

If at any time any one or more of the provisions of this Charge and Deed of Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

19. NO PARTNERSHIP

Nothing herein shall constitute a partnership or a joint venture between the parties and no party is or shall hold itself out as the agent or partner of the other.

20. ASSIGNMENT

The Chargee shall be entitled to assign, participate, transfer, charge, sub-charge or otherwise grant security over or deal in all or any of its right, title and interest in this Charge and Deed of Assignment.

21. RELEASE AND REASSIGNMENT

21.1 Upon unconditional and indefeasible payment, satisfaction and discharge to the Chargee of the Secured Liabilities in full, the Chargee hereby automatically re-assigns to the Chargor the Collateral assigned pursuant to Clause 5 hereof (but not any sums by then paid to the Chargee and retained to satisfy the Secured Liabilities in respect thereof) and the Chargee will, at the written request of the Chargor and at the expense of the Chargor:

21.1.1 release the Collateral charged pursuant to Clause 4 hereof;

21.1.2 execute such documents including the Deed of Release and do such things as the Chargor shall reasonably require to give effect to this Clause 21.1 and sub-Clause 21.1.1 hereof.

21.2 Where any release and discharge (whether in respect of the Secured Liabilities or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise, the security constituted by this Charge and Deed of Assignment (and the liability of the Chargor in respect thereof) shall continue or shall be reinstated as if there had been no such discharge or arrangement. The Chargee shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to avoidance or repayment.

22. **NOTICES**

22.1 Manner of giving notices

Any notice or other information required or authorised by this Charge and Deed of Assignment to be given by either party shall be given by:

22.1.1 delivering it by hand;

22.1.2 sending it by mail, postage prepaid; or

22.1.3 sending it by email,

to the other party at the addresses given in Clause 22.4 or 22.5.

22.2 Notices sent by hand or by post

Any notice or other information delivered by hand as provided by Clause 22.1.1 shall be deemed given on the date delivered (if delivered during the business hours of the recipient, or (if not) at the start of the next Business Day thereafter). Any notice or other information sent by post in the manner as provided by Clause 22.1.2 which is not returned to the sender as undelivered shall be deemed to have been given on the seventh day after the day on which the envelope containing it was so posted.

22.3 Notices sent by email

Any notice or other information sent by email shall be deemed to have been duly given: (a) at the start of the next Business Day in the case of emails sent during business hours at the place of receipt; or (b) at the start of the second Business Day in the case of emails sent outside of business hours at the place of receipt; provided in either case that any email which produces an automated response reporting a failure to deliver, delayed delivery to the intended recipient or **out of office** reply, shall be deemed not to have been delivered.

22.4 Notices to the Chargee

Any notice or other communication required to be given to the Chargee under this Charge and Deed of Assignment shall be sent to the Chargee to the person and at the address detailed at the top of this Charge and Deed of Assignment or such other address and/or for such other attention as may be notified by the Chargee in accordance with this Clause 22.

22.5 Notices to the Chargor

Any notice or other communication required to be given to the Chargor under this Charge and Deed of Assignment shall be sent to the Chargor to the person and at the address detailed at the top of this Charge and Deed of Assignment or such other address and/or for such other attention as may be notified by the Chargor to the Chargee.

22.6 Notice on a business day

Any notice or other communication received or deemed given on a day which is not a Business Day or after business hours in the place of receipt shall be deemed received and given on the next Business Day.

23. LICENCE

23.1 The Chargee hereby grants to the Chargor an exclusive licence, revocable only in accordance with Clause 23.2, to develop, produce, exploit and otherwise deal with the Game.

23.2 The Chargee may terminate the licence granted pursuant to Clause 23.1 above upon the happening of an Event of Default which remains unremedied on the date falling 60 days after the Chargee has given written notice to the Chargor of such Event of Default.

24. COUNTERPARTS

This Charge and Deed of Assignment may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

Schedule 1

Definitions

Accounts mean any accounts opened by the Chargor in connection with the Game or otherwise;

Base Rate means the base rate of the Chargee from time to time (which at the date of this Agreement is currently 0.25%);

Code means the Game's object and source code, tools used in the development, compiling, or building of the Game, all information about compilers, third-party tools, and other assets required to compile and build the Game, and all data and script files used by the foregoing;

Collateral means the Chargor's right, title and interest in and to the property charged pursuant to Clauses 4.1 and 4.2 hereof and the property assigned pursuant to Clause 5 hereof, excluding in all cases the Excluded Collateral;

Content means, with respect to the Game, those items created for the Game (even if not included in the final build of the Game) that, when placed in their final form, may be perceived or experienced by the person using the Game, including, but not limited to, title, concept art, artwork, design files, sounds, voice recordings, likenesses, graphic files, visual representations and likenesses, music files, user interface, symbols, logos and trademarks, characters, character names, weapons, vehicles, scenes, dialog, storyline, plot, the world/universe the Game is set in and any documentation created for the Game;

Deed of Release means a deed of release in the form attached to Schedule 2;

Default Rate means the lesser of: (i) the Rate plus 2%; and (ii) the maximum amount permissible by law;

Distribution Rights means all rights of exploitation and distribution of the Game by all means and in all media throughout the universe, together with all such rights in and to the Game Assets as are necessary solely to exploit such rights, including all rights, if any, to authorise, prohibit and/or control and collect revenues from the rental, lending, private copying, fixation, reproduction and/or other exploitation of the Game by any means and/or media now known or hereafter devised as may be conferred under applicable laws, regulations and/or directives, including any so-called **Rental and Lending Rights** pursuant to any directives and/or implementing law enacted in any jurisdiction and including without limitation all allied and ancillary rights in and to the Game;

Encumbrance means any mortgage, charge, lien, pledge, assignment, hypothecation or security interest or arrangement having similar effect;

Event of Default means any event of default specified in the Loan Agreement;

Excluded Collateral means (i) the assets that have been charged pursuant to the Nat West Security Agreement; and (ii) all Intellectual Property Rights and all exploitation and

distribution and other rights and all title, interest and materials with respect to the video game provisionally entitled "*Star Citizen*";

Game has the meaning given to it in the Loan Agreement;

Game Assets means the Rights and all other rights and materials with respect to the same or the Game as may be necessary for the production and/or exploitation of the Game;

Intellectual Property Rights means all patents, trademarks, service marks, rights (registered or unregistered) in any designs; applications for any of the foregoing; trade or business names; rights to domain names; copyright (including rights in computer software) and topography rights; lending and rental rights; know how; secret formulae and processes; and other confidential and proprietary knowledge and information; rights protecting goodwill and reputation; all rights to carry on actions for passing off; database rights and rights under licences and consents in relation to such things and all rights or forms of protection of a similar nature to any of the foregoing or having equivalent effect anywhere in the world;

Loan means the sums made available or to be made available by the Chargee to the Chargor pursuant to the Loan Agreement;

Loan Agreement means the Loan Agreement dated on or about the date of this Deed between the Chargee and the Chargor;

Margin means 2% per annum;

Nat West Security Agreement means the charge over a deposit account (in respect of account number 68188757) dated 23 January 2015 between Chargor and National Westminster Bank Plc;

Product Add-On means any add-on to the Game (e.g., theme packs, avatar items, downloadable content);

Rate means the aggregate of the Margin and Base Rate;

Receiver means a receiver or administrative receiver (where such an administrative receiver may be appointed) of the Collateral;

Relevant Agreements means the Loan Agreement and all documents defined therein as a Relevant Agreement;

Rights means:

- (a) all Intellectual Property Rights and all other rights in the Game, including without limitation the rights in the Code, Product Add-Ons, localizations and re-releases of the Game (even if including additional content), all Content;
- (c) the benefit of all contracts and agreements entered into relating to the acquisition of rights by or provision of goods or services in connection with and solely in so far as this relates to the Game including all warranties and indemnities given therein; and

- (d) the entire remaining benefit of all grants, licences or rights, waivers, consents, covenants, warranties, undertakings and/or representations in all of the licences and agreements solely as necessary for the production and exploitation of the Game;

Secured Liabilities means all monies and liabilities now or after the date of this Charge and Deed of Assignment due, solely owing or incurred by the Chargor to the Chargee whatsoever pursuant to the Relevant Agreements, in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety;

Tax Credit Account means the bank account in the name of the Chargee with the Sort Code 18-00-02 and the Account Number 05608170;

UK Tax Credit means the enhanced tax deduction with a payable cash element in respect of surrendered losses to which Chargor should be entitled after the date of this Charge in respect of its production costs in connection with the development the Game;

UK Tax Credit Collateral means the benefit of the UK Tax Credit and the UK Tax Credit Receipts and the right to claim and be paid the UK Tax Credit Receipts and all other rights in connection with the same;

UK Tax Credit Receipts means the actual amount of the UK Tax Credit which is received by and/or attributable to the Chargor in connection with the development of the Game;

**Schedule 2
Deed of Release**

THIS DEED OF RELEASE is made the day of 2017

BETWEEN

- (1) **COUTTS & CO** (Registered Number: 00036695), a company incorporated under the laws of England and Wales with its trading office at 440 The Strand, London, WC2R 0QS ("**Chargee**"); and
- (2) **FOUNDRY 42 LIMITED** (Company Number: 08703814), a company incorporated under the laws of England and Wales and having its registered office at Freedom House, Church Street, Wilmslow, Cheshire SK9 1AX ("**Chargor**", which expression shall be deemed to include its successors in title and permitted assigns).

WHEREAS:-

- (A) Pursuant to a charge and deed of assignment dated [] May 2017 (the "**Charge**") made by and between the Chargor and the Chargee, the Chargor granted to the Chargee a security interest ("**Security Interest**") in, to and over property and assets belonging to the Chargor as more particularly set out in the Charge (the "**Charged Assets**").
- (B) Pursuant to the terms of this Deed set out below the Chargor and Chargee hereby agree that the Security Interest is now being released.

NOW IT IS HEREBY AGREED as follows:

1. With immediate effect from the date of this deed, the chargee hereby: (a) unconditionally and irrevocably releases and discharges the chargor from any and all of its covenants, liabilities and obligations of any nature arising under, pursuant to or in relation to the charge (including without limitation, the security interest, all assignments by way of security and any and all fixed and floating charges); and (b) free of all charges, encumbrances and rights exercisable by third parties and, without prejudice to the foregoing hereby reassigns, re-conveys and releases to the chargor to hold the same absolutely and unconditionally in perpetuity throughout the world all of its right, title and interest in and to all and any part of the charged assets, such that from the date of this deed, the chargor will have no further obligations or liabilities under, pursuant to or in connection with the charge or any further obligations or liabilities to the chargee in respect of any of the charged assets.
2. The chargee confirms that as at the date of this deed it has not taken any specific action to crystallise and is not aware of any event that has occurred which might cause the crystallisation of any floating charge contained in the charge.

3. The chargee agrees, at the chargor's request and expense, to promptly execute and deliver all such documents and do all such acts and things as the chargor or any other person may at any time after the date of this deed reasonably require to give full effect to the provisions of this deed.
4. The chargor may assign, sub-license, transfer, charge or deal in any other manner with any of the rights (including copyright) granted to chargor hereunder.
5. The chargee hereby waives pursuant to section 87 of the copyright, designs and patents act 1988, unconditionally, irrevocably and in perpetuity, all rights under sections 77 and 85 inclusive and sections 205c to 205n inclusive of such act or otherwise in respect of the security interest and all other moral and author's rights, and rights of a similar nature whether now existing or hereafter conferred under the laws of any jurisdiction.
6. Except insofar as this deed expressly provides that a third party may in his own right enforce a term of this deed, a person who is not a party to this deed has no right under the contracts (rights of third parties) act 1999 to rely upon or 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 under that act.
7. This deed constitutes the entire agreement and understanding of the parties and supersedes any previous agreement and or arrangement between the parties relating to the subject matter of this deed.
8. This deed may be entered into in any number of counterparts each of which when so executed and delivered shall be an original and shall constitute one agreement. a counterpart signature page of this deed executed by a party and transmitted electronically in portable document format (pdf) shall be treated as an original, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment.
9. The validity, construction and performance of this deed (and any claim, dispute or matter arising under or in connection with it or its enforceability) and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the law of england and wales and the parties hereto submit to the exclusive jurisdiction of the courts of england and wales.

IN WITNESS whereof the duly authorised representatives of the Chargor and the Chargee have executed this document as a deed the day month and year first before written.

EXECUTION PAGE FOR THE DEED OF RELEASE

EXECUTED and unconditionally)
delivered as a **DEED** by)
COUTTS & CO.)
acting by an Attorney)
in the presence of:

Witness:

Signature:
Name:
Address:
.....
.....
Occupation:

EXECUTED and unconditionally)
delivered as a **DEED** by)
FOUNDARY 42 LIMITED)
acting by a Director)
in the presence of:

Witness:

Signature:
Name:
Address:
.....
.....
Occupation:

EXECUTION PAGE

In Witness whereof this Charge and Deed of Assignment has been entered into the day and year first before written

EXECUTED and unconditionally)
delivered as a **DEED** by) *GDH*
FOUNDRY 42 LIMITED)
acting by a Director)
in the presence of:

Witness:

Signature: *S.P. Elms*
Name: *SIMON ELMS*
Address: *122 ACK LANE EAST*
BRAMHALL
CHESTER, SK7 2AB
Occupation: *ACCOUNTANT*

EXECUTED and unconditionally)
delivered as a **DEED** by)
COUTTS & CO.)
acting by an Attorney)
in the presence of:

Witness:

Signature: _____
Name: _____
Address: _____

Occupation: _____

EXECUTION PAGE

In Witness whereof this Charge and Deed of Assignment has been entered into the day and year first before written

EXECUTED and unconditionally)
delivered as a **DEED** by)
FOUNDRY 42 LIMITED)
acting by a Director)
in the presence of:

Witness:

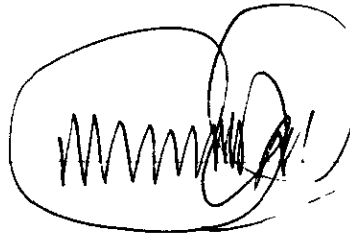
Signature:

Name:

Address:

Occupation:

EXECUTED and unconditionally)
delivered as a **DEED** by)
COUTTS & CO.)
acting by an Attorney)
in the presence of:



Witness:

Signature:



Name:

CHRISTOPHER HARVELL

Address:

440 STRAND
LONDON

Occupation:

W22R OQS
COMMERCIAL BANKER.