



Registration of a Charge

Company Name: **EXPONENTIAL ONE LIMITED**

Company Number: **13357998**



XA9AQR37

Received for filing in Electronic Format on the: **22/07/2021**

Details of Charge

Date of creation: **01/07/2021**

Charge code: **1335 7998 0001**

Persons entitled: **8 BALL HOLDINGS LTD**

Brief description: **NONE**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **NATASHA HATHAWAY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13357998

Charge code: 1335 7998 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st July 2021 and created by EXPONENTIAL ONE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd July 2021 .

Given at Companies House, Cardiff on 23rd July 2021

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**

THIS DEED of DEBENTURE is made on the 01 day of July 2021

BETWEEN:

- (1) EXPONENTIAL ONE LIMITED (registered number: 13357998) with registered office at 27 Old Gloucester Street, London, WC1N 3AX ("the Company"); and
- (2) 8 BALL HOLDINGS LTD (registered number: 10697121) with registered office at The Glades Festival Way, Festival Park, Stoke-On-Trent, Staffordshire, England, ST1 5SQ ("the Debenture Holder").
(together "the Parties").

NOW THIS DEED WITNESSES as follows:

1 Definitions and interpretation

1.1 In this Deed, unless the context requires otherwise:

- 1.1.1 "Charged Assets" means all the undertaking property rights and assets charged by Clause 3 below;
- 1.1.2 "Debenture Holder" means the holders of this debenture from time to time;
- 1.1.3 "Default Rate" means 2% above the base rate of NatWest Bank for the time being;
- 1.1.4 "Events of Default" means the events of default set out in Clause 5.1 below;
- 1.1.5 "Receiver" means a receiver or administrator as applicable appointed under Clause 7 below;
- 1.1.6 "Secured Liabilities" means all money, liabilities and obligations now or in the future owed or incurred by the Company to the Debenture Holder of any kind, (including but not limited to any liabilities of the Company under the Share Purchase Agreement entered into between the Company and the Debenture Holder dated 07 May 2021), however arising and in any currency, whether or not immediately payable, whether certain or contingent, whether sole or joint, whether as principal or as surety, whether or not the Debenture Holder was the original creditor in respect thereof and interest, commission, costs, charges and expenses charged by the Debenture Holder at rates agreed between the Debenture Holder and the Company.

1.2 In this Deed, unless the context requires otherwise:

- 1.2.1 the expressions "the Company" and "the Debenture Holder" where the context admits include their respective successors and permitted assigns whether immediate or derivative;

1.2.2 terms defined in the Companies Act 1985 have the same meanings;

As witnesses, I, the undersigned, Solicitor of
Clarkes Solicitors, Hazledine House,
Telford Centre, Telford TF3 4JL certify this is a
true copy of the original.

Dated: 22/07/2021

Signed: *[Signature]*

- 1.2.3 reference to any statute or statutory provision includes a reference to:
 - 1.2.3.1 that statute or statutory provision as from time to time amended extended or re-enacted or consolidated; and
 - 1.2.3.2 all statutory instruments or orders made pursuant to it;
- 1.2.4 words denoting the singular shall include the plural and vice versa;
- 1.2.5 words denoting any gender include all the genders and words denoting persons shall include firms and corporations and vice versa;
- 1.3 References to 'Clauses' are to the clauses or sub-clauses of this Deed;
- 1.4 Clause headings do not form part of this Deed, are for convenience only and shall not be taken into account in its construction or interpretation.

2 Covenant to pay

- 2.1 The Company covenants with the Debenture Holder that it will pay to the Debenture Holder the Secured Liabilities at the time and in the event that they become due.

3 Charges

- 3.1 As a continuing security for the payment of the Secured Liabilities, the Company (with full title guarantee) hereby charges to the Debenture Holder:-
 - 3.1.1 by way of legal mortgage, all freehold and leasehold property now vested in the Company, together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property;
 - 3.1.2 by way of fixed charge, all estates or interests in any freehold and leasehold property of the Company (not being property charged by 3.1.1 above) now and in the future vested in the Company, together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property;
 - 3.1.3 by way of fixed charge, all the goodwill and uncalled capital for the time being of the Company;
 - 3.1.4 by way of fixed charge, all book debts and other debts and securities now and in the future due or owing to the Company;
 - 3.1.5 by way of fixed charge, all book debts and other debts and securities now and in the future due or owing to the Company;
 - 3.1.6 by way of fixed charge, any shares the Company owns in any other entity, including the shares owned by the Company in 8 Ball Mail Order Ltd;
 - 3.1.6 by way of a floating charge the whole of the Company's undertaking and all its property and assets whatsoever present and future other than the property and assets from time to time effectively charged to the Debenture Holder by way of fixed charge by this Deed.

4 Restrictions

- 4.1 The Company shall not have power to create any mortgage or charge on all or any part of its undertaking or assets ranking in priority to or pari passu with this Deed of Debenture, unless all of the people making up the Debenture Holder agree in writing otherwise.
- 4.2 Notwithstanding anything contained in this Deed, if the Company charges pledges or otherwise encumbers any of the Charged Assets contrary to Clause 4.1 above, or attempts to do so, without the prior consent in writing of all of the people making up the Debenture Holder, or if any creditor or other person attempts to bring any distress, execution, sequestration or other process against any of the Charged Assets, the floating charge created by this Deed over those assets shall automatically without notice operate as a fixed charge instantly on such event occurring.
- 4.3 During the continuance of this Deed the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings, and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Company in relation to all or any part of the Charged Assets, nor shall the Company part with possession of all or any part of the Charged Assets, nor confer any licence, right or interest to occupy, nor grant any licence or permission to assign, underlet or part with possession of all or any part of the Charged Assets, nor agree suffer or permit any variation or addition to the terms of any lease, tenancy or licence without in every such case obtaining the prior consent in writing of all of the people making up the Debenture Holder.

5 Events of default

- 5.1 All money secured by this Deed shall immediately become due and payable on demand and the debenture created by this Deed shall become enforceable on the occurrence of any of the following Events of Default:
- 5.1.1 if the Company is in breach of any of the terms of this Deed;
- 5.1.2 if the Company defaults under any trust deed, loan agreement, facility, debenture or any other agreement (including the Share Purchase Agreement entered into between the Company and the Debenture Holder dated 1 07 May] 2021), deed or document or any other obligation relating to borrowing or under any guarantee or indemnity or if any borrowing or other money payable under any borrowing or guarantee or indemnity becomes or is capable of being declared payable prior to its stated maturity or is not paid when due, or any encumbrances from time to time created by the Company become enforceable;
- 5.1.3 if any distress, execution, sequestration or other process is levied or enforced upon or issued against any of the assets of the Company

and shall not be removed or discharged within 7 days of it being so levied enforced upon or issued against;

- 5.1.4 if any judgment or order made against the Company is not complied with within the terms of the judgment or order unless the Company's obligations under that judgment or order are stayed because a valid appeal has been lodged by the Company against such judgment or order;
- 5.1.5 if a receiver is appointed of the Company or any of its assets, or any resolution is passed, or any application or request is made by any person for such an appointment, or a notice is issued to convene a meeting for the passing of a resolution for any such application or appointment;
- 5.1.6 if any petition is presented or any order is made or any resolution is passed for the winding up of the Company or for the appointment of an administrator or if the Company goes into administration in respect of the Company or any notice is issued convening a meeting for the purpose of passing such resolution;
- 5.1.7 if the Company stops payment or is unable or admits inability to pay its debts within the meaning of the Insolvency Act 1986 Section 123;
- 5.1.8 if the Company makes or proposes to make any moratorium arrangement or composition with its creditors or any class of creditors or a notice is issued convening a meeting to resolve to do any of those things;
- 5.1.9 if the Company ceases or threatens to cease to carry on all or a material part of the business conducted by it at the date of this Deed, or sells or threatens to sell or otherwise dispose of all or a material part of its assets (other than in the normal course of business), whether by one or a series of transactions related or not, or changes the nature or mode of conduct of its business in any material respect;
- 5.1.10 if any guarantee, indemnity or other security created in favour of the Debenture Holder is in jeopardy, or is not or ceases to be in full force and effect, or is voidable or unenforceable, or is disputed, revoked or terminated, or it becomes unlawful or impossible for the Debenture Holder to exercise any right or power vested in it under any such security and (in any such case) the same is considered by the Debenture Holder to be material;
- 5.1.11 if an order is made for the compulsory acquisition of any part of the Company's assets which in the opinion of the Debenture Holder is a material part of the assets of the Company;
- 5.1.12 if any licence, authorisation, consent or registration at any time necessary or desirable to enable the Company to carry on its business in the normal course shall be revoked, withheld or

materially modified, or shall fail to be granted or perfected, or shall cease to remain in full force and effect;

5.1.13 if control (as defined in the Income and Corporation Taxes Act 1988 Section 416(2)-(6)) of the Company is acquired by any person or company or group of connected persons (as defined in the Income and Corporation Taxes Act 1988 Section 839) not having control of the Company at the date of this Deed (unless with the prior consent in writing of all of the people making up the Debenture Holder);

5.1.14 if any circumstances arise which may (in the opinion of the Debenture Holder) affect materially and adversely the ability of the Company to perform its obligations under this Deed.

6 The Debenture Holder

The Debenture Holder shall be entitled to exercise any of the powers conferred on a mortgagee by the Law of Property Act 1925 Sections 99-101.

7 Receiver

7.1 At any time after this Deed has become enforceable, the Debenture Holder may by writing appoint any person or persons to be a receiver or receivers of all or any part of the Charged Assets ("the Receiver") (with power to authorise any joint receiver to exercise any power independently of any other joint receiver), and may remove the Receiver and appoint another in his place;

7.2 No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Debenture Holder or any Receiver to exercise any of the powers conferred by this Deed has arisen or not, or be concerned with notice to the contrary, or with the propriety of the exercise or purported exercise of such powers;

7.3 The Company covenants with the Debenture Holder on demand to pay all costs, charges and expenses incurred by the Debenture Holder or by any Receiver or which it or he shall properly incur in or about the enforcement, preservation or attempted preservation of this security or of all or any of the Charged Assets on a full indemnity basis with interest at the Default Rate. Any Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon such basis as he may agree with the Debenture Holder;

7.4 Neither the Debenture Holder nor any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets, nor be liable for any loss upon realisation, nor for any neglect or default of any nature in connection with the Charged Assets for which a mortgagee in possession may be liable as such;

7.5 The Company agrees to indemnify both the Debenture Holder and any Receiver against all losses, actions, claims, expenses, demands and liabilities, whether in contract, tort or otherwise, now or after the date of this Deed incurred by it or him

or by any manager, agent, officer or employee for whose liability, act or omission it or he may be answerable, for anything done or omitted in the exercise or purported exercise of the powers contained in this Deed or occasioned by any breach by the Company of any of its covenants or other obligations to the Debenture Holder. The Company shall so indemnify the Debenture Holder and any Receiver on demand and shall pay interest on the sums demanded at the Default Rate.

8 Application of proceeds of receivership

All sums received by the Receiver shall (subject to any prior ranking claims) be applied by him as follows:

- 8.1 in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of his powers, including the remuneration of the Receiver and all outgoings properly paid or payable by him;
- 8.2 in or towards payment to the Debenture Holder, on a pari passu basis, the amount of the Secured Liabilities at the time of the payment to the Debenture Holder; and
- 8.3 any surplus shall be paid to the Company or the person entitled to it.

9 Power of attorney

The Company by way of security irrevocably appoints the Debenture Holder and the persons deriving title under it and separately any Receiver jointly and severally to be its attorney, in its name and on its behalf and as its act and deed or otherwise to execute and complete in favour of the Debenture Holder or its nominees or of any purchaser any documents which the Debenture Holder may require for perfecting its title to or for vesting the Charged Assets both present and future in the Debenture Holder or its nominees or in any purchaser, and to do all such acts and things as may be required for the full exercise of all or any of the powers conferred by this Deed or which may be deemed expedient by the Receiver on or in connection with any sale, lease, disposition, realisation or getting in by the Debenture Holder or any such Receiver of all or any part of the Charged Assets, or in connection with any other exercise of any power under this Deed, and this appointment shall operate as a general power of attorney made under the Powers of Attorney Act 1971 Section 10. The Company covenants with the Debenture Holder and separately with any Receiver that on request it will ratify and confirm all security, agreements, documents, acts and things and all transactions entered into by the Debenture Holder or such Receiver or by the Company at the instance of the Debenture Holder or such Receiver in the exercise or purported exercise of its or his powers, and the Company irrevocably acknowledges and agrees that such power of attorney is inter alia given to secure

the performance of the obligations owed to the Debenture Holder and any such Receiver by the Company.

10 Register

10.1 The Company will keep a register of debenture holders and enter in that register the issue and all transfers and changes of ownership of this Deed.

10.2 The register referred to in Clause 10.1 above may be closed at such times and for such periods as the Company may from time to time determine provided that it shall not be closed for more than 30 days in any year.

11 Transfer

This Deed shall not be transferable by the Company.

12 Notice of trusts

The Company shall recognise and treat the Debenture Holder as the sole absolute owner of this Deed and as alone entitled to receive and give effectual discharges for the money secured by this Deed. The Company shall not be affected by notice of any trust or any right title or claim or any person other than the Debenture Holder to this Deed.

13 Method of payment

All or any part of the Secured Liabilities will be paid at the registered office of the Company.

14 Variation of rights

Any of the rights conferred on the Debenture Holder may at any time be varied or abrogated with the consent in writing of them all and any variation so made shall be binding on all of the people making up the Debenture Holder, each of whom shall on the request of the Company surrender his debenture to the Company in order that a memorandum of such variation may be endorsed on it.

15 Loss or destruction

If this Deed shall be lost or destroyed or damaged the Company will at the request of the Debenture Holder issue a duplicate provided that the Debenture Holder shall first have given to the Company such evidence of the circumstances, and such indemnities and security as it may require and have paid the Company's costs (including legal costs) in connection therewith and such fee as the Company may require, and (in the case of damage) delivered the damaged deed to the Company.

16 Notices

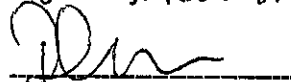
Any notice to be given under this Deed by the Company shall be sufficiently given if sent by first class post to the Debenture Holder at his address in the register kept under Clause 10 above and shall be deemed received on the working day after posting.

17 Freedom from equities

The money secured by this Deed shall be paid without regard to any set-off, cross-claim or equities between the Company and the holder, and the receipt of the holder shall be a good discharge to the Company.

In witness whereof, the Parties hereto have executed this Deed on the day and year first before written

EXECUTED AS A DEED, for and on behalf of, 8 Ball Holdings Ltd by: RICHARD FLANAGAN



Director

In the presence of:

Name of witness:

Signature of witness:

Address of witness:

MARGARET JONES

M.A. Jones

26 BAILEY HILLS

EDMOND NEWPORT

EXECUTED AS A DEED, for and on behalf of, Exponential One Limited by:

Director

In the presence of:

Name of witness:

Signature of witness:

Address of witness:

THIS DEED of DEBENTURE is made on the 01 day of July 2021

BETWEEN:

- (1) EXPONENTIAL ONE LIMITED (registered number: 13357998) with registered office at 27 Old Gloucester Street, London, WC1N 3AX ("the Company"); and
- (2) 8 BALL HOLDINGS LTD (registered number: 10697121) with registered office at The Glades Festival Way, Festival Park, Stoke-On-Trent, Staffordshire, England, ST1 5SQ ("the Debenture Holder").
(together "the Parties").

NOW THIS DEED WITNESSES as follows:

1 Definitions and interpretation

1.1 In this Deed, unless the context requires otherwise:

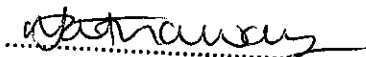
- 1.1.1 "Charged Assets" means all the undertaking property rights and assets charged by Clause 3 below;
- 1.1.2 "Debenture Holder" means the holders of this debenture from time to time;
- 1.1.3 "Default Rate" means 2% above the base rate of NatWest Bank for the time being;
- 1.1.4 "Events of Default" means the events of default set out in Clause 5.1 below;
- 1.1.5 "Receiver" means a receiver or administrator as applicable appointed under Clause 7 below;
- 1.1.6 "Secured Liabilities" means all money, liabilities and obligations now or in the future owed or incurred by the Company to the Debenture Holder of any kind, (including but not limited to any liabilities of the Company under the Share Purchase Agreement entered into between the Company and the Debenture Holder dated 07 May 2021), however arising and in any currency, whether or not immediately payable, whether certain or contingent, whether sole or joint, whether as principal or as surety, whether or not the Debenture Holder was the original creditor in respect thereof and interest, commission, costs, charges and expenses charged by the Debenture Holder at rates agreed between the Debenture Holder and the Company.

1.2 In this Deed, unless the context requires otherwise:

- 1.2.1 the expressions "the Company" and "the Debenture Holder" where the context admits include their respective successors and permitted assigns whether immediate or derivative;
- 1.2.2 terms defined in the Companies Act 1985 have the same meanings;

I, Natasha Louise Hathaway, Solicitor of
Clarkes Solicitors, Hazledine House,
Telford Centre, Telford TF3 4JL certify this is a
true copy of the original.

Dated: 22/07/2021

Signed: 

- 1.2.3 reference to any statute or statutory provision includes a reference to:
 - 1.2.3.1 that statute or statutory provision as from time to time amended extended or re-enacted or consolidated; and
 - 1.2.3.2 all statutory instruments or orders made pursuant to it;
- 1.2.4 words denoting the singular shall include the plural and vice versa;
- 1.2.5 words denoting any gender include all the genders and words denoting persons shall include firms and corporations and vice versa;
- 1.3 References to 'Clauses' are to the clauses or sub-clauses of this Deed;
- 1.4 Clause headings do not form part of this Deed, are for convenience only and shall not be taken into account in its construction or interpretation.

2 Covenant to pay

- 2.1 The Company covenants with the Debenture Holder that it will pay to the Debenture Holder the Secured Liabilities at the time and in the event that they become due.

3 Charges

- 3.1 As a continuing security for the payment of the Secured Liabilities, the Company (with full title guarantee) hereby charges to the Debenture Holder:-
 - 3.1.1 by way of legal mortgage, all freehold and leasehold property now vested in the Company, together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property;
 - 3.1.2 by way of fixed charge, all estates or interests in any freehold and leasehold property of the Company (not being property charged by 3.1.1 above) now and in the future vested in the Company, together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on that property;
 - 3.1.3 by way of fixed charge, all the goodwill and uncalled capital for the time being of the Company;
 - 3.1.4 by way of fixed charge, all book debts and other debts and securities now and in the future due or owing to the Company;
 - 3.1.5 by way of fixed charge, all book debts and other debts and securities now and in the future due or owing to the Company;
 - 3.1.6 by way of fixed charge, any shares the Company owns in any other entity, including the shares owned by the Company in 8 Ball Mail Order Ltd;
 - 3.1.6 by way of a floating charge the whole of the Company's undertaking and all its property and assets whatsoever present and future other than the property and assets from time to time effectively charged to the Debenture Holder by way of fixed charge by this Deed.

4 Restrictions

- 4.1 The Company shall not have power to create any mortgage or charge on all or any part of its undertaking or assets ranking in priority to or pari passu with this Deed of Debenture, unless all of the people making up the Debenture Holder agree in writing otherwise.
- 4.2 Notwithstanding anything contained in this Deed, if the Company charges pledges or otherwise encumbers any of the Charged Assets contrary to Clause 4.1 above, or attempts to do so, without the prior consent in writing of all of the people making up the Debenture Holder, or if any creditor or other person attempts to bring any distress, execution, sequestration or other process against any of the Charged Assets, the floating charge created by this Deed over those assets shall automatically without notice operate as a fixed charge instantly on such event occurring.
- 4.3 During the continuance of this Deed the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings, and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Company in relation to all or any part of the Charged Assets, nor shall the Company part with possession of all or any part of the Charged Assets, nor confer any licence, right or interest to occupy, nor grant any licence or permission to assign, underlet or part with possession of all or any part of the Charged Assets, nor agree suffer or permit any variation or addition to the terms of any lease, tenancy or licence without in every such case obtaining the prior consent in writing of all of the people making up the Debenture Holder.

5 Events of default

- 5.1 All money secured by this Deed shall immediately become due and payable on demand and the debenture created by this Deed shall become enforceable on the occurrence of any of the following Events of Default:
- 5.1.1 if the Company is in breach of any of the terms of this Deed;
- 5.1.2 if the Company defaults under any trust deed, loan agreement, facility, debenture or any other agreement (including the Share Purchase Agreement entered into between the Company and the Debenture Holder dated [07 May] 2021), deed or document or any other obligation relating to borrowing or under any guarantee or indemnity or if any borrowing or other money payable under any borrowing or guarantee or indemnity becomes or is capable of being declared payable prior to its stated maturity or is not paid when due, or any encumbrances from time to time created by the Company become enforceable;
- 5.1.3 if any distress, execution, sequestration or other process is levied or enforced upon or issued against any of the assets of the Company

- and shall not be removed or discharged within 7 days of it being so levied enforced upon or issued against;
- 5.1.4 If any judgment or order made against the Company is not complied with within the terms of the judgment or order unless the Company's obligations under that judgment or order are stayed because a valid appeal has been lodged by the Company against such judgment or order;
- 5.1.5 if a receiver is appointed of the Company or any of its assets, or any resolution is passed, or any application or request is made by any person for such an appointment, or a notice is issued to convene a meeting for the passing of a resolution for any such application or appointment;
- 5.1.6 if any petition is presented or any order is made or any resolution is passed for the winding up of the Company or for the appointment of an administrator or if the Company goes into administration in respect of the Company or any notice is issued convening a meeting for the purpose of passing such resolution;
- 5.1.7 If the Company stops payment or is unable or admits inability to pay its debts within the meaning of the Insolvency Act 1986 Section 123;
- 5.1.8 If the Company makes or proposes to make any moratorium arrangement or composition with its creditors or any class of creditors or a notice is issued convening a meeting to resolve to do any of those things;
- 5.1.9 if the Company ceases or threatens to cease to carry on all or a material part of the business conducted by it at the date of this Deed, or sells or threatens to sell or otherwise dispose of all or a material part of its assets (other than in the normal course of business), whether by one or a series of transactions related or not, or changes the nature or mode of conduct of its business in any material respect;
- 5.1.10 If any guarantee, indemnity or other security created in favour of the Debenture Holder is in jeopardy, or is not or ceases to be in full force and effect, or is voidable or unenforceable, or is disputed, revoked or terminated, or it becomes unlawful or impossible for the Debenture Holder to exercise any right or power vested in it under any such security and (in any such case) the same is considered by the Debenture Holder to be material;
- 5.1.11 if an order is made for the compulsory acquisition of any part of the Company's assets which in the opinion of the Debenture Holder is a material part of the assets of the Company;
- 5.1.12 If any licence, authorisation, consent or registration at any time necessary or desirable to enable the Company to carry on its business in the normal course shall be revoked, withheld or

materially modified, or shall fail to be granted or perfected, or shall cease to remain in full force and effect;

5.1.13 if control (as defined in the Income and Corporation Taxes Act 1988 Section 416(2)–(6)) of the Company is acquired by any person or company or group of connected persons (as defined in the Income and Corporation Taxes Act 1988 Section 839) not having control of the Company at the date of this Deed (unless with the prior consent in writing of all of the people making up the Debenture Holder);

5.1.14 if any circumstances arise which may (in the opinion of the Debenture Holder) affect materially and adversely the ability of the Company to perform its obligations under this Deed.

6 The Debenture Holder

The Debenture Holder shall be entitled to exercise any of the powers conferred on a mortgagee by the Law of Property Act 1925 Sections 99–101.

7 Receiver

7.1 At any time after this Deed has become enforceable, the Debenture Holder may by writing appoint any person or persons to be a receiver or receivers of all or any part of the Charged Assets ("the Receiver") (with power to authorise any joint receiver to exercise any power independently of any other joint receiver), and may remove the Receiver and appoint another in his place;

7.2 No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Debenture Holder or any Receiver to exercise any of the powers conferred by this Deed has arisen or not, or be concerned with notice to the contrary, or with the propriety of the exercise or purported exercise of such powers;

7.3 The Company covenants with the Debenture Holder on demand to pay all costs, charges and expenses incurred by the Debenture Holder or by any Receiver or which it or he shall properly incur in or about the enforcement, preservation or attempted preservation of this security or of all or any of the Charged Assets on a full indemnity basis with interest at the Default Rate. Any Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon such basis as he may agree with the Debenture Holder;

7.4 Neither the Debenture Holder nor any Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets, nor be liable for any loss upon realisation, nor for any neglect or default of any nature in connection with the Charged Assets for which a mortgagee in possession may be liable as such;

7.5 The Company agrees to indemnify both the Debenture Holder and any Receiver against all losses, actions, claims, expenses, demands and liabilities, whether in contract, tort or otherwise, now or after the date of this Deed incurred by it or him

or by any manager, agent, officer or employee for whose liability, act or omission it or he may be answerable, for anything done or omitted in the exercise or purported exercise of the powers contained in this Deed or occasioned by any breach by the Company of any of its covenants or other obligations to the Debenture Holder. The Company shall so indemnify the Debenture Holder and any Receiver on demand and shall pay interest on the sums demanded at the Default Rate.

8 Application of proceeds of receivership

All sums received by the Receiver shall (subject to any prior ranking claims) be applied by him as follows:

- 8.1 in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of his powers, including the remuneration of the Receiver and all outgoings properly paid or payable by him;
- 8.2 in or towards payment to the Debenture Holder, on a pari passu basis, the amount of the Secured Liabilities at the time of the payment to the Debenture Holder; and
- 8.3 any surplus shall be paid to the Company or the person entitled to it.

9 Power of attorney

The Company by way of security irrevocably appoints the Debenture Holder and the persons deriving title under it and separately any Receiver jointly and severally to be its attorney, in its name and on its behalf and as its act and deed or otherwise to execute and complete in favour of the Debenture Holder or its nominees or of any purchaser any documents which the Debenture Holder may require for perfecting its title to or for vesting the Charged Assets both present and future in the Debenture Holder or its nominees or in any purchaser, and to do all such acts and things as may be required for the full exercise of all or any of the powers conferred by this Deed or which may be deemed expedient by the Receiver on or in connection with any sale, lease, disposition, realisation or getting in by the Debenture Holder or any such Receiver of all or any part of the Charged Assets, or in connection with any other exercise of any power under this Deed, and this appointment shall operate as a general power of attorney made under the Powers of Attorney Act 1971 Section 10. The Company covenants with the Debenture Holder and separately with any Receiver that on request it will ratify and confirm all security, agreements, documents, acts and things and all transactions entered into by the Debenture Holder or such Receiver or by the Company at the instance of the Debenture Holder or such Receiver in the exercise or purported exercise of its or his powers, and the Company irrevocably acknowledges and agrees that such power of attorney is inter alia given to secure

the performance of the obligations owed to the Debenture Holder and any such Receiver by the Company.

10 Register

10.1 The Company will keep a register of debenture holders and enter in that register the issue and all transfers and changes of ownership of this Deed.

10.2 The register referred to in Clause 10.1 above may be closed at such times and for such periods as the Company may from time to time determine provided that it shall not be closed for more than 30 days in any year.

11 Transfer

This Deed shall not be transferable by the Company.

12 Notice of trusts

The Company shall recognise and treat the Debenture Holder as the sole absolute owner of this Deed and as alone entitled to receive and give effectual discharges for the money secured by this Deed. The Company shall not be affected by notice of any trust or any right title or claim or any person other than the Debenture Holder to this Deed.

13 Method of payment

All or any part of the Secured Liabilities will be paid at the registered office of the Company.

14 Variation of rights

Any of the rights conferred on the Debenture Holder may at any time be varied or abrogated with the consent in writing of them all and any variation so made shall be binding on all of the people making up the Debenture Holder, each of whom shall on the request of the Company surrender his debenture to the Company in order that a memorandum of such variation may be endorsed on it.

15 Loss or destruction

If this Deed shall be lost or destroyed or damaged the Company will at the request of the Debenture Holder issue a duplicate provided that the Debenture Holder shall first have given to the Company such evidence of the circumstances, and such indemnities and security as it may require and have paid the Company's costs (including legal costs) in connection therewith and such fee as the Company may require, and (in the case of damage) delivered the damaged deed to the Company.

16 Notices

Any notice to be given under this Deed by the Company shall be sufficiently given if sent by first class post to the Debenture Holder at his address in the register kept under Clause 10 above and shall be deemed received on the working day after posting.

17 Freedom from equities

The money secured by this Deed shall be paid without regard to any set-off, cross-claim or equities between the Company and the holder, and the receipt of the holder shall be a good discharge to the Company.

In witness whereof, the Parties hereto have executed this Deed on the day and year first before written

EXECUTED AS A DEED, for and on behalf of, 8 Ball Holdings Ltd by:

Director

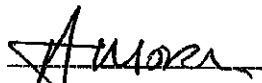
In the presence of:

Name of witness:

Signature of witness:

Address of witness:

EXECUTED AS A DEED, for and on behalf of, Exponential One Limited by:


Director

In the presence of:

Name of witness:

Signature of witness:

Address of witness:

JAYNE MACPHERSON
Jayne Macpherson
FLAT 11, SALISBURY HOUSE
UNION ST, BEDFORD, MK40 2SG.