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KING DIGITAL ENTERTAINMENT PLC

FORM 20-F

(Annual and Transition Report (foreign private issuer))

Filed 02/13/15 for the Period Ending 12/31/14

Telephone	44 203 440 2393
CIK	0001580732
Symbol	KING
SIC Code	7372 - Prepackaged Software
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-36368

KING DIGITAL ENTERTAINMENT PLC

(Exact Name of Registrant as Specified in Its Charter and translation of Registrant's name into English)

Ireland

(Jurisdiction of incorporation or organization)

King Digital Entertainment plc

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+44 (0) 20 3451 5464
(Address, Including ZIP Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Ordinary Shares, nominal value $0.0008 per share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:
None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 321,958,914 Ordinary Shares, nominal value $0.0008 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☒ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as Issued by the International Accounting Standards Board ☒	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

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ANNUAL REPORT ON FORM 20-F

YEAR ENDED DECEMBER 31, 2014

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NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report contains forward-looking statements that involve risks and uncertainties. Words such as “believe,” “project,” “plan,” “anticipate,” “expect,” “estimate,” “intend,” “should,” “would,” “could,” “will,” “may,” “potential,” “continue” or the negative of these terms, and similar expressions intended to identify future events or outcomes indicate such forward-looking statements. Not all forward-looking statements contain these identifying words. Forward-looking statements in this Annual Report may include statements about:

- our growth strategies;
- launching new games and additional functionality to games that are commercially successful;
- updating, supporting and sustaining our global franchises;
- our ability to retain and increase our player base and increase purchases of in-game virtual items;
- our player acquisition costs;
- competition;
- our relationships with Apple, Google, Facebook and other platform providers;
- protecting and developing our brand and intellectual property portfolio;
- our ability to successfully enter new markets and manage our expansion;
- costs associated with intellectual property litigation and other claims;
- attracting and retaining qualified employees and key personnel;
- our future business development, results of operations and financial condition;
- descriptions of tax laws;
- rulings by courts or other governmental authorities;
- acquisitions;
- repurchases of our ordinary shares; and
- assumptions underlying any of the foregoing.

The forward-looking statements included in this Annual Report are subject to risks, uncertainties and assumptions. Our actual results of operations may differ materially from those stated in or implied by such forward-looking statements as a result of a variety of factors, including those described in “Item 3.D. Risk Factors” and elsewhere in this Annual Report.

We operate in a competitive and rapidly evolving environment. New risks emerge from time to time, and it is not possible for our management to predict all risks, nor can we assess the effect of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Forward-looking statements speak only as of the date of this Annual Report. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

MARKET DATA, USER METRICS AND CURRENCY INFORMATION

Market Data

Unless otherwise indicated, information contained in this Annual Report concerning our industry and the market in which we operate, including our general expectations, market position and market opportunity, is based on information from various sources, including independent industry publications by App Annie Limited (App Annie). We believe the source to be reliable, but do not guarantee the accuracy and completeness of the information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we have not independently verified the accuracy or completeness of the information contained in these reports, based on our industry experience we believe that the reports are reliable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Item 3.D. Risk Factors" and elsewhere in this Annual Report. These and other factors could cause results to differ materially from those expressed in these reports.

User Metrics

In this Annual Report and the documents incorporated herein by reference, when we refer to MAUs, DAUs, MUUs, MUPs and MGABPPU, unless otherwise indicated, we are referring to information we have compiled based on our internal analytics system. For information concerning these internally-measured metrics and definitions of these metrics, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics—Key Operating Metrics."

For our calculation of non-unique user metrics, an individual who either plays two of our games on a single platform or device, or the same game on two platforms or devices in the relevant period, would be counted as two users. For our calculation of unique user metrics, we did not de-duplicate user data, so that a user who plays our games on multiple platforms or devices in the relevant period would be counted as a unique user for each platform or device on which the user played during the period.

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PART I

Item 1. Identity of Directors, Senior Management and Advisors

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

A. Selected Financial Data

You should read the following selected consolidated financial data in conjunction with "Item 5. Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere in this Annual Report.

The consolidated statements of operations data for the years ended December 31, 2014, 2013 and 2012 and the consolidated statements of financial position data as of December 31, 2014 and 2013 are derived from our annual consolidated financial statements included elsewhere in this filing. The consolidated statements of operations data for the year ended December 31, 2011 and 2010 and the consolidated statements of financial position data as of December 31, 2012, 2011 and 2010 are derived from our audited consolidated financial statements not included in this filing. Upon the corporate reorganization and share-for-share exchange described in "Item 4.A. History and Development," the historical consolidated financial statements of Midasplayer International Holding Company p.l.c. became the historical consolidated financial statements of King Digital Entertainment p.l.c. included in this Annual Report. Our financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Our historical results are not necessarily indicative of the results that should be expected in any future period.

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Consolidated Statements of Operations Data: (in thousands, except per share and percentage data)					
Revenue	$ 2,260,241	$ 1,884,301	$ 164,412	$ 63,901	$ 58,448
Other income	9,163	—	—	—	—
Costs and expenses [1]:					
Cost of revenue	716,743	584,358	54,713	25,915	29,655
Research and development	177,934	110,502	28,600	12,373	8,156
Sales and marketing	455,408	376,898	55,188	18,402	13,042
General and administrative	184,236	95,667	14,577	8,821	6,289
Total costs and expenses	1,534,321	1,167,425	153,078	65,511	57,142
Other gains (losses)	34,100	(870)	(269)	863	240
Net finance (costs) income	(905)	(1,731)	52	49	76
Profit (loss) before tax	768,278	714,275	11,117	(698)	1,622
Income tax expense (credit)	193,427	146,681	3,272	617	(122)
Profit (loss)	$ 574,851	$ 567,594	$ 7,845	$ (1,315)	$ 1,744
Earnings (loss) per share attributable to the equity holders of the company [2]:					
Basic earnings per share	$ 1.86	$ 1.86	$ 0.03	$ (0.00)	$ 0.00
Diluted earnings per share	$ 1.79	$ 1.75	$ 0.02	$ (0.00)	$ 0.00
Weighted average ordinary shares outstanding - basic	309.12	305.47	298.77	286.85	357.84
Weighted average ordinary shares outstanding - diluted	320.30	323.79	321.21	286.85	357.84
Other Financial and Operational Data:					
Gross Bookings [3]	2,382,381	1,979,821	181,570	77,706	70,592
Adjusted Revenue [3]	2,283,609	1,889,567	167,754	66,247	58,448
Adjusted EBITDA [3]	950,246	824,742	28,478	4,442	2,917
Adjusted EBITDA Margin [3]	42%	44%	17%	7%	5%
Monthly Active Users (MAUs) [4] (in millions)	499	293	49	NM	NM
Daily Active Users (DAUs) [4] (in millions)	142	86	11	NM	NM
Monthly Unique Users (MUUs) [4] (in millions)	350	217	30	NM	NM
Monthly Unique Payers (MUPs) [4] (in thousands)	9,824	9,903	815	NM	NM
Monthly Gross Average Bookings per Paying User (MGABPPU) [4]	$ 20.21	$ 16.66	$ 18.57	NM	NM

(1) Costs and expenses include share-based and other equity-related compensation expense. The consolidated statement of operations includes share-based and other equity related compensation expense as follows:

	Year Ended December 31,				
Share-based and other equity-related compensation:	2014	2013	2012	2011	2010
Cost of revenue	$ 5,709	$ 4,583	$ 820	$ —	$ —
Research and development	63,992	62,493	6,576	807	—
Sales and marketing	11,712	3,617	2,033	67	—
General and administrative	85,876	25,373	1,704	770	17
Total share-based and other equity-related compensation expense	$ 167,289	$ 96,066	$ 11,133	$ 1,644	$ 17

(2) The Company engaged in a corporate reorganization and share-for-share exchange at a ratio of 5-for-2 on March 25, 2014. All prior year share amounts have been adjusted retrospectively to reflect this exchange. See Note 11 to our consolidated financial statements for further details on the calculation of basic and diluted earnings (loss) per share attributable to equity holders of the company during the year.

(3) See "Non-GAAP Financial Measures" below for how we define and calculate gross bookings, adjusted revenue, adjusted EBITDA and adjusted EBITDA margin.

(4) See “Item 5. Operating and Financial Review and Prospects—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Metrics—Key Operating Metrics” for more information on how we define and calculate MAUs, DAUs, MUUs, MUPs and MGABPPU.

Consolidated Statements of Financial Position Data: (in thousands)	Year Ended December 31, 2014	2013	2012	2011	2010
Cash and cash equivalents	$ 963,972	$ 408,695	$ 27,912	$ 21,658	$ 25,611
Trade and other receivablesp1	228,392	221,550	33,401	7,292	5,585
Total assets	1,441,777	811,532	75,223	35,804	36,682
Trade and other payables	137,638	176,776	31,948	15,467	13,589
Deferred revenue	34,310	10,942	5,681	2,326	—
Total liabilities	472,898	444,145	41,692	18,923	13,473
Share capital	78	65	25	24	27
Total shareholders' equity	968,879	367,387	33,531	16,881	23,209

Non-GAAP Financial Measures

To provide investors with additional information about our financial results, we disclose within this Annual Report gross bookings, adjusted revenue, adjusted EBITDA and adjusted EBITDA margin. These measures are not calculated in accordance with IFRS or U.S. generally accepted accounting principles (GAAP). Collectively, we refer to these measures as non-GAAP financial measures. This information should be considered supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with IFRS. In addition, other companies, including companies within our industry, may calculate these measures differently or not at all, which reduces their usefulness as comparative measures.

Gross Bookings

We define gross bookings as the economic benefit collected from the sale of virtual items and for access to skill tournaments. Prior to June 2013, gross bookings also includes amounts generated from the sale of advertising space, which we no longer offer.

We use gross bookings to evaluate the results of our operations, generate future operating plans and assess our performance. We believe that this non-GAAP financial measure provides a meaningful measurement of our business performance during a particular period.

The following table reflects the reconciliation of revenue to gross bookings for each of the years indicated:

Reconciliation of Revenue to Gross Bookings: (in thousands)	Year Ended December 31, 2014	2013	2012	2011	2010
Revenue	$2,260,241	$1,884,301	$ 164,412	$ 63,901	$ 58,448
Sales tax	101,665	99,688	11,891	7,277	6,550
Other revenue (1)	(8,648)	(14,917)	(3,181)	(1,870)	(421)
Movement in player wallet and other adjustments (2)	5,755	5,483	5,106	6,052	6,015
Change in deferred revenue	23,368	5,266	3,342	2,346	—
Gross bookings	$2,382,381	$1,979,821	$ 181,570	$ 77,706	$ 70,592

(1) Other revenue includes other marketing-related rebates and sales tax rebates from platform providers.
(2) Calculated as the change of the net withdrawable cash balance in skill tournament players' accounts after adjustments for tournament fees, deposits, withdrawals and chargebacks.

Adjusted Revenue

We define adjusted revenue as revenue adjusted to include changes in deferred revenue. We believe that adjusted revenue is a useful metric for calculating adjusted EBITDA margin and understanding our operating results and ongoing profitability.

The following table reflects the reconciliation of revenue to adjusted revenue for each of the periods indicated:

Reconciliation of Revenue to Adjusted Revenue: (in thousands)	Year Ended December 31, 2014	2013	2012	2011	2010
Revenue	$ 2,260,241	$ 1,884,301	$ 164,412	$ 63,901	$ 58,448
Change in deferred revenue	23,368	5,266	3,342	2,346	—
Adjusted revenue	$ 2,283,609	$ 1,889,567	$ 167,754	$ 66,247	$ 58,448

Adjusted EBITDA and Adjusted EBITDA Margin

We define adjusted EBITDA as profit (loss), adjusted for income tax expense (credit), foreign currency exchange loss (gain), acquisition-related expense (including contingent consideration fair value adjustments), non-operating (income) expense, net finance (income) costs, depreciation, amortization, share-based and other equity-related compensation (including social security charges associated therewith) and changes in deferred revenue. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of adjusted revenue. We believe that adjusted EBITDA and adjusted EBITDA margin are useful metrics for investors to understand and evaluate our operating results and ongoing profitability because they permit investors to evaluate our recurring profitability from our ongoing operating activities. We also use these measures internally to establish forecasts, budgets and operational goals and to manage and monitor our business, as well as to evaluate our ongoing and historical performance.

Adjusted EBITDA and adjusted EBITDA margin have certain limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results of operations as reported under IFRS. These limitations include the fact that:

- adjusted EBITDA does not reflect our deferral of revenue related to certain virtual items and virtual currency;
- adjusted EBITDA does not include foreign currency exchange losses (gains) or non-operating (income) expense, which includes one-off (gains) and losses;
- adjusted EBITDA does not include acquisition-related expense, including acquisition-related contingent consideration fair value adjustments and other acquisition related adjustments;
- adjusted EBITDA does not include share-based and other equity-related compensation expense (including social security charges associated therewith) and periodic charges; and
- other companies, including companies in our industry, may calculate adjusted EBITDA differently or not at all, limiting its usefulness as a direct comparative measure.

The following table reflects the reconciliation of profit (loss) to adjusted EBITDA for each of the periods indicated:

Reconciliation of Profit to Adjusted EBITDA: (in thousands, except percentage data)	Year Ended December 31, 2014	2013	2012	2011	2010
Profit (loss)	$ 574,851	$ 567,594	$ 7,845	$ (1,315)	$ 1,744
Add:					
Income tax expense (credit)	193,427	146,681	3,272	617	(122)
Foreign currency exchange loss (gain)	(29,100)	870	827	(863)	(240)
Acquisition-related expense	4,248	—	—	—	—
Non-operating (income) expense	413	171	(715)	4	1
Net finance (income) costs	905	1,731	(52)	(49)	(76)
Share-based and other equity-related compensation [1]	167,289	96,066	11,133	1,644	17
Change in deferred revenue	23,368	5,266	3,342	2,346	—
Depreciation and amortization	14,845	6,363	2,826	2,058	1,593
Adjusted EBITDA	$ 950,246	$ 824,742	$ 28,478	$ 4,442	$ 2,917
Adjusted EBITDA margin	42%	44%	17%	7%	5%

(1) Includes special cash grants made in the quarters ended December 31, 2013 and March 31, 2014 on a per share or per award basis to personnel and directors who held vested equity securities or other share-based awards at the time of the grant. $38 million of these special grants were paid in 2014. The unvested portion of up to $18 million will be paid over the remaining vesting period of the underlying share-based award, with $12 million expected to be paid in 2015 and the remaining $6 million expected to be paid between 2016 and 2018. For more information, see “Item 5. Operating and Financial Review and Prospects—Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Dividends and Other Payments.”

B. Capitalization and Indebtedness

Not Applicable.

C. Reason for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

Investing in our ordinary shares involves a high degree of risk. Before you invest in our ordinary shares, you should carefully consider the following risks, as well as general economic and business risks and the other information contained in this Annual Report, including our consolidated financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important risk factors that could adversely affect our business. If any of the following risks actually occurs, it could have a material adverse effect on our business, operating results and financial condition and cause the trading price of our ordinary shares to decline, which could cause you to lose all or part of your investment.

Risks Related to Our Business

A small number of games currently generate a substantial majority of our gross bookings and if we are unable to generate gross bookings from other games that offset the declines from these games, it will be difficult for us to continue to grow our business.

In the fourth quarter of 2014, our top three games *Candy Crush Saga*, *Farm Heroes Saga* and *Candy Crush Soda Saga* accounted for 77% of our total gross bookings (across the web and mobile channels in the aggregate). *Candy Crush Saga*, accounted for 45% of our total gross bookings in the fourth quarter of 2014 (across the web and mobile channels in the aggregate). In the future, the gross bookings from our other games, including our newer games, may not be sufficient to offset any decline in the gross bookings of *Candy Crush Saga* . If the gross bookings of our top games, including *Candy Crush Saga*, are lower than anticipated and we are unable to broaden our portfolio of games or increase gross bookings from those games, we will not be able to maintain or grow our gross bookings and our financial results will be adversely affected.

We must develop new games and enhance our existing games so that our players will continue to play our games and make purchases of virtual items within our games.

Our continued growth will depend on our ability to regularly develop new games, expand our franchises and enhance our existing games in ways that improve the gaming experience for both paying and non-paying players while encouraging the purchase of virtual items within our games. In the event our traditional game development model ceases to be effective or we adopt new game development models that fail to be as successful or that new games do not generate a sufficient amount of gross bookings, our current development costs would increase and our operating results would suffer. It is possible that only a small number of our games, if any, become successful and generate significant purchases of virtual items.

Our ability to successfully and regularly develop new games, expand our franchises and enhance existing games and their ability to achieve commercial success are subject to a number of challenges, including:

- our need to continually anticipate and respond to changes in the game industry, particularly in the mobile and social platforms;
- our ability to compete successfully against a large and growing number of industry participants;
- our ability to develop and launch new game IP and games on time and on budget;
- our ability to develop new game formats and game envelopes that drive engagement and monetization;
- our ability to adapt to changing player preferences;
- our ability to enhance existing games by adding features and functionality that will encourage continued engagement with the game, for example those that increase social interactions;
- our ability to execute successful game launches;
- our ability to hire and retain skilled personnel as we seek to expand our development capabilities;
- our ability to access new demographic markets;
- our ability to integrate our acquisitions;
- our ability to achieve a positive return on our advertising investments and continue to experience success with organic viral growth; and

- the need to minimize and quickly resolve bugs or outages.

If we are unable to develop new and enhance existing games that generate meaningful gross bookings, our business and financial results could be harmed.

We have experienced significant rapid growth in our operations, and we cannot assure you that we will effectively manage our growth.

We have experienced a period of significant rapid growth and expansion in our operations that has placed, and continues to place, significant strain on our management and resources. For example, our staff headcount and the scope and complexity of our business have increased significantly, with the number of employees increasing from approximately 660 as of December 31, 2013 to approximately 1,200 as of December 31, 2014, and the number of game studios reaching a total of nine in 2014, with eight game studios in Europe and one game studio in Asia to support our growth and game development. We expect headcount growth to continue for the foreseeable future.

The scale and increased complexity of our business, the geographical expansion of our operations and our significantly increased headcount create significant challenges for our management and operational resources. In the event of continued growth of our operations, our information technology systems and our internal controls and procedures will need to be scaled to support our operations. Scaling our systems and procedures can be time consuming, costly and may not have the desired effect. In addition, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively.

In order to successfully execute our strategy, we must continue to improve our operational and management processes and systems, and identify, hire, integrate, develop and motivate a large number of qualified employees. If we fail to do so, our ability to grow our business could be harmed. As our organization continues to grow, and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new games. This could negatively affect our business performance.

We face significant competition, there are low barriers to entry in the digital gaming industry, and competition is intense.

The digital gaming industry is highly competitive, and we expect more competitors to emerge and a wider range of games to be introduced. We face competition from a number of competitors who develop casual games and games in other genres for play on social networks, mobile, PC and consoles, some of which include features that compete with our casual games and have community functions where game developers can engage with their players. These competitors include companies such as Activision Blizzard, Inc.; DeNA Co., Ltd.; Electronic Arts Inc.; Gree International, Inc.; GungHo Online Entertainment America, Inc.; Glu Mobile Inc.; Nexon Co. Ltd.; Tencent Holdings Limited; The Walt Disney Company; and Zynga Inc. and numerous privately-held companies such as Supercell Oy. In addition, we face competition from online game developers and distributors who are primarily focused on specific international markets. In certain markets, platforms may provide advantages to our competitors that are not available to us or develop games that compete directly with our games. Many new developers enter the gaming market on a regular basis, some of which see significant success in a short period of time.

We could also face increased competition if large companies with significant online presences such as Amazon.com, Inc.; Apple, Inc.; Facebook, Inc.; Google Inc.; or Microsoft Corporation. choose to enter or expand in the games space or develop competing games. Some of these current, emerging and potential competitors have significant resources for developing or acquiring additional games, may be able to incorporate their own strong brands and assets into their games or distribution of their games, have a more diversified set of revenue sources than we do and may be less severely affected by changes in consumer preferences, regulations or other developments that may impact the casual game industry.

As there are relatively low barriers to entry to develop a mobile or online casual game, we expect new game competitors to enter the market and existing competitors to allocate more resources to develop and market competing games and applications. We also compete or will compete with a vast number of small companies and individuals who are able to create and launch games and other content for these devices and platforms using relatively limited resources and with relatively limited start-up time or expertise. Increased competition could result in a loss of players or negatively impact our ability to acquire new players cost-effectively, both of which could harm our business.

Our players may decide to select competing forms of entertainment instead of playing our games.

We also face competition for the leisure time, attention and discretionary spending of our players. Other forms of leisure time activities, such as offline, traditional online, personal computer and console games, television, movies, sports, and the Internet, are much larger and more well-established options for consumers. In addition, competition for the attention of players on their mobile devices is intense, as the number of apps on mobile devices is increasing dramatically. If our players do not find our games to be compelling or if other leisure time activities are perceived by our players to offer greater variety, affordability, interactivity and overall enjoyment, our business could be materially and adversely affected.

If players do not find our game formats compelling and engaging, or if the popularity of the casual game genre declines, we could lose players and our gross bookings could decline.

Our most successful games to date have been our games that are in the casual game genre and we expect that we will continue to apply a significant proportion of our focus and resources to developing new games in this genre. In addition, we currently launch our casual games in our *Saga* format, which involves the progression of the game through numerous levels and through a background story. It is possible that players could lose interest in this format over time due to a variety of reasons, including the emergence of new genres or formats that players find more engaging, increased popularity of other game titles, or lack of sustained interest or loss of interest in particular games.

Additionally, consumer tastes and preferences are subject to frequent changes, and it is possible that new gaming genres could replace casual games in popularity. We may not be able to predict future shifts in gaming formats and may not take timely action to adapt our products to new gaming formats or to develop games that consumers continue to enjoy.

If large numbers of players were to lose interest in the casual game genre or in our *Saga* format, if we are unable to anticipate future consumer preferences in gaming formats or develop new game formats or if we are not able to develop games in new casual sub-genres, we could lose players, and our gross bookings, financial performance and business could be adversely and substantially affected.

Our recently announced efforts to expand beyond the casual format may not be successful.

We have limited experience in developing and launching games outside of our traditional casual genres **,** and we may do so less effectively or efficiently than we have developed games in the casual genre. We may have to employ significant additional economic and human resource to develop and launch such games, and any games we do offer in these genres may not launch on schedule or may be less popular or profitable than our existing games or than the games of our competitors in such genres, which could adversely affect our gross bookings, profitability and brand.

If we are able to develop new games that achieve success, it is possible that these games could divert players of our other games without growing the overall size of our network, which could harm our operating results.

Although it is important to our future success that we develop new games that become popular with players, it is possible that these games could cause players to reduce their playing time and purchases of virtual items in our existing games without their engagement with and spend on new games offsetting these reductions. For example, we experienced some limited cannibalization impact on our other games after the launch of *Candy Crush Soda Saga* . This risk may be more acute as we extend our franchises, as sequels and sister titles may be more likely to compete for playing time and spend of players of the original titles in the same franchise. In addition, we also plan to cross-promote our new games in our other games, which could further encourage players of existing games to divert some of their playing time and spend on existing games. If new games do not grow the size of our network or generate sufficient additional purchases of virtual items to offset any declines in purchases from our other games, our gross bookings and our profitability could be materially and adversely affected.

Our free-to-play business model depends on purchases of virtual currency within our games, payments for which are made to our platform providers and our business, financial condition and results of operations will be materially and adversely affected if we do not continue to successfully implement this model.

We derived nearly all of our gross bookings in recent periods from the sale of virtual currency in our games, which players can then use to buy in-game virtual items, and expect to continue to do so in the future. Our games are available to players for free, and we generally generate revenue from them only if they use the in-game virtual currency to purchase entertainment time, game boosters, and access to additional content. If we fail to offer popular virtual items, make unpopular changes to existing virtual items, or offer games that do not attract purchases of virtual items, or if our platform providers make it more difficult or expensive for players to purchase, or we otherwise fail to sell, our virtual currency, our business, financial condition and results of operations will be materially and adversely affected.

A relatively small percentage of our player network accounts for a large portion of our gross bookings and if we are unable to continue to retain players or if they decrease their spending, our gross bookings could be harmed.

A relatively small portion of our player network accounts for a large portion of our gross bookings. If we are unable to continue to offer games that encourage these customers to purchase our virtual currency and subsequently buy our virtual items, if we fail offer monetization features that appeal to these players, if these players do not continue to play our games or to purchase virtual items at the same rate, or if we cannot encourage significant additional players to purchase virtual items in our games, we will not be able to sustain our revenue or gross bookings growth rates, and our business will be harmed.

As we have built up a significant player network, we may fail to attract new players or retain existing players, and the number of players we have will fluctuate, any of which will materially and adversely affect our results of operations and financial condition.

For the quarter ended December 31, 2014, we had an average of 533 million average monthly active users (MAUs), an increase of 125 million from 408 million for the quarter ended December 31, 2013. As we have built up a significant player network, in order to sustain our gross bookings, we must attract new players and retain existing paying players. To retain players, we must devote significant resources so that the games they play retain their interest, encourage them to purchase virtual items and attract them to our other games. If the number of our players, the number of our paying players, the rates at which we attract players, the rate at which players purchase virtual items from us, or the volume and/or price of their purchases declines, our results of operations and financial condition will be adversely affected.

In order to acquire new players to our network and reactivate historical players, we utilize a variety of marketing channels, including advertising online through mobile and social networks, and increasingly through television. Acquiring and reactivating players can be costly and the effectiveness of such efforts can vary widely by game, geography and platform and increased competition can have the effect of increasing player acquisition costs. Furthermore, the success of our business depends in large part on our ability to retain our players, generate gross bookings from new players, maintain gross bookings generation from existing players and migrate our existing players to new games and new platforms. In 2014 and 2013, we incurred $455 million and $377 million, respectively, in sales and marketing expenses to promote our games. We also encourage our existing players to play our new games and use new platforms through cross-promotions. Although our costs associated with acquiring new players has decreased in recent periods, as our player network continues to evolve it is possible that the composition of our player network may change in a manner that makes it more difficult to generate sufficient gross bookings to offset the costs associated with acquiring new players and retaining our current players. Additionally, our cross-promotions may be ineffective or could be restricted by platforms thereby reducing retention of our existing players. If the cost to acquire players is greater than the gross bookings we generate over time from those players and if we cannot successfully migrate our current players to new games and new platforms as we have historically, our business and operating results will be harmed.

We may not maintain profitability in the future.

Although we were profitable in the past, we expect to make significant investments in growing our business, including through investments in organic growth as well as possible strategic acquisitions or other transactions and increase our employee headcount, which could reduce our profitability compared to past periods. In addition, as a public company, we are incurring significant accounting, legal and other expenses that we did not incur as a private company. As a result of these increased expenditures, our profitability could decline in future periods. While our revenue has grown substantially from 2012, in future periods, our revenue could decline or grow more slowly than we expect. We therefore may fail to maintain profitability. We also may incur significant losses in the future for a number of reasons, including due to the other risks described in this section, and we may encounter unforeseen expenses, tax liabilities, difficulties, complications, delays and other unknown factors. Accordingly, we may not be able to maintain profitability, and we may incur losses in the future.

We may experience fluctuations in our quarterly operating results due to a number of factors, which make our future results difficult to predict.

Our gross bookings and other operating results could vary significantly from quarter to quarter due to a variety of factors, many of which are outside our control. In addition, we may not be able to accurately predict our future gross bookings or results of operations. We base our current and future expense levels on our internal operating plans and forecasts, and some of our operating costs are to a large extent fixed in the near term. As a result, we may not be able to reduce our costs quickly enough to compensate for an unexpected shortfall in gross bookings.

Factors that may contribute to the variability of our quarterly results include:

- delays in launching our games on mobile or social platforms;
- the ability of games released in prior periods to sustain their popularity and monetization rates and the popularity and monetization rates of new games or enhancements to existing games released during the quarter;
- our ability to maintain and increase the number of our players who purchase virtual items and the volume of their purchases;
- a loss of popularity of the casual sub-genres of our games or our *Saga* game format;

- changes to the terms and conditions offered by our platform partners and our ability to effectively use those platforms for distribution and marketing;
- the increase in popularity of existing games and the timing of new games released by our competitors;
- fluctuations in the size and rate of growth of overall consumer demand for games on mobile devices and social media or mobile platforms;
- increases in marketing and other operating expenses that we may incur to grow and expand our operations;
- fluctuations in foreign currency exchange rates;
- system failures or breaches of data security;
- changes in privacy laws affecting how we may market to our players or use the personal information we collect;
- regulatory changes such as in consumer protection;
- inaccessibility of the distribution platforms for our games;
- changes in accounting rules;
- changes to tax laws or the interpretation thereof; and
- macro-economic conditions and their effect on discretionary consumer spending.

Our share price may be volatile, and the market price of our ordinary shares may decline.

Market prices for securities of public companies, particularly technology, entertainment and game companies, have historically been particularly volatile in response to various factors, some of which are beyond our control. Some of the factors that may cause the market price for our ordinary shares to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- actual or anticipated fluctuations in our key operating metrics, financial condition and operating results;
- loss of existing players due to declining popularity of existing games or lack of new highly successful games;
- competitors developing more compelling games attracting our players;
- our announcement of actual results for a fiscal period that are lower than projected or expected or our announcement of revenue or earnings guidance that is lower than expected;
- changes in estimates of our financial results or recommendations by securities analysts;
- the loss of, or changes to, one of our key distribution platforms;
- changes in market valuations of similar companies;
- success of competitive games or products;
- sales of ordinary shares by our shareholders;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- announcements by us or our competitors of significant products or services, contracts, acquisitions or strategic alliances;
- regulatory developments in Europe, the United States or other countries;
- actual or threatened litigation involving us or our industry;
- additions or departures of key personnel;
- general trends in the gaming industry as a whole;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- further issuances of ordinary shares by us;
- repurchases of ordinary shares; and
- changes in general economic, industry and market conditions.

In addition, the stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. You may not realize any return on your investment in us and may lose some or all of your investment.

We will continue to selectively pursue acquisitions of complementary businesses and technologies, which could divert our management's attention, result in additional dilution to our shareholders and otherwise disrupt our operations and adversely affect our operating results.

We will continue to selectively pursue acquisitions of complementary businesses and technologies that we believe could complement or expand our game IPs, enhance our technical capabilities, add skilled personnel or otherwise offer growth opportunities. For example, in 2014 we acquired Nonstop Games, adding our first studio in Asia, and on February 6, 2015 we signed an agreement, subject to certain closing conditions, to acquire Z2Live, Inc., a game development company based in Seattle, Washington. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

If we acquire businesses or technologies, we may not be able to integrate the acquired personnel, operations and technologies successfully, or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including:

- negative effects on games and game development from the changes and potential disruption that may follow the acquisition;
- inability to integrate the operations, systems, technologies, products and personnel of each acquired company, the inefficiencies and lack of control that may result if such integration is delayed or not implemented, and unforeseen difficulties and expenditures that may arise in connection with integration;
- unanticipated costs or liabilities associated with the acquisition;
- incurrence of acquisition-related costs;
- acquired game IPs or other assets failing to meet expectations;
- in some cases, the need to transition operations and players onto our existing or new platforms and the potential loss of, or harm to, our relationships with employees, players and other suppliers as a result of integration of new businesses;
- in certain instances, the ability to exert control of acquired businesses that include earnout provisions in the agreements relating to such acquisitions or the potential obligation to fund an earnout for a product that has not met expectations;
- diversion of management's attention from other business concerns;
- the potential loss of key employees;
- use of resources that are needed in other parts of our business; and
- use of our available cash to consummate the acquisition.

The benefits of an acquisition or investment may also take considerable time to develop, and we cannot be certain that any particular acquisition or investment will produce the intended benefits, which could adversely affect our business and operating results. Our ability to engage in future acquisitions will depend on the availability of suitable acquisition and investment candidates at an acceptable cost, our ability to compete effectively to attract these candidates and the availability of financing to complete larger acquisitions. Acquisitions could result in potential dilutive issuances of equity securities, use of significant cash balances or incurrence of debt (and increased interest expense), contingent liabilities or amortization expenses related to intangible assets or write-offs of goodwill and/or intangible assets, which could adversely affect our results of operations and dilute the economic and voting rights of our shareholders.

Our key operating principle of putting our players first may conflict with the short-term interests of our business.

One of our key operating principles is that the player comes first, which we believe is essential to our success in increasing our growth and engagement and in serving the best, long-term interests of the company and our shareholders. Therefore, we may forgo certain expansion or short-term revenue opportunities that we do not believe will enhance the experience of our players, even if our decision negatively impacts our operating results in the short term. It is possible that our decisions may not result in the long-term benefits that we expect, in which case our business and operating results could be harmed.

If we fail to anticipate or successfully develop games for new technologies, platforms and devices, the quality, timeliness and competitiveness of our games could suffer.

The casual game genre, and the gaming industry more generally, are characterized by rapid technological changes that can be difficult to anticipate. New technologies, including distribution platforms and gaming devices (such as consoles, connected TVs and wearables, such as smart watches) or a combination of existing and new devices, may force us to adapt our current game development processes or adopt new processes. If consumers shift their time to platforms other than the mobile and social platforms where our games are currently distributed, the size of our audience could decline and our performance could be impacted. It may take significant time and resources to shift our focus to such technologies, platforms and devices, putting us at a competitive disadvantage. Alternatively, we may increase the resources employed in research and development in an attempt to accelerate our development to adapt to these new technologies, distribution platforms and devices, either to preserve our games or a game launch schedule or to keep up with our competition, which would increase our development expenses. We could also devote significant resources to updating developing games to work with such technologies, platforms or devices, and these new technologies, platforms or devices may not experience sustained, widespread consumer acceptance. The occurrence of any of these events could adversely affect the quality, timeliness and competitiveness of our games, or cause us to incur significantly increased costs, which could harm our operating results.

We rely on third-party platforms such as the Apple App Store, the Google Play Store and Facebook to distribute our games and collect payments. If we are unable to maintain a good relationship with such platform providers, if their terms and conditions, methods of distribution, payment practices or pricing changed to our detriment, if we violate, or if a platform provider believes that we have violated, the terms and conditions of its platform, or if any of these platforms were unavailable for a prolonged period of time, our business will suffer.

We currently derive a majority of our gross bookings from distribution of our games on the Apple App Store, the Google Play Store and Facebook, and most of the virtual currency we sell is purchased using the payments processing systems of these platform providers. These platforms also serve as significant online distribution platforms for our games. We are subject to their standard terms and conditions for application developers, which govern the promotion, distribution and operation of games and other applications on their platforms. In addition, if we violate, or if a platform provider believes that we have violated, its terms and conditions, the particular platform provider may discontinue or limit our access to that platform, which would harm our business. Our business would be harmed if they discontinue or limit our access to their platforms, if their platforms decline in popularity, if they modify their current discovery mechanisms, communication channels available to developers, respective terms of service or other policies, including fees, if they are required to change how they label free-to-play games or take payment for in-app purchases, or change how the personal information of players is made available to developers or develop their own competitive offerings.

We also rely on the continued operation of third-party platforms such as the Apple App Store, the Google Play Store and Facebook. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their in-app purchasing functionality. If either of these events recurs on a prolonged, or even short-term, basis or other similar issues arise that impact players' ability to download our games, access social features, purchase virtual currency or buy virtual items, it would have a material adverse effect on our gross bookings, operating results and brand. Furthermore, any change or deterioration in our relationship with these platform providers could materially harm our business and likely cause our share price to decline.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business.

We currently depend on the continued services and performance of our key personnel, including Riccardo Zacconi, our Chief Executive Officer, and John Sebastian Knutsson, our Chief Creative Officer, and our other executive officers and senior development personnel. Although we have entered into employment agreements with Messrs. Zacconi and Knutsson, the agreements have no specific duration and these employees can terminate their employment at any time, subject to the agreed notice periods and post-termination restrictive covenants. In addition, our games are created, developed, enhanced and supported in our in-house game studios. The loss of key game studio personnel, including members of management as well as key engineering, game development, artists, product, marketing and sales personnel, could disrupt our current games, delay new game development, and decrease player retention, which would have an adverse effect on our business.

As we continue to grow, we cannot guarantee we will continue to attract and retain the personnel we need to maintain our competitive position. In particular, we intend to hire a significant number of engineering, development, operations and design personnel, and we expect to face significant competition from other companies in hiring and retaining such personnel as well as the complexities of recruiting well-qualified staff in multiple international jurisdictions. As we mature, the incentives to attract, retain and motivate our staff provided by our equity awards or by future arrangements, such as through cash bonuses, may not be as effective as in the past. If we do not succeed in attracting, hiring and integrating excellent personnel, or retaining and motivating existing personnel, we may be unable to grow effectively.

Being a public company has increased our compliance costs significantly and required the expansion and enhancement of a variety of financial and management control systems and infrastructure and the hiring of significant additional qualified personnel.

Prior to our initial public offering (IPO) in 2014, we were not subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (Exchange Act), or the other rules and regulations of the U.S. Securities and Exchange Commission (SEC), or any securities exchange relating to public companies, or of the laws, rules and regulations of Ireland applicable to Irish corporations. We continue to work with our legal, independent accounting and other advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. These areas include financial planning and analysis, tax, corporate governance, accounting policies and procedures, insurance, internal controls, internal audit, board compensation, disclosure controls and procedures and financial reporting and accounting systems. In addition, the Irish law imposes a number of additional regulatory filings and other requirements that require us to incur additional legal, accounting and administrative costs. We have made, and will continue to make, significant changes in these and other areas, and the expenses associated with these initiatives have been, and we expect will be, material in the future. Compliance with the various reporting and other requirements applicable to public companies also require considerable time and attention of management and also require us to successfully hire and integrate a significant number of additional qualified personnel into our existing finance, legal, human resources and operations departments.

We currently offer our games in multiple jurisdictions and have an increasing number of facilities. We plan to continue expanding into new geographic markets where we have limited experience and we may be subject to increased business, additional regulation and economic risks that could affect our financial results.

We plan to continue the expansion of our game offerings in various jurisdictions using different distribution models. However, we have limited experience in marketing, developing and deploying our games in these new markets, including Asian markets, and have limited history offering our games on the local social networks or mobile platforms. As a result, it is difficult to effectively assess their long-term prospects. We cannot make any assurances that our games will achieve comparable levels of success as they have historically in other geographic regions or on other platforms.

We currently have studios or offices in 11 countries, and may continue our geographical expansion into markets. Physically operating in new jurisdictions can be expensive and resource intensive. In addition, some of these geographic markets may have substantial legal and regulatory complexities.

We are subject to a variety of risks inherent in doing business internationally, including:

- risks related to the legal and regulatory environment in non-U.S. and non-E.U. jurisdictions, including with respect to privacy and data security, and unexpected changes in laws, regulatory requirements and enforcement;
- burdens of complying with a variety of foreign laws in multiple jurisdictions, including potential license obligations;
- potential damage to our brand and reputation due to compliance with local laws, including requirements to provide player information to local authorities;
- fluctuations in currency exchange rates;
- political, social or economic instability;
- the potential need to recruit and work through local partners;
- cultural differences, which may affect market acceptance of our games;
- reduced protection for or increased violation of intellectual property rights in some countries;
- difficulties in managing global operations and legal compliance costs associated with multiple international locations;
- compliance with the U.K. Bribery Act, U.S. Foreign Corrupt Practices Act and similar laws in other jurisdictions;
- natural disasters, including earthquakes, tsunamis and floods;
- inadequate local infrastructure; and
- exposure to local banking, currency control and other financial-related risks.

If we are unable to manage our global operations successfully, our financial results could be adversely affected.

We are dependent on a small number of data center providers and any failure or significant interruption in our network could impact our operations and harm our business.

We host the backend systems that our games use from a primary data center located in Stockholm, Sweden. We also have a back-up system hosted at a separate data center in Stockholm, Sweden. We do not control the operation of these facilities. The owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our data center operators is acquired, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible lengthy service interruptions in connection with doing so.

Problems faced by our third-party data center locations, with the telecommunications network providers with whom we or they contract, or with the systems by which our telecommunications providers allocate capacity among their customers, including us, could adversely affect the experience of our players. Our third-party data center operators could decide to close their facilities without adequate notice. Any financial difficulties, such as bankruptcy, faced by our third-party data centers operators or any of the service providers with which we or they contract may have negative effects on our business, the nature and extent of which are difficult to predict. Any changes in third-party service levels at our data centers or any errors, defects, disruptions, or other performance problems with our games could adversely affect our reputation and adversely affect the game playing experience. If a particular game is unavailable when players attempt to access it or if navigation through a game is slower than they expect, players may stop playing the game and may be less likely to return to the game as often, if at all. Interruptions in our services might reduce our gross bookings, subject us to potential liability, or adversely affect our renewal rates.

To the extent that our disaster recovery systems are not adequate, or we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate increasing traffic, our business and operating results may suffer. Our insurance may be insufficient to compensate us for any losses.

We will need to continue to expand and enhance our network infrastructure to accommodate the growth of our business.

We rely on our internal network infrastructure to manage our operations and to provide us with the data we need to analyze the performance of our business and to report our operational and financial performance accurately. We have made substantial investments in expanding and enhancing our network systems and we plan to continue to invest in our network systems, which could involve additional purchases of computer hardware and software as well as the hiring of additional operations personnel. We may not be able to successfully install and implement any new computer hardware and software needed to enhance our operational systems and we may not be able to attract a sufficient number of additional qualified operations personnel. If we are unable to successfully expand and enhance our network infrastructure and operational systems, or experience difficulties in implementing such systems, our business could be harmed.

Catastrophic events may disrupt our business.

Our systems and operations are vulnerable to damage or interruption from fires, floods, power losses, telecommunications failures, cyber attacks, terrorist attacks, acts of war, human errors, break-ins and similar events. Additionally, we rely on our network, data centers and third-party infrastructure and enterprise applications, internal technology systems and our website for our development, marketing and operational support activities. In the event of a catastrophic event, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our services, breaches of data security and loss of critical data, all of which could have an adverse effect on our future operating results.

Unforeseen "bugs" or errors in our games could harm our brand, which could harm our operating results.

Our games have in the past contained and may in the future contain errors or "bugs" that are not detected until after they are broadly released. Any such errors could harm the overall game playing experience for our players, which could cause players to reduce their playing time or in game purchases, discontinue playing our games altogether, or not recommend our games. Such errors could also result in our games being non-compliant with applicable laws or create legal liability for us. Resolving such errors could also disrupt our operations, cause us to divert resources from other projects, or harm our operating results.

Security breaches could harm our business.

Security breaches have become more prevalent in the technology and gaming industries. We believe that we take reasonable steps to protect the security, integrity and confidentiality of the information we collect, use, store and disclose, but there is no guarantee that inadvertent (e.g., software bugs or other technical malfunctions, employee error or malfeasance, or other factors) or unauthorized data access or use will not occur despite our efforts. Although we have not experienced any material security breaches to date, we have in the past experienced and we may in the future experience attempts to disable our systems or to breach the security of our systems. Techniques used to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures.

If an actual or perceived security breach occurs, the market perception of our security measures could be harmed and we could lose sales and customers and/or suffer other negative consequences to our business. A security breach could adversely affect the game playing experience and cause the loss or corruption of data, which could harm our business, financial condition and operating results. Any failure to maintain the security of our infrastructure could result in loss of personal information and/or other confidential information, damage to our reputation and customer relationships, early termination of our contracts and other business losses, paying damages to our customers, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage. Further, certain incidents that we can experience may not be covered by the insurance that we carry.

Moreover, if a high profile security breach occurs with respect to us or another digital entertainment company, our customers and potential customers may lose trust in the security of our business model generally, which could adversely impact our ability to retain existing customers or attract new ones.

The laws and regulations concerning data privacy and data security are continually evolving; our, or our platform providers', actual or perceived failure to comply with these laws and regulations could harm our business.

Players can play our games online using third-party platforms and networks and on mobile devices. We collect and store significant amounts of information about our players—both personally identifying and non-personally identifying information. We are subject to laws from a variety of jurisdictions regarding privacy and the protection of this player information. For example, the European Union (EU) has traditionally taken a broader view than the United States and certain other jurisdictions as to what is considered personal information and has imposed greater obligations under data privacy regulations. The U.S. Children's Online Privacy Protection Act (COPPA) also regulates the collection, use and disclosure of personal information from children under 13 years of age. While none of our games are directed at children under 13 years of age, if COPPA were to apply to us, failure to comply with COPPA may increase our costs, subject us to expensive and distracting government investigations and could result in substantial fines.

Data privacy protection laws are rapidly changing and likely will continue to do so for the foreseeable future, which could impact our approach to operating and marketing our games. The U.S. government, including the Federal Trade Commission and the Department of Commerce, is continuing to review the need for greater regulation over the collection of personal information and information about consumer behavior on the Internet and on mobile devices and the EU has proposed reforms to its existing data protection legal framework. Various government and consumer agencies worldwide have also called for new regulation and changes in industry practices. In addition, in some cases, we are dependent upon our platform providers to solicit, collect and provide us with information regarding our players that is necessary for compliance with these various types of regulations.

Player interaction with our games is subject to our privacy policy and terms of service. If we fail to comply with our posted privacy policy or terms of service or if we fail to comply with existing privacy-related or data protection laws and regulations, it could result in proceedings or litigation against us by governmental authorities or others, which could result in fines or judgments against us, damage our reputation, impact our financial condition and harm our business. If regulators, the media or consumers raise any concerns about our privacy and data protection or consumer protection practices, even if unfounded, this could also result in fines or judgments against us, damage our reputation, and negatively impact our financial condition and damage our business.

In the area of information security and data protection, many jurisdictions have passed laws requiring notification when there is a security breach for personal data or requiring the adoption of minimum information security standards that are often vaguely defined and difficult to implement. We cannot guarantee that our security measures will prevent security breaches. A security breach that compromises personal information could harm our reputation and result in a loss of player confidence in our products and ultimately in a loss of players, which could adversely affect our business and impact our financial condition. This could also subject us to liability under applicable security breach-related laws and regulations and could result in additional compliance costs, costs related to regulatory inquiries and investigations, and an inability to conduct our business.

We are subject to the rules and regulations adopted by the payment card networks, such as Visa and MasterCard, and if we fail to adhere to their rules and regulations, we would be in breach of our contractual obligations to payment processors and merchant banks, which could subject us to damages and liability and could eventually prevent us from processing or accepting credit card payments.

The payment card networks, such as Visa and MasterCard, have adopted rules and regulations that apply to all merchants who process and accept credit cards for payment of goods and services. Parts of our business require us to comply with these rules and regulations as part of the contracts we enter into with payment processors and merchant banks. The rules and regulations adopted by the payment card networks include the Payment Card Industry Data Security Standards (PCI DSS). Under the PCI DSS, we are required to adopt and implement internal controls over the use, storage and security of payment card data to help prevent fraud. If we fail to comply with the rules and regulations adopted by the payment card networks, including the PCI DSS, we would be in breach of our contractual obligations to payment processors and merchant banks. Such failure to comply may subject us to fines, penalties, damages, higher transaction fees, civil liability and loss of certification and could eventually prevent us from processing or accepting debit and credit cards or could lead to a loss of payment processor partners. Further, there is no guarantee that even if we currently comply with the rules and regulations adopted by the payment card networks, we will be able to maintain our compliance. We also cannot guarantee that such compliance will prevent the theft, loss or misuse of the debit or credit card data of customers or participants or regulatory or criminal investigations. A failure to adequately control fraudulent credit card transactions would result in significantly higher credit card-related costs and any increases in our credit card and debit card fees could adversely affect our business, operating results and financial condition. Moreover, any such illegal or improper payments could harm our reputation and may result in a loss of service for our customers, which would adversely affect our business, operating results and financial condition.

Cheating programs or guides could affect the player experience and may lead players to stop purchasing virtual items.

Unrelated third parties have developed, and may continue to develop, “cheating” programs or guides that enable players to advance in our games, which could reduce the demand for virtual items. In addition, vulnerabilities in the design of our applications and of the platforms upon which they run could be discovered after their release, which may result in lost revenue opportunities. This may lead to lost gross bookings from paying players or increased cost of developing technological measures to respond to these, either of which could harm our business.

If we fail to maintain our brand or further develop widespread brand awareness cost-effectively, our business may suffer.

We believe that developing and maintaining widespread awareness of our brand in a cost-effective manner is critical to achieving widespread acceptance of our games and attracting new players. Brand promotion activities may not generate consumer awareness or increase gross bookings, and even if they do, any increase in gross bookings may not offset the expenses we incur in building our brand. In addition, our brand can be harmed if we experience adverse publicity for our games for any reason, including due to “bugs,” outages, security breaches, violations of laws or the release of new games that fail to meet expectations. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our applications.

If we are unable to maintain and nurture our company culture, our business may be harmed.

We believe that building and maintaining a unique culture benefits our players and staff. Following our transition to being a public company and with continued staff headcount growth and expansion of our operations, it is more challenging to maintain our company culture. If we fail to maintain our culture, we may not be able to recruit and retain talented staff that develop and support highly engaging games for our players and our business may be harmed.

Our business is subject to a variety of laws worldwide, many of which are untested and still developing and which could subject us to further regulation, claims or otherwise harm our business.

We are subject to a variety of laws in the United States, Europe, Asia and other jurisdictions, including laws regarding consumer protection (including with respect to the use of email, telephonic, text messaging and other forms of electronic marketing), intellectual property, virtual items and currency, export and national security, all of which are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the United States. It is also likely that as our business grows and evolves and our games are played in a greater number of countries, we will become subject to laws and regulations in additional jurisdictions. If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to modify our games, which would harm our business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business and operating results.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in the United States, Europe and elsewhere that could restrict the online and mobile industries, including consumer protection, protection of minors, player privacy, advertising, taxation, gaming, payments, copyright, distribution and antitrust, among others. Furthermore, the growth and development of electronic commerce and virtual items and currency may prompt calls for more stringent consumer protection laws that may impose additional burdens on or limitations on operations of companies such as ours conducting business through the Internet and mobile devices. For example, the EU has met with certain industry representatives and consumer-protection groups to consider the efficacy of existing consumer law to address perceived problems regarding the purchase of virtual items in applications, including game applications. We anticipate that scrutiny and regulation of our industry will further increase, and we will be required to devote legal and other resources to addressing such regulation such as in the labeling of free-to-play games and the marketing of in-app purchases. For example, existing laws or new laws regarding the marketing of in-app purchases, regulation of currency, banking institutions, unclaimed property and money laundering may be interpreted to cover virtual currency or goods, or laws regarding the regulation of gambling may be interpreted to encompass our games. We have structured and operate our skill tournaments with gambling laws in mind and believe that playing these games does not constitute gambling. However, our skill tournaments could in the future become subject to gambling-related rules and regulations and expose us to civil and criminal penalties. We also sometimes offer our players various types of contests and promotion opportunities. We are subject to laws in a number of jurisdictions concerning the operation and offering of such activities and games, many of which are still evolving and could be interpreted in ways that could harm our business. If these were to occur we might be required to seek licenses, authorizations or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements and we may be subject to additional regulation and oversight, such as reporting to regulators, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the United States, Europe or elsewhere regarding these activities may lessen the growth of casual game services and impair our business.

Changes in the tax treatment of companies engaged in Internet commerce may adversely affect the commercial use of our services and our financial results.

Due to the global nature of the Internet and the global reach of our network, it is possible that various states or countries might attempt to regulate our transmissions or levy sales, income, consumption, use or other taxes relating to our activities, or impose obligations on us to collect such taxes. Tax authorities in many jurisdictions are currently reviewing the appropriate treatment of companies engaged in Internet commerce such as the sale of virtual items and the provision of online services. The imposition of new or revised tax laws or regulations may subject us or our players to additional sales, income, consumption, use or other taxes. We cannot predict the effect of current attempts to impose such taxes on commerce over the Internet. New or revised taxes and, in particular, sales, use or consumption taxes, the Value Added Tax and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling, and for our players, buying, virtual items over the Internet. New taxes could also create significant increases in internal costs necessary to capture data, and collect and remit taxes. Any of these events could have an adverse effect on our business and results of operations.

The application of tax laws is subject to interpretation and if tax authorities challenge our methodologies or our analysis of our tax rates it could result in an increase to our worldwide effective tax rate and cause us to change the way we operate our business.

The application of the tax laws of various jurisdictions to our international business activities is subject to interpretation and also depends on our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing, or determine that the manner in which we operate our business does not achieve the expected tax consequences, which could increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

A certain degree of judgment is required in evaluating our tax positions and determining our provision for income taxes. In the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates, by changes in foreign currency exchange rates or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. As we operate in numerous taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. In addition, tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, the work being carried out by the OECD on base erosion and profit shifting as a response to increasing globalization of trade could result in changes in tax treaties or the introduction of new legislation that could impose an additional tax on businesses. As a result of changes to laws or interpretations, our tax positions could be challenged and our income tax expenses could increase in the future.

For instance, if tax authorities in any of the countries in which we operate were to successfully challenge our transfer prices, they could require us to reallocate our income to reflect transfer pricing adjustments, which could result in an increased tax liability to us. In addition, if the country from which the income was reallocated did not agree with the reallocation asserted by the first country, we could become subject to tax on the same income in both countries, resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it could increase our tax liability, which could adversely affect our financial position and results of operations.

Failure to protect or enforce our intellectual property rights or the costs involved in such enforcement could harm our business and operating results.

We regard the protection of our trade secrets, copyrights, trademarks, domain names and other intellectual property rights as critical to our success and we rely on trademark, copyright, patent and designs law, trade secret protection and confidentiality and license agreements to protect our proprietary rights.

We pursue the registration of our key domain names, trademarks and service marks in Europe, the United States and in certain additional jurisdictions. We are seeking to protect our trademarks, patents and domain names in an increasing number of jurisdictions, a process that is expensive and time-consuming and may not be successful or which we may not pursue in every location. We are increasing our investment in protecting our innovations through increased patent filings that are expensive and time-consuming but which may not result in issued patents that can be effectively enforced.

We enter into confidentiality and invention assignment agreements with our employees and contractors and confidentiality agreements with parties with whom we conduct business in order to confirm our ownership of intellectual property and to limit access to, and disclosure and use of, our proprietary information. However, these contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others. Further, our corporate structure includes several different subsidiaries in many countries, which increases our burden with respect to policing our employees' compliance with their confidentiality obligations. In some instances, we may be required to obtain licenses to intellectual property in lieu of ownership. Such licenses may be limited in scope and require us to renegotiate on a frequent basis for additional use rights. Moreover, to the extent we only have a license to any intellectual property used in any of our games, there may be no guarantee of continued access to such intellectual property, including on commercially reasonable terms.

Despite our efforts to protect our intellectual property rights, unauthorized parties have attempted, and may in the future attempt, to copy or otherwise to obtain and use our technology and games. For example, some companies have released games that are very similar to other successful games in an effort to confuse the market and divert players from their competitor's games to their copycat games. To the extent that these tactics are employed with respect to any of our games, it could reduce our gross bookings that we generate from these games. Monitoring unauthorized use of our games is difficult and costly, and we incur significant costs in fighting infringement and we cannot be certain that the steps we have taken will prevent piracy and other unauthorized distribution and use of our technology and games, particularly in certain jurisdictions, such as certain Asian jurisdictions, where the laws may not protect our intellectual property rights as fully as in Europe and the United States. To the extent we expand our activities worldwide, our exposure to unauthorized copying and use of our games and proprietary information may increase. In the future, litigation may be necessary to enforce our intellectual property rights (for example, our suit against 6Waves LLC settled in our favor), to protect our trade secrets, and to determine the validity and scope of proprietary rights claimed by others, or to defend against claims of infringement or invalidity. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity or diversion of management and technical resources, any of which could adversely affect our business and operating results. If we fail to maintain, protect and enhance our intellectual property rights, our business and operating results may be harmed.

There can be no assurance that our means of protecting our proprietary rights will be adequate or that our competitors will not independently develop similar technology or games. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits asserting infringement of third party rights or attacking the validity and enforceability of our intellectual property rights. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property.

We could be required to cease certain activities and/or incur substantial costs as a result of any claim of infringement of another party's intellectual property rights.

Some of our competitors may own patents, copyrights, trademarks, trade secrets or other intellectual property rights, which they may use to assert claims against us. In recent years, there has been significant litigation in the United States involving patents, copyright and other intellectual property rights. Companies in the internet and technology industries are increasingly bringing and becoming subject to suits alleging infringement of proprietary rights. As we continue to be successful, maintain a high profile, face increasing competition and as litigation becomes a more common way to resolve disputes, we face a higher risk of being the target of intellectual property infringement claims. Although we have not been subject to successful claims or lawsuits against us in the past, we cannot assure you that we will not become in the future, subject to claims that we have misappropriated or misused other parties' intellectual property rights or successful in our defense against such claims. If we are sued by a third party that claims that our technology infringes its rights, the litigation (with or without merit) could be expensive and could divert our management resources.

The results of any intellectual property litigation to which we might become a party may require us to do one or more of the following:

- cease making, selling, offering for sale or using technologies that incorporate the challenged intellectual property;
- make substantial payments for legal fees, settlement payments or other costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign technology to avoid infringement.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us, such payments or costs could have a material adverse effect upon our business and financial results.

Our share price has at times experienced substantial price volatility and, as a result, investors may suffer losses.

Our share price has at times experienced substantial price volatility. In the past, securities class action litigation has often been instituted against a company following periods of volatility in the market price of its securities or the overall market and, in the future, we may be the target of such securities litigation. Such lawsuits generally result in the diversion of resources and management's time and attention away from business operations, which could harm our business, operating resolutions and financial condition and also our reputation. In addition, the costs of defense and any damages resulting from litigation, a ruling against us or a settlement of the litigation could adversely affect our cash flow and financial results.

We use open source software in our games that may subject our software code to general release or require us to re-engineer such code, which may cause harm to our business.

We use open source software in our game development. Some open source software licenses require developers who distribute open source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code on unfavorable terms or at no cost. The terms of various open source licenses have not been interpreted by courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our games. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur and we may be required to release our proprietary source code, pay damages for breach of contract, re-engineer our games, discontinue distribution in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our game development efforts, any of which could harm our reputation, result in player losses, increase our costs or otherwise adversely affect our business and operating results.

Risks Related to Investing in a Foreign Private Issuer or an Irish Company

As a foreign private issuer, we are permitted to follow certain home country corporate governance practices in lieu of certain requirements under the New York Stock Exchange listing standards. This may afford less protection to holders of our ordinary shares than U.S. regulations.

As a foreign private issuer whose ordinary shares are listed on the New York Stock Exchange, we are permitted to follow certain home country corporate governance practices in lieu of certain requirements under the New York Stock Exchange listing standards. A foreign private issuer must disclose in its annual reports filed with the SEC each requirement under the New York Stock Exchange listing standards with which it does not comply, followed by a description of its applicable home country practice. Our home country practices in Ireland may afford less protection to holders of our ordinary shares. For example, under Irish law, there is no general statutory requirement for equity compensation plans to be approved by way of shareholder resolution, which is different than the requirements of the New York Stock Exchange listing standards. As such, while we may choose to seek shareholder approval for any equity compensation plans, our amended and restated memorandum and articles of association do not require any such approvals and we do not intend to adopt any requirements for such approvals in the future. We may rely on exemptions available under the New York Stock Exchange listing standards to a foreign private issuer and follow our home country practices in the future, and as a result, you may not be provided with the benefits of certain corporate governance requirements of the New York Stock Exchange listing standards.

We are a foreign private issuer and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less detailed than those of a U.S. issuer.

We report under the Exchange Act, as a foreign private issuer. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. public companies, including: the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, we are not required to provide as detailed disclosure as a U.S. registrant, particularly in the area of executive compensation. It is possible that some investors may not be as interested in investing in our ordinary shares as the securities of a U.S. registrant that is required

to provide more frequent and detailed disclosure in certain areas, which could adversely affect our share price.

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act's domestic reporting regime and cause us to incur additional legal, accounting and other expenses.

In order to maintain our current status as a foreign private issuer, either (1) a majority of our ordinary shares must be either directly or indirectly owned of record by non-residents of the United States or (2) (a) a majority of our executive officers or directors must not be U.S. citizens or residents, (b) more than 50 percent of our assets cannot be located in the United States and (c) our business must be administered principally outside the United States. If we lost this status, we would be required to comply with the Exchange Act reporting and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC rules and the New York Stock Exchange listing standards. The regulatory and compliance costs to us if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer under U.S. securities laws may be higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would significantly increase our legal and financial compliance costs. We also expect that if we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it would make it more difficult and expensive for us to obtain director and officer liability insurance. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors.

Judgments of U.S. courts may be difficult to enforce in Ireland.

It may not be possible to enforce court judgments obtained in the United States against us in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

Summary judgment against us or our directors or officers, as the case may be, may be granted by the Irish court without requiring the issues in the U.S. litigation to be reopened on the basis that those matters have already been decided by the U.S. court provided that the Irish court is satisfied that:

- the judgment is final and conclusive;
- the U.S. court had jurisdiction to determine the claim(s) (which is a matter of Irish law);
- the U.S. judgment is not impeachable for fraud and is not contrary to Irish rules of natural or substantial justice;
- the enforcement of the judgment will not be contrary to public policy or statute in Ireland;
- the judgment is for a definite sum of money;
- the Irish proceedings were commenced within the relevant limitation period;
- the judgment is not directly or indirectly for the payment of taxes or other charges of a like nature or a fine or other penalty (for example, punitive or exemplary damages);
- the judgment remains valid and enforceable in the court in which it was obtained unless and until it is set aside; and
- before the date on which the U.S. court gave judgment, the issues in question had not been the subject of a final judgment of an Irish court or of a court of another jurisdiction whose judgment is enforceable in Ireland.

Irish Law may afford less protection to holders of our securities.

As an Irish company, we are governed by the Irish Companies Acts 1963-2013 (Irish Companies Acts), which differ in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or other officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. The rights of shareholders to bring proceedings against us or against our directors or officers in relation to public statements are more limited under Irish law than the civil liability provisions of the U.S. securities laws. You should also be aware that Irish law does not allow for any form of legal proceedings directly equivalent to the class action available in U.S. courts. Accordingly, holders of our ordinary shares may have more difficulty protecting their interests than would holders of shares of a corporation incorporated in a jurisdiction of the United States.

Our board of directors may be limited by the Irish Takeover Rules in its ability to defend an unsolicited takeover attempt.

Following the listing of our ordinary shares on the New York Stock Exchange, we are subject to the Irish Takeover Panel Act, 1997, Irish Takeover Rules 2013 (Irish Takeover Rules), under which we will not be permitted to take certain actions that might "frustrate" an offer for our ordinary shares once our board of directors has received an offer, or has reason to believe an offer is or may be imminent, without the approval of more than 50% of shareholders entitled to vote at a general meeting of our shareholders and/or the consent of the Irish Takeover Panel. This could limit the ability of our board of directors to take defensive actions even if it believes that such defensive actions would be in our best interests or the best interests of our shareholders.

The operation of the Irish Takeover Rules may affect the ability of certain parties to acquire our ordinary shares.

Under the Irish Takeover Rules if an acquisition of ordinary shares were to increase the aggregate holding of the acquirer and its concert parties to ordinary shares that represent 30% or more of the voting rights of the company, the acquirer and, in certain circumstances, its concert parties would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding ordinary shares at a price not less than the highest price paid for the ordinary shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of ordinary shares by a single person holding ordinary shares that represent between 30% and 50% of the voting rights in the company, or by a person which together with its concert parties holds ordinary shares that represent more than 30% of the voting rights in the company, if the effect of such acquisition were to increase that single person's or that person's and its concert parties' percentage of the voting rights by 0.05% or more within any 12 month period.

Equally, if, as a result of a repurchase or redemption by the company of its ordinary shares, the aggregate percentage holding of ordinary shares of a person and its concert parties were to increase to 30% or more, that person and its concert parties (or such one or more of such persons as the Irish Takeover Panel may direct) would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding shares at a price not less than the highest price paid for the ordinary shares by such persons during the previous 12 months. Similarly, if, as a result of a repurchase or redemption by the company of its ordinary shares, the aggregate percentage holding of ordinary shares of a single person holding between 30% and 50% of the voting rights in the company, or of a person together with its concert parties holding ordinary shares representing more than 30% of the voting rights in the company, were to increase by 0.05% or more, that single person or that person and its concert parties (or such one or more of such persons as the Irish Takeover Panel may direct) would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding shares at a price not less than the highest price paid for the ordinary shares by such persons during the previous 12 months.

Under the Irish Takeover Rules, certain separate concert parties (including, among others, our shareholder Bellaria Holding S.á.r.l. (Bellaria) and its affiliates and all of the members of our board of directors) are presumed under the Irish Takeover Rules to be acting in concert.

The application of these presumptions may result in restrictions upon the ability of any of the concert parties and/or members of our board of directors to acquire more of our securities, including under the terms of any executive incentive arrangements and/or our ability to repurchase or redeem ordinary shares. Following an application made on behalf of the company, the Irish Takeover Panel has granted a rebuttal in respect of a presumption under the Irish Takeover Rules that Bellaria (by reason of the size of its shareholding in the company) is acting in concert with certain members of our board of directors. However, this rebuttal shall not apply during the course of an offer for the company, or while our board of directors has reason to believe that an offer for the company may be made in the near future, or while the company is in the process of redeeming or repurchasing its own voting securities or while our board of directors proposes that the company redeems or repurchases its own voting securities.

The Irish Takeover Panel has granted, and on January 29, 2015 our shareholders approved, waivers of these mandatory offer requirements for Bellaria individually and as a concert party with our board of directors with regard to the share redemption program that was previously announced in November 2014. These waivers will expire at our next general meeting. We cannot guarantee that the Irish Takeover Panel, and where required our shareholders, will grant or approve a similar waiver in the future if one were necessary.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation and these differences may make our ordinary shares less attractive to investors.

We are incorporated under Irish law and, therefore, certain of the rights of holders of our shares are governed by Irish law, including the provisions of the Irish Companies Acts, and by our memorandum and articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations and these differences may make our ordinary shares less attractive to investors. The principal differences include the following:

- under Irish law, dividends may only be declared by us if we have, on an individual entity basis, profits available for distribution, within the meaning of the Irish Companies Acts;
- under Irish law, each shareholder present at a meeting has only one vote unless a poll is called, in which case each shareholder gets one vote per share owned;
- under Irish law, unless disapplied in accordance with Irish law in the articles of association of a company or a special resolution of the shareholders (as we have done), each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of shares, whereas under typical U.S. state law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise;
- under Irish law, certain matters require the approval of 75% of the votes cast at a general meeting of our shareholders, including amendments to our articles of association, which may make it more difficult for us to complete corporate transactions deemed advisable by our board of directors. Under U.S. state law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions;
- under Irish law, a bidder seeking to acquire us would need, on a tender offer, to receive shareholder acceptance in respect of 80% of our outstanding shares. If this 80% threshold is not achieved in the offer, under Irish law, the bidder cannot complete a "second step merger" to obtain 100% control of us. Accordingly, a tender of 80% of our outstanding ordinary shares will likely be a condition to a tender offer to acquire us, not more than 50% as is becoming more common in tender offers for corporations organized under U.S. state law; and
- under Irish law, shareholders may be required to disclose information regarding their equity interests upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares, including prohibitions on the transfer of the shares, as well as restrictions on voting, dividends and other payments.

A future transfer of your ordinary shares, other than one effected by means of the transfer of book-entry interests in the Depository Trust Company, may be subject to Irish stamp duty.

Transfers of ordinary shares effected by means of the transfer of book-entry interests in the Depository Trust Company (DTC) will not be subject to Irish stamp duty. The majority of our shares are traded through DTC by brokers who hold such shares on behalf of customers. The exemption for transfers of book-entry interests in DTC is available because our shares will be traded on a recognized stock exchange in the United States. However, if you hold ordinary shares directly rather than beneficially through DTC (or through a broker that holds your ordinary shares through DTC), any transfer of your ordinary shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the ordinary shares acquired, which must be paid prior to the registration of the transfer on our official Irish share register). Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty to arise could adversely affect the price of our ordinary shares.

U.S. holders of our shares could be subject to material adverse tax consequences if we are considered a "passive foreign investment company" for U.S. federal income tax purposes.

We do not believe that we are a passive foreign investment company, and we do not expect to become a passive foreign investment company. However, our status in any taxable year will depend on our assets, income and activities in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a passive foreign investment company for the current taxable year or any future taxable years. If we were a passive foreign investment company for any taxable year while a taxable U.S. holder held our shares, such U.S. holder would generally be taxed at ordinary income rates on any sale of our shares and on any dividends treated as "excess distributions." An interest charge also generally would apply based on any taxation deferred during such U.S. holder's holding period in the shares.

Risks Related to Ownership of Ordinary Shares

In the future, our ability to raise additional capital to expand our operations and invest in our business may be limited, and our failure to raise additional capital, if required, could impair our business.

While we currently anticipate that our available funds will be sufficient to meet our cash needs for at least the next 12 months and beyond, we may need, or elect to seek, additional financing at any time. Our ability to obtain financing will depend on, among other things, our development efforts, business plans, operating performance and condition of the capital markets at the time we seek financing. If we need or elect to raise additional funds, we may not be able to obtain additional debt or equity financing on favorable terms, if at all. If we raise additional equity financing, our shareholders may experience significant dilution of their ownership interests and the per share value of our ordinary shares could decline. If we engage in additional debt financing, we may be required to accept terms that further restrict our ability to incur additional indebtedness and force us to maintain specified liquidity or other ratios and limit the operating flexibility of our business. If we need additional capital and cannot raise it on acceptable terms, we may not be able to, among other things:

- develop or enhance our games;
- continue to expand our development, sales and marketing teams;
- acquire complementary technologies, products or businesses;
- expand our global operations;
- hire, train and retain employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- continue our operations.

A significant portion of our total outstanding shares may be sold into the public market in the near future, which could cause the market price of our ordinary shares to drop significantly, even if our business is doing well.

The price of our ordinary shares could decline if there are substantial sales of our ordinary shares. This is particularly true with regard to sales by our directors, executive officers and significant shareholders, or if there is a large number of our ordinary shares available for sale, in part because we have a small public float relative to the number of our ordinary shares issued and outstanding. Substantially all of our outstanding ordinary shares are available for sale in the public market, although shares held by directors, executive officers and other affiliates are subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended (Securities Act), and various vesting restrictions.

Certain of our shareholders have rights, subject to some conditions, to require us to file registration statements covering their shares to include their shares in registration statements that we may file for ourselves or our shareholders. We also have registered the ordinary shares that we have issued and may issue under our employee equity incentive plans and they will be able to be sold freely in the public market upon issuance subject to the shareholder completing the applicable vesting period in the case of some shares issued under our existing share incentive arrangements, and subject to existing market standoff or lock-up agreements.

The market price of our ordinary shares could decline as a result of the sale of a substantial number of ordinary shares in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our ordinary shares adversely, our share price and/or trading volume could decline.

The trading market for our ordinary shares will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. Securities and industry analysts do not currently, and may never, publish research on us. If any of the analysts who may cover us adversely change their recommendation regarding our shares, or provide more favorable relative recommendations about our competitors, our share price would likely decline. If any of the analysts who may cover us were to cease coverage or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

Our directors, executive officers and certain holders of more than 5% of our ordinary shares together with their affiliates, will continue to have substantial control over us which could delay or prevent a change in corporate control.

As of December 31, 2014, our directors, executive officers and certain holders of more than 5% of our ordinary shares, together with their affiliates, continue to beneficially own a large majority of our outstanding ordinary shares, including approximately 44% held by Bellaria (an entity affiliated with Apax WW Nominees Ltd. (Apax Nominees)). As a result, these shareholders, acting together, may have the ability to control the outcome of matters submitted to our shareholders for approval, including the election of directors and any sale, merger or consolidation. In addition, these shareholders, acting together may have the ability to control or influence the management of our affairs. These shareholders may have interests, with respect to their shares, that are different from other investors. The concentration of voting power among these holders may limit the ability of our other shareholders to influence corporate matters and may have an adverse effect on our share price.

We may not pay additional dividends on our ordinary shares in the future and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares.

We may not pay any additional cash dividends on our ordinary shares in the future. As a matter of Irish law, we can only pay dividends to the extent that we have distributable reserves and, in the case of cash dividends, cash resources available for this purpose. Any future determination to declare cash dividends will be made at the discretion of our board of directors. The ability to pay cash dividends in the future will depend on the extent of any profits available for distribution, subject to compliance with applicable laws, including the Irish Companies Acts which require Irish companies to have profits available for distribution before they can pay dividends, and covenants under our current or any future credit facilities, which may restrict or limit our ability to pay dividends. It will also depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant. More specifically, our current credit facility contains restrictions on our ability to pay cash dividends. As a result, a return on your investment may only occur if our share price appreciates.

Our existing shareholders may be entitled to pre-emptive rights under Irish law, which could limit our ability to raise funds through future issuances of our ordinary shares.

Subject to specified exceptions, including the opt-out described in our articles of association, Irish law grants statutory pre-emptive rights to existing shareholders to subscribe for new issuances of shares in exchange for cash. The opt-out described in our articles of association must be renewed every five years by a resolution approved by not less than 75% of the votes cast by our shareholders at a general meeting. We expect that we will seek renewal of the opt-out at an annual general meeting within five years. However, we cannot guarantee that the pre-emptive rights opt-out will always be approved. If this opt-out is not renewed, it can make any future equity fundraising more cumbersome, costly and time consuming.

We currently report our financial results under IFRS, which differs in certain significant respect from U.S. GAAP.

Currently, we report our financial statements under IFRS. There have been and there may in the future be certain significant differences between IFRS and U.S. GAAP, including differences related to revenue recognition, share-based compensation expense, income tax and earnings per share. As a result, our financial information and reported earnings for historical or future periods could be significantly different if they were prepared in accordance with U.S. GAAP. In addition, we do not intend to provide reconciliation between IFRS and U.S. GAAP unless it is required under applicable law. As a result, you may not be able to meaningfully compare our financial statements under IFRS with those companies that prepare financial statements under U.S. GAAP.

In certain limited circumstances, dividends paid by us may be subject to Irish dividend withholding tax.

In certain limited circumstances, dividend withholding tax (DWT), which is currently at a rate of 20%, may arise in respect of dividends, if any, paid on our ordinary shares. A number of exemptions from DWT exist such that certain shareholders resident in the United States and shareholders resident in certain other countries (the “relevant territories”) may be entitled to exemptions from DWT.

Shareholders resident in the United States that hold their shares through DTC will not be subject to DWT provided the addresses of the beneficial owners are recorded as being within the United States in the particular broker’s records (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by us).

Dividends paid in respect of shares in an Irish resident company that are owned by (1) residents of the United States and held outside of DTC and (2) shareholders resident in “relevant territories” will not be subject to DWT provided that the shareholder has completed the relevant Irish DWT declaration form and this declaration form remains valid. Such shareholders must provide the relevant Irish DWT declaration form to our transfer agent at least seven business days before the record date for the first dividend payment to which they are entitled. However, other shareholders may be subject to DWT, which could adversely affect the price of your shares.

Dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.

A shareholder who is not resident or ordinarily resident for tax purposes in Ireland and who is entitled to an exemption from DWT generally has no liability for Irish income tax or income charges on a dividend from an Irish resident company unless that shareholder holds the shares through a branch or agency that carries on a trade in Ireland. A shareholder who is not resident or ordinarily resident for tax purposes in Ireland and who is not entitled to an exemption from DWT generally has no additional liability for Irish income tax or income charges unless that shareholder holds the shares through a branch or agency which carries on a trade in Ireland. A shareholder's liability for Irish income tax is effectively limited to the amount of DWT already deducted by the company.

Irish resident or ordinarily resident individual shareholders may be subject to Irish income tax and income charges such as pay related social insurance (PRSI) and the Universal Social Charge (USC) on dividends received from us. Such shareholders should consult their own tax advisor. Irish resident corporate shareholders should not be subject to tax on dividends from us on the basis that the dividend is not in respect of preferred shares.

Item 4. Information on the Company

A. History and Development

We were originally incorporated in September 2002 as Midasplayer.com Limited, a company organized under the laws of England and Wales. In December 2006, we established Midasplayer International Holding Company Limited, a limited liability company organized under the laws of Malta, which became the holding company of Midasplayer.com Limited and our other wholly-owned subsidiaries. The status of Midasplayer International Holding Company Limited changed to a public limited liability company in November 2013 and its name changed at that time to Midasplayer International Holding Company p.l.c. On March 25, 2014 and in connection with our IPO, King Digital Entertainment plc, a company incorporated under the laws of Ireland, became our holding company by way of a share-for-share exchange in which the shareholders of Midasplayer International Holding Company p.l.c. exchanged their shares in Midasplayer International Holding Company p.l.c. for shares having substantially the same rights in King Digital Entertainment plc. We completed our IPO in March 2014. Our registered and principal office is located at Fitzwilton House, Wilton Place, Dublin 2, Ireland and our telephone number is +44 (0) 20 3451 5464. Our agent for service in the United States is King.com Inc., 188 King Street, Unit 302, San Francisco, California 94107 and the telephone number is (415) 777-8204. We have additional offices in St. Julians, Malta; Barcelona, Spain; Berlin, Germany; Bucharest, Romania; London, United Kingdom; Stockholm and Malmö, Sweden; San Francisco, California; Seoul, South Korea; Shanghai, China; Singapore; and Tokyo, Japan.

Unless expressly indicated or the context requires otherwise, the terms "King," "the Company," "our Company," "the Group," "our business," "we," "us," and "our" in this Annual Report refer to King Digital Entertainment plc and, where appropriate, its wholly-owned subsidiaries.

B. Business Overview

Our mission is to delight the world with brilliant games that create moments of magic.

We are a leading interactive entertainment company for the mobile world. As of fourth quarter 2014, we had 533 million average monthly active users playing our games in over 200 countries and regions. In the same period, we had three of the top ten grossing games on Apple's App Store and four of the top ten grossing games on the Google Play Store in the United States, our largest market. Since launching our first game in 2003, we have gained deep experience in game design and have built a massive network of loyal players. We believe that our high quality, innovative games are at the heart of our success. Our leading games include *Candy Crush Saga, Candy Crush Soda Saga, Farm Heroes Saga, Pet Rescue Saga and Bubble Witch 2 Saga* . Our approach has allowed us to build a strong network allowing for rapid adoption of new games. Within a week of its mobile launch, *Candy Crush Soda Saga* became a top 10 grossing game worldwide, faster than any other King game, which demonstrates the power of our network and our franchise brands. In fourth quarter 2014, an average of 149 million daily active users played our games more than 1.5 billion times per day.

We believe we are well positioned to take advantage of the significant opportunity in the digital games industry. Casual games have broad appeal, and represent the biggest category in mobile games in terms of monthly active users. We have become a leader in mobile games through our focus on the casual genre, our commitment to growing and maintaining our player network and our ability to generate revenue from our games. We believe we can capitalize on our success by further broadening our appeal. To do this, we are evolving our current casual games with innovative enhancements beyond their core mechanics, widening our portfolio with new games in different and adjacent genres and attracting new players while nurturing our existing player base.

Our 2014 plan was focused on diversifying gross bookings, scaling our game development capacity, building our corporate infrastructure, while maintaining profitability. We achieved the following in 2014:

- We launched five games on mobile platforms and three on Facebook, including our first franchise sister title, *Candy Crush Soda Saga* , and first sequel, *Bubble Witch 2 Saga* ;
- Of the five games we launched on mobile in 2014, four reached the top 15 grossing games in the United States, our largest market;
- We grew our non- *Candy Crush Saga* gross bookings from 22% of our total gross bookings in the fourth quarter of 2013 to 55% in the fourth quarter of 2014 [1] ;
- We generated over $574 million in profit, $661 million in net cash generated from operating activities, $950 million in Adjusted EBITDA, and had an adjusted EBITDA margin of 42% [2] ;
- We expanded our game development resources from six to nine game development studios, accessing talent in six countries spanning two continents;
- We grew to approximately 1,200 employees at December 31, 2014 from approximately 660 employees at December 31, 2013; and
- We completed two technology-driven acquisitions, adding a new game engine and dynamic social CRM platform to our technology stack. We also completed a game studio acquisition expanding our talent pool and establishing a presence in Asia.

Our Opportunity

Casual games are especially well suited for mobile usage as they can typically be played in a few minutes, allowing frequent and unplanned breaks in gameplay that do not detract from the quality of the experience. In 2014, 65 and 53 of the top 100 games installed on the Apple App Store and Google Play platforms in the United States, respectively, were in casual genres as measured using data from App Annie. The growing popularity of mobile gaming extends beyond just casual genres, addressing a broader audience with new content, play styles and game mechanics. We believe these factors collectively create an opportunity to extend our leadership in casual games and establish leading entertainment franchises in new genres.

Our Value Proposition for Players

To address this opportunity, we have designed our mobile and social games with the following characteristics:

- *Anytime* . Our games can be enjoyed in short sessions allowing frequent and unplanned breaks in game play that do not detract from the quality of the experience.
- *Anywhere.* Our games can be enjoyed wherever our players are and on the vast majority of devices, online or off-line.
- *Seamlessly synchronized.* A distinguishing feature of our platform is to allow players to switch seamlessly between devices and platforms and continue their game wherever they left off. Our platform offers real-time synchronization of level progression, social graph and virtual items.
- *Highly engaging.* Our games are easy to learn, but hard to master. While gameplay is simple and intuitive, it takes skill to progress. This creates the sense of achievement and delight that underpins the high engagement in our games.
- *Inherently social.* Our games provide social interactions that enhance the player experience: social connectivity is built around sharing achievements and helping each other to progress.
- *Free-to-play.* Our players can enjoy our games for free. Most of those that reach the highest level of a game do so without making a purchase. For those who do, we price our virtual items relative to the entertainment value they deliver.

Our Games and Virtual Items

We develop and publish games that can be played on our king.com and royalgames.com websites, Facebook, and mobile platforms such as iOS and Android. Our games are easy to learn but hard to master, and can be played with or against others. Previously, our players primarily purchased in game virtual items including extensions to entertainment time, game boosters and access to additional content. During 2014 our portfolio of games largely transitioned from selling virtual items to offering virtual currency which players can use to buy in-game virtual items. We believe that the introduction of virtual currency has a positive impact on monetization despite an expected reduction in the number of spenders. As of December 31, 2014, the vast majority of our gross bookings were generated by the sale of virtual currency.

We have four category-leading franchises: *Candy Crush, Farm Heroes, Bubble Witch and Pet Rescue* . During 2014 we expanded two of our franchises by launching *Candy Crush Soda Saga* , a sister title to our hit game *Candy Crush Saga* , and *Bubble Witch 2 Saga* , a sequel to *Bubble Witch Saga* . Our franchises have generated a solid revenue base and provide a massive audience, which we are able to efficiently engage with additional games and content as we expand our portfolio. We take great care to craft our games for the long term. We regularly introduce new games and features, and every few weeks add new content to our titles with the aim of keeping our audience engaged and entertained.

Candy Crush. Candy Crush is a switcher game in which players match candies in combination of three or more to win points and

overcome obstacles. *Candy Crush Saga* was launched in second quarter 2012 on Facebook and fourth quarter 2012 on mobile. *Candy Crush Soda Saga* , the sister title to *Candy Crush Saga* , was launched in fourth quarter 2014 on mobile and Facebook. Designed to be played alongside the original *Candy Crush Saga* , this next title introduces entertaining and innovative features for players who love the gameplay and story of the first title, and are looking for fun, fresh challenges. As of December 31, 2014, we offered 800 levels in *Candy Crush Saga* and 240 levels in *Candy Crush Soda Saga* . Our most popular franchise, *Candy Crush,* including *Candy Crush Saga* and *Candy Crush Soda Saga,* had 91 million average DAUs and 957 million average daily games played across all platforms in the fourth of quarter 2014.

Farm Heroes . Like *Candy Crush*, *Farm Heroes Saga* uses a switcher mechanic, but it differs from *Candy Crush* as it also incorporates a collection objective. To progress, players need to collect sufficient quantities of various elements within a limited number of moves. *Farm Heroes Saga* is set in a fantasy farmland world with over 780 levels as of December 31, 2014. *Farm Heroes Saga* was launched in second quarter 2013 on Facebook and in first quarter 2014 on mobile. We have recently introduced a new game feature whereby a player collects companion animals, each possessing special powers that can be called upon within gameplay to help pass a tough level. *Farm Heroes Saga* had 24 million average DAUs and 248 million average daily games played across all platforms in fourth quarter 2014.

Bubble Witch. Bubble Witch is a bubble shooter game in which players need to aim their shots in order to progress through a field of bubbles to achieve various goals, such as clearing spaces at the top of the screen or liberating trapped characters. *Bubble Witch Saga* was launched in third quarter 2011 on Facebook and in third quarter 2012 on mobile and had 650 levels as of December 31, 2014. In second quarter 2014 we simultaneously launched on Facebook and mobile *Bubble Witch 2 Saga,* the second title of this franchise which had over 350 levels as of December 31, 2014. Our longest running franchise, *Bubble Witch* , including *Bubble Witch Saga* and *Bubble Witch 2 Saga* , had 12 million average DAUs and 111 million average daily games played across all platforms in fourth quarter 2014.

Pet Rescue. Pet Rescue Saga is a clicker game in which players click on groups of similarly colored blocks in order to clear them from the screen. The game is an animal-themed adventure where players have to rescue a range of pets in over 800 levels of play as of December 31, 2014. *Pet Rescue Saga* was launched in fourth quarter 2012 on Facebook and in second quarter 2013 on mobile. It had 11 million average DAUs and 133 million average daily games played across all platforms in fourth quarter 2014.

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1 Non- *Candy Crush Saga* gross bookings represents total gross bookings (including *Candy Crush Soda Saga*) less gross bookings from *Candy Crush Saga* .

2 See “Item 3.A. Selected Financial Data—Non-GAAP Financial Measures” for further information about these non-GAAP measures, including reconciliations to IFRS.

Our Business Model

Our overarching objective is to foster long-term player retention within our network, which we believe maximizes the opportunity for monetization over time. As a result our model is based on the following principles:

- *Free-to-play*. Our players can enjoy the full content of our games for free. Most players that reach the highest level of a game do so without making a purchase.
- *Focus on retention.* We design our games to strike the right balance between challenge and sense of achievement. A lack of challenge can result in players losing interest and a lack of progress can ultimately reduce retention. We believe achievement produces delight and excitement and seek to optimize this balance to encourage long term player engagement.
- *Monetization.* We aim to maximize the revenue potential of our games by optimizing monetization features, designing a range of virtual items that our players value and testing and analyzing the success of these features. We do this while keeping the parameters of the gameplay and the principles of payments consistent throughout, regardless of level. We maintain pricing transparency and do not manipulate difficulty based on player skill. We believe this reinforces retention and game longevity while maximizing the monetization potential.

Our Strategy

Our strategy consists of the following three pillars:

- *Maintain and grow our casual leadership* . We will continue to prioritize engagement and monetization across our portfolio of casual games. We intend to do this by evolving our games with the introduction of new titles, content and features, launching franchise extensions and titles and concentrating on social engagement as a core game-driver.
- *Focus on product innovation* . We intend to drive growth by launching innovative products within our classic casual genre and adjacent game genres of broad appeal, and also by introducing new monetization features that appeal to our players.
- *Reinforce our player network.* We have a loyal audience of 356 million average MUUs as of fourth quarter 2014. We intend to strengthen this network by investing in the reactivation of historical players, monetizing the hundreds of millions of players currently in our network, continuing to promote player adoption of additional games across our portfolio, and acquiring new-to-network players.

Our Game Development

We believe we have a repeatable and scalable game development process that is unparalleled in our industry. Since 2003, we have developed a catalogue of more than 195 game IPs. We introduce new casual game IPs in a tournament format on our royalgames.com website, where we are able to gather rapid feedback from a subset of sophisticated players. We adapt our popular game IPs for launch on mobile and Facebook. This approach has resulted in category-leading franchises. We also encourage innovation in new and adjacent game genres through the support of rapid prototyping within small development teams established alongside our studio structure. We believe that these approaches enable us to develop games at lower risk and cost than most of our competitors.

Our Marketing

We have a highly disciplined rules-based approach to acquire, retain and circulate our players among our games, based on the following principles:

- *Network marketing.* We have a variety of features in our games aimed at retaining players and cross-promoting additional games. These features enable us to engage players without incurring any direct marketing expense.
- *Value driven approach to marketing.* We apply rules-based processes based on estimated customer lifetime value to our paid acquisition, re-engagement and our network marketing programs.
- *Systematic multi-channel paid acquisition.* At any given time, we operate thousands of campaigns targeting hundreds of discrete player clusters through a mix of channels and formats across multiple platforms, all subject to targeted return parameters.
- *Business analytics and platforms.* We have built extensive analytics capabilities and a proprietary technology infrastructure to support the growth and retention of our audience. Key capabilities include a single player view across multiple platforms and games in order to inform our decision-making and player acquisition.
- *Virality and organic acquisition.* Our games are inherently social and provide our audience with features that allow them to interact with other players. These features enhance the virality of our games, which results in attracting players at no direct cost.
- *Television.* Within the free-to-play mobile gaming sector we have been an early adopter of TV advertising, helping us bring new players to our network. To the extent permitted by attribution, we treat TV in the same way as our other direct response marketing channels.

We believe that our leadership position in casual games allows us to acquire and retain players efficiently given our high rankings within the various app stores, and our ability to cross-promote games to existing players, and to retain and attract players through viral social mechanisms.

Our Technology

We deliver performance, resilience and high scalability at a fraction of comparable industry costs. In the fourth quarter of 2014, an average of 149 million daily active users played our games more than 1.5 billion times per day, through a robust and scalable proprietary server infrastructure built on commodity hardware.

Our development philosophy is based on the guiding principles of a common centrally managed platform, a common agile development approach and the total control of our technology stack from our King Cloud infrastructure to our game engines and marketing and analytics platforms. As a result of the application of these principles, our platform delivers the following:

- *Seamlessly synchronized cross-platform experience.* A distinguishing feature of our platform is that our players can seamlessly switch between devices and platforms and continue their game wherever they left off. The platform offers real-time synchronization of level progression, social graph and virtual items.
- *Common integrated development and service platform* . Our game studios share an integrated development and service platform. Since our architecture provides a common player database, analytical platform and network marketing infrastructure, our games share a majority of common server-side code.
- *Innovation and efficiency in our core business functions.* Our ability to improve the performance of our games and the effectiveness and efficiency of our retention and acquisition strategies relies on intense analysis of the massive amounts of data generated by our audience. Our architecture has been designed to scale as our game portfolio grows to accommodate the exponential amounts of data our network generates.

Intellectual Property

Our success significantly depends on our ability to create, use and protect our core intellectual property.

We protect our intellectual property rights by relying on U.S. federal, state, international and common law rights, and contractual arrangements such as license agreements and confidentiality procedures with third parties, employees and contractors. We also utilize a combination of copyright, trademarks, patents, domain names, trade secrets and trade dress. Where appropriate, we registered certain designs, copyright, domain names, trademarks and service marks in the EU, United States and in other jurisdictions. Our trademarks in the EU, United States and elsewhere relate to our corporate King brand, our game names, app icons and game elements where appropriate. We also own more than 30 granted patents in the United States and elsewhere.

Despite these efforts to protect our trade secrets and proprietary rights, laws in certain jurisdictions, such as certain Asian jurisdictions, may not protect our intellectual property rights as fully as in Europe or the United States. Unauthorized parties may still copy or otherwise obtain and misuse our intellectual property. Any unauthorized disclosure or use of our intellectual property could confuse our players, affect the reputation of our games or brands and make it more expensive to do business thus harming our operating results. For example, some companies have released games that are very similar to our successful games in an effort to confuse the market and divert players from our games to their copycat games.

In addition, we cannot be certain that our intellectual property does not or will not infringe valid patents, copyrights or other intellectual property rights held by third parties. It is very possible that, we will face in the future, allegations by third parties, including our competitors and non-practicing entities, that we have infringed their trademarks, copyrights, patents and other intellectual property rights.

Competition

We compete for the leisure time, attention and discretionary spending of our players on the basis of a number of factors, including quality of experience, access and value. While we face a large and diverse group of current and potential competitors, we believe our ability to keep delivering highly engaging daily entertainment will allow us to sustain and extend our leadership position.

Our competitors include:

- *Other Game Developers* . We face competition from a number of competitors who develop games in various genres for social networks, mobile devices, PCs and consoles, some of which include features that compete with our casual games and have community functions where game developers can engage with their players. Some of these competitors include Activision Blizzard, Inc., DeNA Co., Ltd., Electronic Arts Inc., Gree International, Inc., GungHo Online Entertainment America, Inc., Glu Mobile Inc., Nexon Co. Ltd., Supercell Oy, Tencent Holdings Limited, The Walt Disney Company, and Zynga Inc.
- *Emerging and Potential Game Developers* . Many new developers enter the gaming market on a regular basis, some of which see significant success in a short period of time. Additionally, we could face increased competition if large companies with significant online presences, such as Amazon.com, Inc., Apple, Inc., Facebook, Inc., Google Inc., and Microsoft Corporation; among others, choose to enter or expand in the games space or develop competing games.
- *Other Forms of Media and Entertainment.* We compete more broadly for the leisure time and attention of our players with providers of other forms of traditional and interactive entertainment, including social networking, video, reading and music.

Government Regulation

We are subject to laws and regulations in the United States, Europe, Asia and other jurisdictions that affect companies conducting business on the Internet, many of which are still evolving and could be interpreted in way that could harm our business.

In Europe, the European Commission is considering the efficacy of existing consumer law to address perceived problems regarding the purchase of virtual items in applications, including game applications. This, and other regulatory or legal issues in any of our key markets could lead to the introduction of further legislation or regulations that may cause us to change our business practices or require changes to our games. In this context, Apple and Google have made certain changes to the presentation of the games categories and purchasing practices in their respective app stores.

We are also subject to laws in the United States, Europe and other jurisdictions regarding privacy and protection of player data. We post a privacy policy and terms of service with our games, in which we describe our practices concerning the use, processing and disclosure of player data. Any failure by us to comply with our posted privacy policy or privacy related laws and regulations could result in proceedings against us by governmental authorities or others, which could harm our business. Our compliance with our privacy policy is also subject to regulation by the United States Federal Trade Commission, which may bring enforcement actions under Section 5 of the Federal Trade Commission Act against unfair and deceptive trade practices, including the violation of privacy policies, as well as European authorities.

In addition, the scope and interpretation of data protection laws and their application to mobile games and the Internet may be unclear and, in certain countries, is in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways in different states, countries, or regions, and in a manner that is not consistent with our current data protection practices. Any failure by us to adequately protect our players' privacy and data could result in a loss of player confidence in our services, and ultimately in a loss of players, which could adversely affect our business.

In addition, because our services are accessible worldwide in a variety of countries, certain jurisdictions may claim that we are required to comply with their laws, including even jurisdictions where we have no local entity, employees or infrastructure.

Employees

As of December 31, 2014, we had approximately 1,200 employees. We had approximately 660 and 330 employees as of December 31, 2013 and 2012, respectively. In addition to our full-time employees, we hire services from independent contractors.

Legal Proceedings

We are currently not a party to, and are not aware of any threat of, any legal, arbitration or administrative proceedings that, in the opinion of our management, are likely to have a material and adverse effect on our business, financial condition or results of operations. From time to time, we may become a party to various legal or administrative proceedings, investigations and claims incidental to the conduct of our business. Regardless of the outcome, legal or administrative proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Facilities

We lease office space in a number of locations globally, including St. Julian's, Malta; Barcelona, Spain; Berlin, Germany; Bucharest, Romania; London, United Kingdom; Singapore; Stockholm and Malmö, Sweden; San Francisco, California; Seoul, South Korea; Shanghai, China; and Tokyo, Japan.

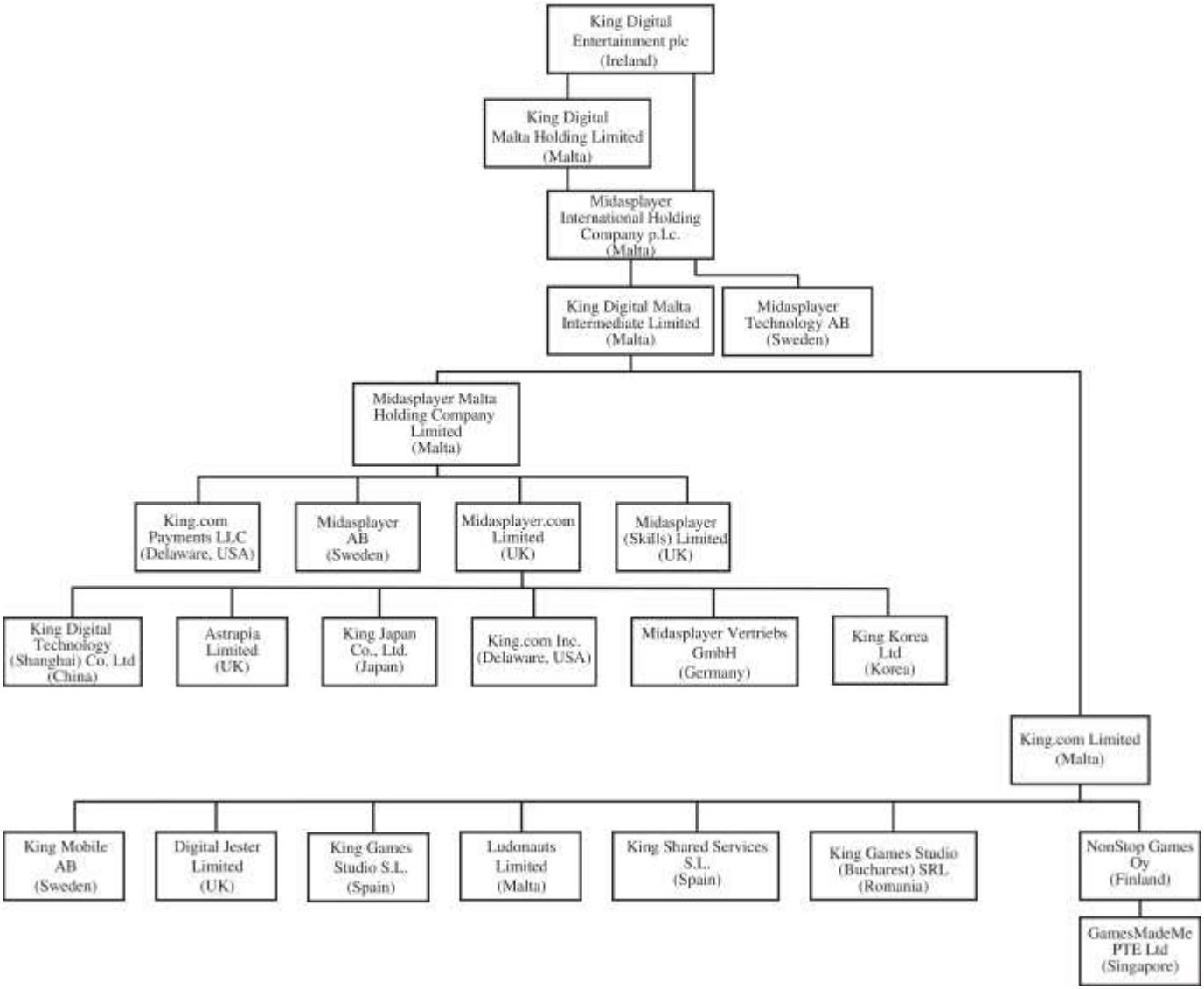
We lease approximately 62,000 square feet of office space in London pursuant to two leases, one of which expires in February 2018 and the other expires in December 2020. These facilities currently accommodate two game studios plus certain executive, marketing, business development, human resources, finance, legal and administrative activities. We lease approximately 52,500 square feet of office space in Barcelona under a lease that expires in December 2017, with an option to extend until December 2020. We also lease approximately 44,000 square feet of office space in Stockholm, under a lease that expires in December 2019, with an option to extend until December 2022. We also own servers in two data centers in Sweden pursuant to various commercial agreements.

We believe that our existing facilities are sufficient for our current needs. We intend to add new facilities and expand our existing facilities as we add employees and expand our markets. We believe that suitable additional or substitute space can be obtained on commercially reasonable terms as needed to accommodate any such expansion of our operations.

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C. Organizational Structure

The following chart shows our current corporate structure. All of our subsidiaries are wholly-owned by their parent entity, unless otherwise indicated below.



D. Property, Plants and Equipment

For a discussion of our Property, Plants and Equipment, see "Item 4.B. Business Overview—Facilities."

Item 4A. Unresolved Staff Comments

Not Applicable.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of our operations in conjunction with the consolidated financial statements and related notes of King Digital Entertainment plc included elsewhere in this Annual Report for each of the years ended December 31, 2014, 2013 and 2012. Upon the corporate reorganization and share-for-share exchange described in "Item 4.A. History and Development," the historical consolidated financial statements of Midasplayer International Holding Company p.l.c. became the historical consolidated financial statements of King Digital Entertainment plc included in this Annual Report. Our financial statements are prepared in accordance with IFRS as issued by the IASB. Our historical results are not necessarily indicative of the results that should be expected in the future. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Our actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in "Item 3.D. Risk Factors" and elsewhere in this report. See "Note Regarding Forward Looking Statements".

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a leading interactive entertainment company for the mobile world. Our mission is to delight the world with brilliant games that create moments of magic. We develop and publish games embedded with social features that enhance the player experience on digital platforms. Our games are free-to-play, and players can purchase virtual currency which they can use to buy in-game virtual items priced relative to the entertainment value the virtual items provide.

Business Highlights

In the quarter ended December 31, 2014, an average of 149 million DAUs played our games more than 1.5 billion times per day. From their launch to December 31, 2014, our games have been installed more than 2.4 billion times on Facebook and our mobile platforms. In the quarter ended December 31, 2014, in the United States, our largest market, we had three top 10 grossing games on the Apple App Store and four top 10 grossing games on Google Play Store.

Our player network is core to our strategy, which we focus on by building long-term relationships with our players through continuous development of engaging, advertisement-free content. Since September 30, 2014, we launched one new game on mobile platforms and Facebook. In 2014, we launched five new games on mobile platforms and three new games on Facebook.

Our franchises measured by total average DAUs and average daily game plays in the quarter ended December 31, 2014, compared to the quarter ended September 30, 2014 are as follows:

	Quarter Ended			
	Dec. 31, 2014	Sept. 30, 2014	Dec. 31, 2014	Sept. 30, 2014
(in millions)	Average DAUs		Average daily game plays	
Candy Crush [1]	91	77	957	836
Farm Heroes	24	24	248	247
Pet Rescue	11	13	133	151
Bubble Witch [2]	12	14	111	150

(1) Includes *C andy Crush Saga* and *Candy Crush Soda Saga.*
(2) Includes *Bubble Witch Saga* and *Bubble Witch 2 Saga.*

Acquisitions

In the year ended 2014, we completed three acquisitions: Defold AB, Astrapia Limited ("Comufy") and Nonstop Games Oy. With the acquisitions of Defold and Comufy we added innovative technology to support our growing player network and game portfolio. With the acquisition of Nonstop Games we added our first studio in Asia, expanding our talent pool and furthering our efforts to increase our footprint in Asian markets.

Additionally, on February 6, 2015 we signed an agreement to acquire Z2Live, Inc., a game development company based in Seattle, Washington. With the acquisition of Z2Live, Inc. we will incorporate a proven team focused on contributing to our diversification into new game genres. Z2Live, Inc. will be our first game studio in the United States. The acquisition of Z2Live, Inc. is subject to the satisfaction or waiver of customary conditions, including regulatory approval in the United States, and is expected to be completed no later than the first quarter of 2015.

How We Generate Revenue

We generate our revenue primarily through the sale of virtual items, which most of our payers purchase with our virtual currency. While our players are able to enjoy our games for free, we sell virtual items to a subset of players who wish to enhance their entertainment experience. Virtual items available for purchase include extra lives, allowing players to extend the duration of their game session, skill-enhancing boosters, helping our players progress through games more quickly and access to content, hastening players' access to new episodes. We believe that designing great games that create a sense of delight and excitement drives game longevity and customer loyalty, and is the most effective way of building a sustainable business over the long term.

Over the year our portfolio of games has largely transitioned from selling virtual items to selling virtual currency which players can use to buy in-game virtual items. The majority of our virtual items are purchased with our virtual currency and are consumable in nature. Revenue related to consumable virtual items is recognized upon its use, which approximates the time the consumable virtual item is purchased.

Most of the purchases of virtual currency are currently processed by the platform provider used by the individual player. Nearly all purchases of virtual currency were made through Apple's iOS, Google's Android and Facebook platforms during the year ended December 31, 2014. These platforms typically charge us a fee for their payment processing infrastructure services. We generally recognize revenue on a gross basis and record a corresponding cost of revenue for the amount paid to our platform partners.

We generate a small portion of our revenue from skill tournaments on our royalgames.com website. In the year ended December 31, 2014, revenue from these skill tournaments represented less than 1% of our revenue. We also historically generated a portion of our revenue from the sale of advertising space to third parties on our royalgames.com website and in our games. In the second quarter of 2013, we discontinued selling such advertising space.

Key Business Metrics

We use the following key financial and operating metrics to evaluate and manage our business on an ongoing basis, which we believe are useful for investors to compare key financial data both within and across reporting periods:

- Financial Metrics
    - Gross Bookings
    - Revenue
    - Adjusted Revenue
    - Adjusted EBITDA
    - Adjusted EBITDA margin
- Operating Metrics
    - Monthly Active Users (MAUs)
    - Daily Active Users (DAUs)
    - Monthly Unique Users (MUUs)
    - Monthly Unique Payers (MUPs)
    - Monthly Gross Average Booking per Paying User (MGABPPU)

Key Financial Metrics

Gross Bookings and Revenue. Gross bookings is defined in "Item 3.A. Selected Financial Data—Non-GAAP Financial Measures".

Prior to June 2013, gross bookings included amounts collected for advertising space sold which have subsequently become immaterial. The following table reflects our gross bookings and the reconciliation of revenue to gross bookings for each of the periods indicated:

	Quarter Ended							
Reconciliation of Revenue to Gross Bookings:	**Dec. 31, 2014**	**Sept. 30, 2014**	**Jun. 30, 2014**	**Mar. 31, 2014**	**Dec. 31, 2013**	**Sept. 30, 2013**	**Jun. 30, 2013**	**Mar. 31, 2013**
(in thousands)								
Revenue	$ 545,617	$ 514,352	$ 593,563	$ 606,709	$ 601,715	$ 621,196	$ 455,472	$ 205,918
Sales tax	27,406	20,972	18,573	34,714	31,530	30,085	23,338	14,735
Other revenue [1]	(1,820)	(1,901)	(2,428)	(2,499)	(2,442)	(4,153)	(4,825)	(3,497)
Movement in player wallet and other adjustments [2]	1,496	1,495	1,464	1,300	1,599	1,337	1,208	1,339
Change in deferred revenue	13,583	9,001	(81)	865	(276)	(285)	5,726	101
Gross bookings	$ 586,282	$ 543,919	$ 611,091	$ 641,089	$ 632,126	$ 648,180	$ 480,919	$ 218,596

(1) Other revenue includes tax rebates and other marketing-related rebates from platform providers.
(2) Calculated as the change of the net withdrawable cash balance in skill tournament players' accounts after adjustments for tournament fees, deposits, withdrawals and chargebacks.

Gross bookings in the quarter ended December 31, 2014 increased compared to the quarter ended September 30, 2014 by $42 million, or 8%. The increase in gross bookings was primarily due to higher gross bookings related to our newer games, partially offset by lower gross bookings related to our more mature games. Additionally, we experienced increases in overall monetization during the holiday periods.

Gross bookings in the quarter ended December 31, 2014 decreased compared to the quarter ended December 31, 2013 by $46 million or 7%. The decline was driven by a decrease in *Candy Crush Saga* gross bookings, partially offset by an increase in gross bookings from our more recently launched games.

78% of our quarter ended December 31, 2014 gross bookings were derived from our mobile audience compared to 77% in the quarter ended September 30, 2014 and 73% the fourth quarter ended December 31, 2013.

Our most successful game, *Candy Crush Saga* , accounted for 45% of our gross bookings in the quarter ended December 31, 2014 compared to 51% in the quarter ended September 30, 2014 and 78% in the quarter ended December 31, 2013. We believe *Candy Crush Saga* will continue to represent a lower proportion of our gross bookings as we continue to diversify our game portfolio.

Revenue in the quarter ended December 31, 2014 increased compared to the quarter ended September 30, 2014 by $31 million, or 6%. The key drivers of this increase were consistent with those affecting gross bookings, partially offset by an increase in deferred revenue resulting from the continued transition to virtual currency in most of our mobile games and an increase in the days our players hold virtual currency in our more mature games.

Revenue decreased by $56 million or 9% from $602 million in the quarter ended December 31, 2013 to $546 million in the quarter ended December 31, 2014. The key drivers of this decrease were consistent with those affecting gross bookings in the same period as well as an increase in deferred revenue resulting from the continued introduction of virtual currency to most of our games.

Adjusted Revenue. Adjusted revenue is defined in "Item 3.A. Selected Financial Data—Non-GAAP Financial Measures". The following table reflects our adjusted revenue, as well as a reconciliation to revenue for each period indicated:

	Quarter Ended							
Reconciliation of Revenue to Adjusted Revenue: (in thousands)	**Dec. 31, 2014**	**Sept. 30, 2014**	**Jun. 30, 2014**	**Mar. 31, 2014**	**Dec. 31, 2013**	**Sept. 30, 2013**	**Jun. 30, 2013**	**Mar. 31, 2013**
Revenue	$ 545,617	$ 514,352	$ 593,563	$ 606,709	$ 601,715	$ 621,196	$ 455,472	$ 205,918
Change in deferred revenue	13,583	9,001	(81)	865	(276)	(285)	5,726	101
Adjusted revenue	$ 559,200	$ 523,353	$ 593,482	$ 607,574	$ 601,439	$ 620,911	$ 461,198	$ 206,019

Adjusted revenue increased by $36 million or 7% from $523 million in the quarter ended September 30, 2014 to $559 million in December 31, 2014. The key drivers of this increase were consistent with those affecting gross bookings in the same periods.

Adjusted revenue decreased by $42 million or 7% from $601 million in the quarter ended December 31, 2013 to $559 million in the quarter ended December 31, 2014. The decrease was affected by the key drivers affecting gross bookings in the same periods.

Adjusted EBITDA and Adjusted EBITDA Margin . Adjusted EBITDA is defined in "Item 3.A. Selected Financial Data—Non-GAAP Financial Measures".

The following table reflects the reconciliation of profit to adjusted EBITDA for each of the periods indicated:

	Quarter Ended							
Reconciliation of Profit to Adjusted EBITDA: (in thousands, except percentage data)	**Dec. 31, 2014**	**Sept. 30, 2014**	**Jun. 30, 2014**	**Mar. 31, 2014**	**Dec. 31, 2013**	**Sept. 30, 2013**	**Jun. 30, 2013**	**Mar. 31, 2013**
Profit	$ 140,617	$ 141,665	$ 165,370	$ 127,199	$ 159,246	$ 229,782	$ 125,915	$ 52,651
Add:								
Income tax expense	63,467	45,779	50,169	34,012	47,583	56,914	29,254	12,930
Foreign currency exchange loss (gain)	(15,145)	(16,072)	(1,946)	4,063	927	971	(387)	(641)
Acquisition-related expense	464	3,784	—	—	—	—	—	—
Non-operating (income) expense	1,510	(2,500)	—	1,403	(239)	(296)	654	52
Net finance (income) costs	196	177	264	268	(54)	1,795	(7)	(3)
Share-based and other equity-related compensation [1]	27,099	30,762	31,412	78,016	59,599	(485)	21,654	15,298
Change in deferred revenue	13,583	9,001	(81)	865	(276)	(285)	5,726	101
Depreciation and amortization	5,553	3,473	3,054	2,765	2,186	1,798	1,345	1,034
Adjusted EBITDA	$ 237,344	$ 216,069	$ 248,242	$ 248,591	$ 268,972	$ 290,194	$ 184,154	$ 81,422
Adjusted EBITDA margin	42%	41%	42%	41%	45%	47%	40%	40%

(1) Includes special cash grants made in the quarters ended December 31, 2013 and March 31, 2014 on a per share or per award basis to personnel and directors who held vested equity securities or other share-based awards at the time of the grant. $38 million of these special grants were paid in 2014. The unvested portion of up to $18 million will be paid over the remaining vesting period of the underlying share-based award, with $12 million expected to be paid in 2015 and the remaining $6 million expected to be paid between 2016 and 2018. For more information, see "—Dividends and Other Payments."

Adjusted EBITDA increased by $21 million or 10% from $216 million in the quarter ended September 30, 2014 to $237 million in the quarter ended December 31, 2014. The increase was primarily due to the increase in gross bookings discussed above, as well as a $9 million funded game development project completed in the period, partially offset by an $11 million increase in cost of revenue resulting from the increase in gross bookings and an $8 million planned increase in marketing spend to support newly launched games.

Adjusted EBITDA decreased by $32 million or 12% from $269 million in the quarter ended December 31, 2013 to $237 million in the quarter ended December 31, 2014. This decrease was primarily due to a decrease in gross bookings and an increase in research and development expenses, partially offset by a decrease in cost of revenue resulting from the decrease in gross bookings.

Adjusted EBITDA margin increased from 41% in the quarter ended September 30, 2014 and decreased from 45% in the quarter ended December 31, 2013 to 42% in the quarter ended December 31, 2014. We expect adjusted EBITDA margin to fluctuate from quarter to quarter as marketing spend varies with new game launches and other events and promotions throughout the year and as we continue to invest in our game portfolio.

Key Operating Metrics

We track a variety of operating metrics to measure our ability to grow, retain and monetize our user network. These metrics are shown on a sequential quarterly basis, consistent with how we track and monitor our key operating metrics internally. For our calculation of non-unique user metrics, an individual who either plays two of our games on a single platform or device, or the same game on two platforms or devices in the relevant period would be counted as two users. For our calculation of unique user metrics, due to certain technological limitations, we do not de-duplicate user data for users who play our games on multiple platforms or devices in the relevant period.

Monthly Active Users (MAUs). We monitor MAUs as a key measure of the overall size of our network of users and as a measure of their regular engagement with our portfolio of games. MAUs are the number of individuals who played a particular game in the 30- day period ending with the measurement date. We calculate average MAUs by adding the total number of active users as of the end of each month in a given period and dividing by the number of months in the period.

	Quarter Ended							
(in millions)	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
Average MAUs	533	495	485	481	408	361	265	138

Average MAUs increased by 38 million, or 8%, to 533 million in the quarter ended December 31, 2014 from 495 million in the quarter ended September 30, 2014. The increase in MAUs was primarily due to the overall growth in our network resulting from our newer games and the overall growth in consumer usage of mobile devices, partially offset by a decline in our Facebook players.

Average MAUs increased by 125 million, or 31%, to 533 million in the quarter ended December 31, 2014 from 408 million in the quarter ended December 31, 2013. This increase was primarily due to the overall growth in our network resulting from our introduction of additional games, our release of new content for existing games and the overall growth in consumer usage of mobile devices partially offset by a decline in our Facebook players.

Daily Active Users (DAUs). We monitor DAUs as a key measure of our active player audience. DAUs are the number of individuals who played one of our games during a particular day. We calculate average DAUs by adding the total number of DAUs for each day in a period and dividing by the number of days in the period.

	Quarter Ended							
(in millions)	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
Average DAUs	149	137	138	143	124	109	76	36

Average DAUs increased by 12 million, or 9%, to 149 million in the quarter ended December 31, 2014 from 137 million in the quarter ended September 30, 2014. We believe the reasons for growth in our DAUs were consistent with the factors driving growth in our MAUs.

Average DAUs increased by 25 million, or 20%, to 149 million in the quarter ended December 31, 2014 from 124 million in the quarter ended December 31, 2013. We believe the reasons for growth in our DAUs were consistent with the factors driving growth in our MAUs for the same period.

Monthly Unique Users (MUUs) . We monitor MUUs as a key measure of total network reach across our games. MUUs are the number of unique individuals who played any of our games on a particular platform in the 30-day period ending with the measurement date. We calculate average MUUs by adding the total number of unique users as of the end of each month in a given period and dividing by the number of months in the period.

(in millions)	Quarter Ended Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
Average MUUs	356	348	345	352	304	269	194	101

Average MUUs increased by 8 million, or 2% to 356 million in the quarter ended December 31, 2014 from 348 million in the quarter ended September 30, 2014. We believe the reasons for the movement in MUUs were consistent with the factors driving the increase in our MAUs for the same period. However, the higher growth in MAUs relative to MUUs indicates that a higher portion of players are playing more than one of our games, which we believe is primarily due to our active cross-promotion efforts. As our network and game portfolio grows and we continue to cross promote new games to our existing players, we expect MUUs to grow at a slower rate than MAUs.

Average MUUs increased by 52 million, or 17%, to 356 million in the quarter ended December 31, 2014 from 304 million in the quarter ended December 31, 2013. We believe the reasons for the movement in MUUs were consistent with the factors driving the increase in MAUs for the same period.

Monthly Unique Payers (MUPs) . We monitor MUPs as a key measure of total paid network reach across our network of games. MUPs are the number of unique individuals who made a purchase of virtual currency at least once on a particular platform in the 30-day period ending with the measurement date. We calculate average MUPs by adding the total number of unique payers as of the end of each month in a period and dividing by the number of months in the period. Due to technological limitations, average MUPs for periods prior to April 2013 exclude Google's Android payers.

(in thousands)	Quarter Ended Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
Average MUPs	8,344	8,669	10,423	11,859	12,165	13,012	10,339	4,095

Average MUPs decreased slightly by 4% in the quarter ended December 31, 2014 compared to the quarter ended September 30, 2014. This decline can be attributed to the adoption of virtual currency by most of our payers, starting in the latter part of the quarter ended September 30, 2014 and continuing throughout the quarter ended December 31, 2014. Virtual currency creates the opportunity to transact at higher amounts and therefore reduces the number of transactions captured in a period. Additionally, there was a decline in the number of payers who pay in one game partially offset, as the quarter progressed, by an increase in payers who pay in more than one game.

Average MUPs decreased by 31% in the quarter ended December 31, 2014 compared to the quarter ended December 31, 2013. We believe this decrease was primarily a result of reduced payment activity among our less engaged payers on the network, in addition to an increased number of our games offering virtual currency, which reduces the frequency of monetization as large packages of virtual currency are purchased and used over extended periods.

Monthly Gross Average Bookings per Paying User (MGABPPU). We monitor MGABPPU as a key measure of overall monetization across our network on a monthly basis. MGABPPU is calculated by dividing (1) our total gross bookings in a given period by (2) the number of months in that period, divided by (3) the average number of MUPs during the period. Due to technological limitations, average MGABPPU for periods prior to April 2013 exclude Google's Android payers.

	Quarter Ended Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
MGABPPU	$ 23.42	$ 20.92	$ 19.54	$ 18.02	$ 17.32	$ 16.60	$ 15.51	$ 15.92

MGABPPU increased by $2.50 or 12%, from $20.92 in the quarter ended September 30, 2014 and by $6.10, or 35%, from $17.32 in the quarter ended December 31, 2013 to $23.42 in the quarter ended December 31, 2014. The increase in MGABPPU reflects that a higher portion of our payers are paying in more than one game. Additionally, the increased use of virtual currency in our games, which creates the opportunity to transact at higher amounts, had a positive impact on our MGABPPU during the period. With substantially all of our gross bookings now coming from games offering virtual currency, we expect the impact of virtual currency on our MGABPPU to be less impactful going forward.

Factors Affecting Our Performance

Studio and Game Development Teams

We have invested in expanding our game studios as well as our technical and creative teams around the world. We plan to continue to invest in our existing game studios while creating additional studio capacity so we can continue to develop new innovative game IP, expand our game portfolio including games in new genres, as well as operate, expand and enhance content for existing games. Our ability to hire and retain quality engineering, technical and creative staff will be important for successful new game launches and to sustain our profitability.

Content Development: New Game Launches and Franchise Expansion

Our future revenue will depend on our ability to continue to efficiently develop and launch high-quality titles that become and remain popular, while expanding our franchises. The success and timing of our title and franchise developments could vary in the future, which may in turn impact our future financial performance on a quarterly or annual basis.

Our Technology Platform

We have developed a proprietary technology infrastructure that offers a seamlessly synchronized cross-platform gameplay for our users, creates an integrated development and service platform for our game studios, and allows for innovation and efficiency in our core business functions. Our ability to improve the performance of our games and the effectiveness and efficiency of our retention and acquisition strategies relies on intense analysis of the massive amounts of data generated by our audience. Our architecture has been designed to scale as our game portfolio grows to accommodate the exponential amounts of data our network generates.

Distribution Platforms and User Acquisition Channels

Our future success will depend on our ability to attract, retain and reengage users and to provide our games on the most relevant platforms. To the extent that the way users access and interact with our games changes, either through the introduction of new technologies, distribution platforms, or devices, or through changes to existing user acquisition channels, the effectiveness of and engagement with our games, as well as our ability to reach customers and potential customers, may vary, which may in turn affect our financial performance and future profitability.

Maintaining and Growing Our User Network

We believe that building and sustaining a sizeable and loyal network of users is critical to our future success, as the size of our user network determines the maximum potential audience for the purchase of virtual items. While the majority of our user acquisition has been through unpaid channels, we have also built extensive capabilities and technology infrastructure around paid player acquisition. We sustain our current base of users reinforcing our player network by continuing to promote player adoption of additional games across our portfolio and by acquiring new-to network players. Our ability to cross-sell across our portfolio of games may change, which could in turn impact our financial performance.

Delivering User Engagement

The ability of our games to engage and captivate the interest of our users, encouraging regular, repeated play of not only a specific game, but our entire portfolio of games, is critical to building a dynamic user network. We design our games to strike the right balance between challenge and sense of achievement that encourages long term player engagement and creates demand for the purchase of virtual items. The enduring quality of the games we develop, and our users' ability to access them on the most relevant platforms, may directly impact our user engagement and in turn impact our financial performance.

Monetization

While users are able to play our games for free, we generate the majority of our gross bookings from the sale of virtual currency that is exchanged for virtual items. Our ability to continue to effectively promote and offer virtual items that our players value will be critical to our financial performance. Future monetization will therefore depend on the quality of the games we develop and distribute, and our ability to convert and retain users as paying customers.

Components of Cost and Expenses

Cost of Revenue

Our cost of revenue consists of direct expenses incurred in order to generate revenue from our games. This primarily includes amounts charged by our platform service providers, and also includes fees paid to payment processing providers, salaries, bonuses, benefits and share-based and other equity-related compensation for our customer support and infrastructure teams.

Research and Development

Our research and development expenses primarily consist of salaries, bonuses, benefits and share-based and other equity-related compensation for our engineers and associated developers. In addition, research and development expenses include outside services and consulting, as well as allocated facilities and other overhead costs.

Costs associated with maintaining our computer software and associated infrastructure are expensed as incurred. Development costs up to soft launch that are directly attributable to the design and testing of our identifiable and unique games are recognized as intangible assets, and amortized within research and development expense over an 18-month period for our mobile and social games, and over a three-year period for our skill tournaments.

Sales and Marketing

Our sales and marketing expenses primarily consist of performance marketing related to player acquisition and reengagement across a variety of mobile and media platforms worldwide. Sales and marketing also includes salaries, bonuses, benefits and share-based and other equity-related compensation for our sales and marketing colleagues, as well as consulting fees. In addition, sales and marketing expenses include general marketing, branding, advertising and public relations costs, as well as allocated facilities and other overhead costs.

General and Administrative

Our general and administrative expenses primarily consist of salaries, bonuses, benefits and share-based and other equity-related compensation for our executive, finance, legal, information technology, human resources and other administrative colleagues, and outside consulting, legal and accounting services, insurance as well as facilities and other overhead costs not allocated to other areas across the business. In addition, general and administrative expenses include all of our depreciation expenses, as well as our non-game amortization.

Other Gains (Losses)

Our other gains (losses) primarily consists of realized and unrealized foreign exchange gains and losses, settlements, other non-operating gains and losses and fair value adjustments to contingent consideration.

Net Finance (Costs) Income

Net finance (costs) income consists primarily of arrangement and other fees incurred to secure our asset-based loan facility (ABL Credit Facility). If we were to borrow under the ABL Credit Facility, net finance (costs) income would include any interest payable on outstanding borrowings and loan fees. Net finance (costs) income also includes interest income earned on our cash and cash equivalents.

Income Tax Expense

Income tax expense consists of income taxes in the various jurisdictions where we are subject to taxation. Our annual effective tax rate fluctuates based on our financial results, as well as the product mix and geographic breakdown of operations and sales. The tax rate could also vary as a result of movements in our share price and the tax treatment of the different share based awards, impacting our deferred taxes associated with our share-based payments. Additionally, future effective tax rates are subject to the tax regimes in which we operate remaining consistent with their current arrangements.

Results of Operations

The following table summarizes our historical consolidated statements of operations data:

Consolidated Statements of Operations Data: (in thousands)	Year Ended December 31, 2014	2013	2012
Revenue	$ 2,260,241	$ 1,884,301	$ 164,412
Other income	9,163	—	—
Costs and expenses [1]:			
Cost of revenue	716,743	584,358	54,713
Research and development	177,934	110,502	28,600
Sales and marketing	455,408	376,898	55,188
General and administrative	184,236	95,667	14,577
Total costs and expenses	1,534,321	1,167,425	153,078
Other gains (losses)	34,100	(870)	(269)
Net finance (costs) income	(905)	(1,731)	52
Profit before tax	768,278	714,275	11,117
Income tax expense	193,427	146,681	3,272
Profit	$ 574,851	$ 567,594	$ 7,845

[1] Costs and expenses include share-based and other equity-related compensation expense as follows (in thousands):

Share-based and other equity-related compensation: (in thousands)	Year Ended December 31, 2014	2013	2012
Cost of revenue	$ 5,709	$ 4,583	$ 820
Research and development	63,992	62,493	6,576
Sales and marketing	11,712	3,617	2,033
General and administrative	85,876	25,373	1,704
Total share-based and other equity-related compensation expense	$167,289	$96,066	$11,133

The following table summarizes our historical consolidated annual statements of operations data as a percentage of revenue for the periods shown:

	Year Ended December 31,		
Consolidated Statements of Operations Data:	**2014**	**2013**	**2012**
Revenue	100%	100%	100%
Other income	—	—	—
Costs and expenses [1] :			
Cost of revenue	32	31	33
Research and development	8	6	17
Sales and marketing	20	20	34
General and administrative	8	5	9
Total costs and expenses	68	62	93
Other gains (losses)	2	—	—
Net finance (costs) income	—	—	—
Profit before tax	34	38	7
Tax expense	9	8	2
Profit	25%	30%	5%

[1] Costs and expenses include the following share-based and other equity-related compensation expense as follows as a percentage of revenue:

	Year Ended December 31,		
Share-based and other equity-related compensation:	**2014**	**2013**	**2012**
Cost of revenue	—%	—%	—%
Research and development	3	3	4
Sales and marketing	1	—	1
General and administrative	4	1	1
Total share-based and other equity-related compensation expense	7%	5%	7%

Years Ended December 31, 2014, 2013 and 2012

Revenue

	Year Ended December 31,			2014 to 2013	2013 to 2012
	2014	**2013**	**2012**	**% Change**	**% Change**
(in thousands)					
Revenue	$ 2,260,241	$ 1,884,301	$ 164,412	20%	1046%

2014 Compared to 2013 . Revenue increased $376 million from 2013 to 2014. Revenue was positively impacted by our game launches and new content, largely driven by mobile as we continue to emphasize the mobile game play experience.

2013 Compared to 2012 . Revenue increased $1,720 million from 2012 to 2013. Revenue was positively impacted by the growth and success of *Candy Crush Saga* , particularly on our mobile platforms.

Other Income

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Other income	$ 9,163	$ —	$ —	NM	NM

2014 Compared to 2013 . Other income increased by $9 million from 2013 to 2014. The increase in other income was related to a partner funded game development project.

Costs and Expenses

Cost of Revenue

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Cost of revenue	$ 716,743	$ 584,358	$ 54,713	23%	968%
Percentage of revenue	32%	31%	33%		

2014 Compared to 2013. Cost of revenue increased by $132 million from 2013 to 2014. This increase was primarily driven by a $121 million increase in amounts charged by our mobile and social platform partners resulting from our increase in gross bookings, partially offset by a $3 million decrease in advertising expense as we discontinued selling advertising space in 2013. Additionally, cost of revenue increased due to a $6 million increase in costs associated with data centers and third party servers and an $8 million increase in headcount and other related expenses including a $1 million increase in share-based and other equity-related of compensation expense. Cost of revenue as a percentage of revenue remained relatively consistent with the prior year at 32%.

2013 Compared to 2012 . Cost of revenue increased by $530 million from 2012 to 2013. This increase was driven by a $528 million increase in amounts charged by our mobile and social platform partners, in line with our growth in revenue. Cost of revenue as a percentage of revenue decreased to 31% for the year ended December 31, 2013, from 33% for the year ended December 31, 2012.

Research and Development

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Research and development	$ 177,934	$ 110,502	$ 28,600	61%	286%
Percentage of revenue	8%	6%	17%		

2014 Compared to 2013 . Research and development expense increased by $67 million from 2013 to 2014. This increase was primarily attributable to a $65 million increase headcount and other related expenses to support our growing development efforts. The headcount and other related expenses included a $1 million increase in share-based and other equity-related compensation expense and a $6 million increase in acquisition-related compensation. We capitalized $7 million in development costs during 2014, an increase of $2 million from 2013. We expect capitalized development costs to continue to increase as we add game studios and expand our game portfolio.

2013 Compared to 2012 . Research and development expenses increased by $82 million from 2012 to 2013. This reflects a $79 million increase in headcount-related expenses, including $56 million increase in share-based and other equity-related compensation expense. We capitalized $5 million of game development costs during 2013, an increase of $3 million from 2012.

Sales and Marketing

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Sales and marketing	$ 455,408	$ 376,898	$ 55,188	21%	583%
Percentage of revenue	20%	20%	34%		

2014 Compared to 2013 . Sales and marketing expenses increased by $79 million from 2013 to 2014. This increase was primarily due to a $60 million increase in marketing spending including a $56 million increase in performance marketing and television and other production related expenses and was consistent with our increase in revenue. Additionally, salary and other headcount related expenses increased by $19 million, including an $8 million increase in share-based and other equity-related compensation expense.

2013 Compared to 2012 . Sales and marketing expenses increased by $322 million from 2012 to 2013. This increase was primarily attributable to $312 million increase in performance marketing spend focused on user acquisition. Sales and marketing expenses decreased from 34% of revenue for the year ended December 31, 2012, to 20% for the year ended December 31, 2013.

General and Administrative

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
General and administrative	$ 184,236	$ 95,667	$ 14,577	93%	556%
Percentage of revenue	8%	5%	9%		

2014 Compared to 2013 . General and administrative expenses increased by $89 million from 2013 to 2014. This increase was driven by an $88 million increase in headcount-related, growth and expansion expenses which included a $61 million increase in share-based and other equity-related compensation expense. General and administrative expenses, excluding share-based and other equity-related compensation expense, remained constant at 4% for both years.

2013 Compared to 2012 . General and administrative expenses increased by $81 million from 2012 to 2013. This increase was primarily driven by a $55 million increase in headcount-related, growth and expansion expenses, and a $27 million increase in professional and consulting fees related to our proposed corporate restructuring and preparations for our IPO. General and administrative expenses decreased from 9% of revenue in the year ended December 31, 2012 to 5% of revenue in the year ended December 31, 2013.

Other Gains (Losses)

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Other gains (losses)	$ 34,100	$ (870)	$ (269)	NM	(223%)
Percentage of revenue	2%	0%	0%		

2014 Compared to 2013. Other gains (losses) changed by $35 million from a loss of $0.9 million in 2013 to a gain of $34 million in 2014. This increase was primarily driven by a $30 million increase in foreign exchange gains, a $1 million gain related to settlements and $4 million gain related to contingent consideration remeasurement related to acquisitions. Currently our most significant non-functional currencies are Swedish krona (SEK), pound sterling (GBP) and euro (EUR).

2013 Compared to 2012. Other losses increased by $0.6 million from 2012 to 2013. This increase was primarily driven by an increase in foreign exchange gains.

Net Finance (Costs) Income

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Net finance (costs) income	$ (905)	$ (1,731)	$ 52	(48%)	NM
Percentage of revenue	0%	0%	0%		

2014 Compared to 2013. Net finance costs decreased by $0.8 million from 2013 to 2014. This decrease reflects the cost of arrangement and other fees incurred to secure the ABL Credit Facility in 2013, partially offset by ongoing financing costs.

2013 Compared to 2012. Net finance costs increased by $2 million from 2012 to 2013. This increase reflects the cost of arrangement and other fees incurred to secure the ABL Credit Facility in 2013.

Income Tax Expense

(in thousands)	Year Ended December 31, 2014	2013	2012	2014 to 2013 % Change	2013 to 2012 % Change
Income tax expense	$ 193,427	$ 146,681	$ 3,272	32%	NM
Effective tax rate	25%	21%	29%		

2014 Compared to 2013. Income tax expense was $193 million in 2014 and $147 million in 2013, representing effective tax rates of 25%, and 21%, respectively. The differences in our effective tax rates were largely due to the changing mix of our business across geographies and platforms as well as the movement in our share price which impacted our deferred taxes associated with share based payments. In addition, our income tax expense included an amount of non-recoverable withholding tax in 2014.

2013 Compared to 2012. Income tax expense was $147 million in 2013 and $3 million in 2012, representing effective tax rates of 21% and 29%, respectively. The differences in our effective tax rates were largely due to the transitioning mix of the business across the products and geographies in which we operate.

Liquidity and Capital Resources

Consolidated Statement of Cash Flows Data: (in thousands)	Year Ended December 31, 2014	2013	2012
Capital expenditures [1]	$ 41,003	$ 22,958	$ 5,257
Net cash generated from operating activities	661,285	685,542	12,242
Net cash flows used in investing activities	(58,972)	(22,958)	(5,926)
Net cash flows from financing activities	(32,650)	(286,679)	—

[1] Includes purchases of property, plant and equipment and intangible assets.

As of December 31, 2014, we had cash and cash equivalents of $964 million, which consisted of $961 million of cash and cash equivalents maintained at various financial institutions and $3 million held on behalf of customers who maintain accounts with us for skill tournaments on our royalgames.com website. Substantially all of our cash and cash equivalents are held in U.S. dollar-denominated currency and money market funds.

We believe that our existing cash and cash equivalents, together with cash internally generated from ongoing operations, will be sufficient to fund our operations and capital expenditures for at least the next 12 months and beyond. Our future capital requirements will depend on many factors, including our rate of revenue growth, the expansion of our sales and marketing activities, introduction of new games to mobile and social platforms, new studios and acquisitions of other companies. To the extent that existing cash and cash equivalents are insufficient to fund our future activities, we may need to raise additional funds.

We will repatriate cash to Ireland from our subsidiaries by repayment of intercompany balances. We do not intend to repatriate cash in the form of dividend distributions or any other form of taxable payment. Accordingly, we do not expect tax would arise in Ireland in connection with the repatriation of cash from foreign subsidiaries. However, any repatriation of cash in the form of a taxable payment, such as a dividend distribution, would be subject to taxation at the Irish statutory tax rate, which is currently 12.5%.

Operating Activities

Operating activities provided $661 million of cash in 2014. The cash flows from operating activities primarily came from $575 million of profit, adjusted for $298 million of non-cash items, $61 million from changes in our operating assets and liabilities and reduced by $151 million of income tax and net financing costs paid in the year.

Operating activities provided $686 million of cash in 2013. The cash flows from operating activities primarily came from $568 million of profit, adjusted for $196 million of non-cash items, $50 million from changes in our assets and liabilities and reduced by $29 million of income tax and net financing costs paid in the year.

Operating activities provided $12 million of cash in 2012. The cash flows from operating activities primarily came from $8 million of profit, adjusted for $15 million of non-cash items, $9 million from changes in our operating assets and liabilities and reduced by $2 million of income tax paid in the year.

Investing Activities

Our main capital investing activities historically have consisted of acquisitions, the purchases of office equipment, leasehold improvements, computer hardware, patents, computer software, and capitalized game development costs. We estimate that our ongoing capital requirements will scale proportionately with the overall size of the business, but will remain a small percentage of the overall cash generated by the business.

In 2014, we invested $59 million in cash for the purchase of property, plant and equipment, mainly consisting of computer hardware and leasehold improvements for our expanding studios and capitalized game developments costs, as well as the acquisitions of Nonstop Games and Astrapia.

In 2013, we invested $23 million in cash in the purchase of property, plant and equipment, mainly computer hardware and leasehold improvements and capitalized game developments costs.

In 2012, we invested $6 million in cash to purchase property, plant and equipment, mainly consisting of computer hardware and capitalized game development costs, as well as the acquisition of King Mobile AB.

Financing Activities

We used $33 million from financing activities in 2014, primarily related to the $364 million dividend payment and $1 million repurchase of shares, partially offset by the $329 million net proceeds from our IPO and $3 million proceeds from new share issues.

The only significant financing activity in 2013 was the payment of an interim dividend of $287 million in October 2013. There were no significant financing activities in 2012.

Credit Facility

The ABL Credit Facility contains a number of covenants that, among other things, restrict our ability and the ability of our subsidiaries, subject to specified exceptions, to incur additional liens, make investments incur additional debt, merge, dissolve, liquidate or consolidate with or into another entity, sell or dispose of assets and engage in transactions with affiliates. We are required to maintain a consolidated fixed-charge coverage ratio of 1.00 to 1.00 if excess availability under the ABL Credit Facility is less than the greater of $10 million and 10.0% of the revolving credit commitments at any time over the facility term which ends October 2018. As of February 12, 2015, there were no outstanding loans or issued letters of credit under the ABL Credit Facility. As of January 15, 2015, we had approximately $135 million available for borrowing under the ABL Credit Facility. Currently, there are no plans to draw down on the ABL Credit Facility.

Commitments and Contingencies

Our principal commitments consist of obligations under our operating leases. The following table sets forth our principal commitments as of December 31, 2014:

	Payments Due by Period				
(in thousands)	Total	Less than 1 year	1-3 Years	3-5 Years	More than 5 Years
Operating lease obligations	$ 46,642	$ 12,213	$ 21,224	$ 10,801	$ 2,404
Acquisition-related contingent consideration [1]	13,000	—	13,000	—	—
Purchase obligations	6,949	4,419	2,530	—	—
Non-current liabilities [2]	55,313	—	52,258	—	3,055
	$ 121,904	**$ 16,632**	**$ 89,012**	**$ 10,801**	**$ 5,459**

(1) As of December 31, 2014, the contingent consideration related to the Nonstop Game Oy acquisition had an estimated fair value of $13 million. See Note 25 to our consolidated financial statements for more information.

(2) Non-current liabilities includes Deferred tax liabilities, Income tax liabilities, and Provision for other liabilities. See Note 16 and Note 18 to our consolidated financial statements for more information.

Dividends and Other Payments

On January 31, 2014, our board of directors declared a dividend of $0.795 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of $217 million in aggregate, which was paid on February 6, 2014.

In April 2014, we paid $29 million to employees who held our discretionary bonus units, which represents 50% of the aggregate amounts payable under these incentive arrangements. We also paid an additional $9 million in related social security charges. The remaining 50% will be payable in the first quarter of 2015, provided such employees are still employed by us at that time.

In August 2014, our board of directors approved a special dividend of $0.46 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of $147 million in aggregate to be payable to shareholders of record on September 30, 2014. The dividend was paid on October 22, 2014.

On February 12, 2015, our board of directors declared a special dividend of $0.94 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of approximately $300 million in aggregate, to be payable to shareholders of record on March 4, 2015. We expect the dividend to be paid on March 24, 2015.

Certain of our equity securities and other share-based incentive awards are not eligible to receive dividends. As a result, on October 21, 2013 and January 31, 2014, our board of directors approved aggregate special cash grants of $28 million and $31 million, respectively, to our current personnel and directors that hold such securities and awards. These special grants, along with $12 million in related social security charges, are recognized in the consolidated statement of operations over the vesting period of the underlying equity securities or awards.

Share Repurchase Program

On November 4, 2014, our board of directors approved (subject to requisite regulatory and shareholder approval) a share repurchase program of up to $150 million worth of our ordinary shares to be effected through open market purchases. We obtained the requisite approvals for the program from shareholders and the Irish Takeover Panel on January 29, 2015. The board of directors approved a one-year extension of the share repurchase program and determined that it would seek a renewal of the requisite approvals from the Irish Takeover Panel and shareholders at the next annual general meeting in mid-2015.

No repurchases of shares were made under this program in the year ended December 31, 2014 . Between January 29, 2015 and February 11, 2015, we repurchased an aggregate of 745,997 shares for $10 million under this program.

Off Balance Sheet Arrangements

As of December 31, 2014, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with IFRS and require our directors to make critical estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and judgments are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. See Note 5 of our consolidated financial statements for further discussion on our critical accounting estimates and judgments.

The accounting policies that most frequently require us to make judgments, estimates, and assumptions and, therefore, are critical to understanding our results of operations, include the following:

- revenue recognition;
- accounting for internally generated software;
- accounting for income taxes; and
- accounting for share-based payments.

See Note 3 to our consolidated financial statements for more information about these accounting policies.

Quantitative and Qualitative Disclosures About Market Risk

During the year ended December 31, 2014, there were no significant changes to our quantitative and qualitative disclosures about market risk. See, “Item 11. Quantitative and Qualitative Disclosure About Market Risk” and Note 4 to our consolidated financial statements for more information.

Recently Issued and Adopted Accounting Standards

For information with respect to recent accounting pronouncements and the impact of these pronouncements on our financial statements, see Note 3 to our consolidated financial statements.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information as of January 31, 2015 regarding our senior management, consisting of the executive officers identified below and our directors. Unless otherwise stated, the business address for our directors and executive officers is c/o King Digital Entertainment plc, Fitzwilton House, Wilton Place, Dublin 2, Ireland.

Name	Age	Position
Riccardo Zacconi	47	Chief Executive Officer and Director
John Sebastian Knutsson	46	Chief Creative Officer and Director
Stephane Kurgan	47	Chief Operating Officer and Director
Hope Cochran	43	Chief Financial Officer
Robert Miller	46	Chief Legal Officer and Corporate Secretary
Gerhard Florin (1)(2)(3)	55	Chairman of the Board of Directors
Roy Mackenzie (1)(2)(3)	43	Director
Robert S. Cohn	65	Director
E. Stanton McKee, Jr. (2)	70	Director
Andrew P. Sillitoe	42	Director

(1) Member of compensation committee.
(2) Member of audit committee.
(3) Member of nominating and corporate governance committee.

Executive Officers

Riccardo Zacconi is one of our founders and has served on our board of directors and as our Chief Executive Officer since March 2003. Mr. Zacconi has more than 15 years of experience in the online and consumer industry. Previously, Mr. Zacconi served as Vice President of European Sales and Marketing at uDate.com Ltd., an online dating service, until it was acquired by InterActive Corporation in 2002. Prior to uDate.com, Mr. Zacconi was an Entrepreneur in Residence at Benchmark Capital Partners, Managing Director at Spray Network GmbH, a Qualified Case Leader at The Boston Consulting Group, Inc. and a consultant at LEK Consulting LLP. Mr. Zacconi holds a B.A. in Economics from LUISS University, Italy.

John Sebastian Knutsson is one of our founders and has served on our board of directors since October 2003, as our Chief Creative Officer since June 2004 and as our Executive Product Developer from February 2003 to June 2004. Mr. Knutsson has more than 19 years of experience in the Internet industry. Previously, Mr. Knutsson served as the founder and Chief Creative Officer of Fjord Network AB, a developer of IP-telephone services, co-founded Spray Ventures AB and served in various product development positions at Lycos Europe, N.V., Spray Network AB and Razorfish, Inc. until it was acquired by Lycos, Inc. Mr. Knutsson has served as a member of the board of directors of Joshsthlm AB since 2006. Mr. Knutsson previously served on the board of directors of GS Knutsson AB until April 2013. Mr. Knutsson holds a B.A in Cost Analysis and Finance from Stockholm School of Economics, Sweden.

Stephane Kurgan has served on our board of directors since April 2012 and as our Chief Operating Officer since April 2011. Mr. Kurgan has more than 21 years of management experience in high growth technology businesses. Prior to joining us, Mr. Kurgan served as the Chief Financial Officer at Tideway Systems Ltd., a data center management software company that was acquired by BMC Software, Inc., served as a Senior Vice President and Managing Director of enba plc, held various sales and product management roles at Bureau van Dijk Electronic Publishing BV, and was a consultant with McKinsey & Company, Inc. Mr. Kurgan has served as a member of the board of directors of HK Ltd. since January 2006. Mr. Kurgan previously served on the board of directors of Lasker Fund LP and Gladstone Capital Management LLP until December 2012. Mr. Kurgan holds a B.A. in Economics from the Universite Libre de Bruxelles, Belgium, a Diploma in International Relations from the Johns Hopkins University SAIS School, Italy, and an M.B.A. from INSEAD, France.

Hope Cochran has served as our Chief Financial Officer since October 2013. Ms. Cochran has more than 18 years of senior executive experience at various technology companies. Prior to joining us, Ms. Cochran served in several positions at Clearwire Corporation, most recently as Chief Financial Officer, until it was acquired by Sprint Nextel Corporation in 2013. Prior to Clearwire Corporation, Ms. Cochran served as Chief Financial Officer at Evant Incorporated, as Controller of the Americas—Sales Operations at PeopleSoft, Inc., as a founder and the Chief Financial Officer of SkillsVillage until it was acquired by PeopleSoft, Inc. in 2001, and as an auditor at Deloitte & Touche LLP. Ms. Cochran holds a B.A. in Economics and Music from Stanford University.

Robert Miller has served as our Chief Legal Officer and Corporate Secretary since August 2012. Mr. Miller has more than 19 years of leadership and industry experience in legal departments at various technology, media and communications companies. Prior to joining us, Mr. Miller served as Head of Legal – International at LivingSocial, Inc., as Vice President and General Counsel at Skype S.à. r.l., as Senior Director of Legal and Government Affairs at eBay U.K. Ltd., and as Corporate Counsel at British Telecommunications plc. Mr. Miller holds a B.A. (Hons) in Economics and Government from The University of Manchester, England, qualified from the City Law School, London, England, and completed the International Executive Programme in General Business Management at INSEAD, France.

Non-Executive Directors

Gerhard Florin has served as a member of our board of directors since September 2010 and as Chairman of our board of directors since November 2014. Dr. Florin is also the owner and controller of G. Florin Consulting GmbH. Dr. Florin previously served in various positions at Electronic Arts Inc., including as Executive Vice President, Global Publishing Operations from 2005 until 2010, as Senior Vice President and Managing Director, European Publishing from April 2003 until September 2005, as Vice President, Managing Director for European countries from 2001 until April 2003, and as Managing Director for German speaking countries from 1996 until 2001. Prior to joining Electronic Arts Inc., Dr. Florin held various positions at BMG, the global music division of Bertelsmann AG, and worked as a consultant with McKinsey & Company, Inc. Dr. Florin currently serves as a member of the board of directors of Funcom N.V., G. Florin Consulting GmbH, Innogames GmbH, Kobojo GmbH and Tipico Co. Ltd. Dr. Florin previously served on the board of directors of Electronic Arts until December 2010. Dr. Florin holds a Master's and Ph.D. in Economics from the University of Augsburg, Germany.

Roy Mackenzie has served as a member of our board of directors since December 2006. Mr. Mackenzie is a Partner at Apax Partners LP, where he focuses on investments in the technology and telecom sector. Prior to joining Apax Partners in 2003, Mr. Mackenzie was a consultant at McKinsey & Company, Inc., where he focused on serving technology industry clients. Mr. Mackenzie currently serves as a member of the board of directors of Epicor Software Corporation and Sophos Ltd. Mr. Mackenzie previously served as a member of the board of directors of NXP BV. Mr. Mackenzie holds an M.B.A. from the Stanford Graduate School of Business and a Masters of Engineering from Imperial College, London.

Robert S. Cohn has served as a member of our board of directors since March 2013. Mr. Cohn also serves as a Senior Advisor to Coatue Management LLC, and as an independent investor and advisor to emerging companies. Mr. Cohn was most recently the founding Chairman of RelateIQ, Inc. from 2011 until 2014 when it was acquired by salesforce.com. Previously, Mr. Cohn was an investing partner at Sequoia Capital LLP. Prior to Sequoia, he founded Octel Communications Corporation in 1982 where he served as Chairman and Chief Executive Officer. After Octel Communications was acquired in 1997 by Lucent Technologies, Inc., he served as President of the Octel Messaging Division and as an Executive Vice President of Lucent Technologies for two years. Prior to Octel, Mr. Cohn was a consultant at McKinsey & Company, Inc., and worked in the Division of Financial Affairs and Relations at Banque Rothschild in France. He previously served as a Trustee of Robert Ballard's Ocean Exploration Trust, a member of the Board of Advisors for the Stanford Graduate School of Business, and as a member of the board of directors of various companies, including Electronic Arts Inc., Charter Communications, Inc., Taboola, Inc. and NASDAQ, where he also served on the Executive Committee. Mr. Cohn holds a B.S. in Mathematics and Computer Science from the University of Florida and an M.B.A. from the Stanford Graduate School of Business.

E. Stanton McKee, Jr. has served as a member of our board of directors since June 2013. From 1989 until his retirement in 2002, Mr. McKee served at Electronic Arts Inc., most recently as Executive Vice President and Chief Financial and Administrative Officer. Mr. McKee also serves as a member of the board of directors and chairman of the audit committees of LeapFrog Enterprises, Inc. and Webroot, Inc. Mr. McKee served as a member of the board of directors and as chairman of the audit committee of ArcSight, Inc. until 2010. Mr. McKee has served on the board of directors of a number of private companies and currently serves on the board of directors of Privasys, Inc. and Revvim, and the advisory boards of Clickfox, Inc. and a private equity fund. Mr. McKee holds a B.A. from Stanford University and an M.B.A. from the Stanford Graduate School of Business.

Andrew P. Sillitoe has served as a member of our board of directors since March 2014. Mr. Sillitoe is a Partner and co-Chief Executive Officer of Apax Partners LLP. Prior to joining Apax Partners in 1998, Mr. Sillitoe was a consultant at LEK Consulting LLP. Mr. Sillitoe currently serves as a director of various entities associated with Apax Partners. He previously served as a member of the board of directors of Intelsat Ltd., Orange Communications SA and TDS A/S. Mr. Sillitoe holds an M.A. in Politics, Philosophy and Economics from the University of Oxford, England, and an M.B.A. from INSEAD, France.

There are no family relationships among any of our directors or executive officers.

B. Compensation

Non-Executive Director Compensation

In connection with our IPO, our board of directors adopted a compensation program for our non-executive directors. Pursuant to that program, non-executive directors receive an annual cash retainer of $50,000 as well as the following compensation:

- the Chairman of the Board receives an annual cash retainer of $75,000;
- the Chair of the audit committee receives an annual cash retainer of $30,000 and the other members of the audit committee receive an annual cash retainer of $15,000;
- the Chair of the compensation committee receives an annual cash retainer of $20,000 and the other members of the compensation committee receive an annual cash retainer of $10,000; and
- the Chair of the nominating and corporate governance committee receives an annual cash retainer of $10,000 and the other members of the nominating and corporate governance committee receive an annual cash retainer of $5,000.

In addition, we pay the reasonable costs and expenses incurred by our directors in connection with attending meetings of the board of directors and its committees. The aggregate compensation, including share-based payments, to our non-executive directors for the year ended December 31, 2014 was $3.4 million, including compensation paid to Melvyn Morris who stepped down from his role as Chairman to take a leave of absence from the board of directors for personal reasons in November 2014. We pay our non-executive directors in local currencies and have applied the applicable exchange rates as of December 31, 2014 to determine the aggregate amount set forth in the preceding sentence. The fees that are otherwise payable to Mr. Mackenzie and Mr. Sillitoe for their board service are instead paid to an entity associated with Apax Partners LLP.

We have not set aside or accrued any amounts to provide pension, retirement or similar benefits for our non-executive directors and we do not have service contracts with any of our non-executive directors that provide for benefits upon termination. For the year ended December 31, 2014, we did not grant any equity awards to our non-executive directors.

Executive Director and Key Management Personnel Compensation

The aggregate compensation to our executive directors, executive officers and key management personnel, a total of ten individuals, for the year ended December 31, 2014 was $105.3 million, which includes $78.0 million of share-based payments, as well as pension, health insurance and life insurance benefits. Two key management personnel included in this group were key management personnel of Midasplayer International Holding Company p.l.c., the predecessor to King Digital Entertainment plc, and ceased to be key management personnel upon our IPO. Our executive directors, executive officers and key management personnel will also be paid an aggregate of $12.2 million including the remainder of special cash grants awarded in 2013, 2014 and a new grant awarded in 2015. These grants are paid over applicable vesting periods up until 2019 and are, subject to continued employment. For more information about special cash grants, see “Item 5. Operating and financial review and Prospects—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Dividends and Other Payments.” We pay our executive directors, executive officers and key management personnel in local currencies and have applied the applicable exchange rates as of December 31, 2014 to determine the aggregate amount set forth in the preceding sentence. Our executive directors and executive officers are paid a base salary and an annual discretionary cash bonus, based on company and personal performance, pursuant to the terms of their employment agreements as described below in “—Employment Agreements.” For the year ended December 31, 2014, we did not grant any equity awards to our executive directors, executive officers and key management personnel other than one grant of share options exercisable for an aggregate of 7,422,180 ordinary shares to Stephane Kurgan that vests over four years and has an exercise price of $31.37 per share and an expiration date of October 2023. For more information about this grant, see “Item 7.B. Related Party Transactions—Repurchase of Shares.”

Pension Contributions

We operate a pension plan for our Swedish employees and we pay fixed contributions into a separately administered fund on their behalf. We have no obligation to make further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. We also contribute to pension insurance plans and have no further payment obligations once these contributions have been paid.

Employment Agreements

Our executive officers have entered into service agreements with certain of our operating subsidiaries. These agreements each contain customary terms, including each executive officer's salary, bonus, duties, employment benefits, noncompetition, non-solicitation, confidentiality of information, assignment of inventions and intellectual property, termination, and severance. Either party may terminate these service agreements with either six or twelve months' written notice to the other party as specified in the respective agreements, or we may elect to terminate any of these service agreements and make a payment in lieu of notice. We may terminate an executive officer's employment for cause, at any time, without prior notice or compensation, or the executive officer may terminate the employment for good reason without notice. Pursuant to these service agreements, the executive officers will receive severance payments upon a termination without cause, a resignation for good reason or in the event of a termination in connection with a change in control. For more information, see the service agreements listed as exhibits hereto.

Share Incentive Arrangements

Prior to our IPO, we granted our employees, directors and consultants equity incentives in the form of subscriptions for our ordinary shares, options exercisable for our ordinary shares and rights to subscribe for our ordinary shares after the IPO. After our IPO, we granted and continue to grant equity incentives only under our 2014 Equity Incentive Plan (2014 Plan). For a complete description of our pre-IPO arrangements, reference is made to our final prospectus filed on March 27, 2014 pursuant to Rule 424(b) under the Securities Act relating to the Registration Statement on Form F-1, as amended (File No. 333-193984).

2014 Equity Incentive Plan

Our 2014 Plan became effective on March 25, 2014. It provides us flexibility to grant a variety of awards to incentivize our employees, consultants and members of our board of directors.

We initially reserved 15,000,000 ordinary shares for issuance under the 2014 Plan. The number of ordinary shares reserved under the 2014 Plan will be automatically increased once annually commencing 2015 through 2024 by the number of ordinary shares equal to the lesser of 5% of our total number of issued ordinary shares on December 31 of the calendar year immediately preceding the date of the increase, 5% of our total number of issued ordinary shares on the date our board of directors approves the increase, or such lesser number as determined in the discretion of our board of directors. Our board of directors may also decide that such an increase will not occur in the next calendar year provided this decision is made prior to the first day of the calendar year in question. The number of ordinary shares reserved under our 2014 Plan increased from 15,000,000 to 28,795,512 effective January 1, 2015 by reason of our board of directors approving an automatic increase of 16,097,946 ordinary shares (equal to 5% of our total number of issued ordinary shares on December 31, 2014). The number of ordinary shares reserved under our 2014 Plan and annual share limits in our 2014 Plan are subject to adjustment in the event of a share split, share dividend or other change in our capitalization.

The ordinary shares we issue under the 2014 Plan will be authorized but unissued ordinary shares or shares that we reacquire. The ordinary shares underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, satisfied without any issuance of ordinary shares, expire or are otherwise terminated (other than by exercise) under the 2014 Plan will be added back to the ordinary shares available for issuance under our 2014 Plan. In addition to the number of our ordinary shares reserved initially under our 2014 Plan, and any automatic annual increase in that number, if the employee benefit trust that we have established acquires ordinary shares from our former employees, directors or consultants who purchased those shares before our IPO, those ordinary shares may be used by the employee benefit trust to satisfy awards we make under the 2014 Plan, other than share options and stock appreciation rights.

No individual may be granted awards under our 2014 Plan of more than 1,250,000 of our ordinary shares in any calendar year, except that a new employee may be granted awards of up to 2,500,000 of our ordinary shares in the first year of employment.

The 2014 Plan is administered by the compensation committee of our board of directors. The compensation committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2014 Plan.

The 2014 Plan permits the granting of the following types of awards to eligible individuals:

Share Options . A share option is a right to acquire our ordinary shares. The exercise price of each share option will be determined by our compensation committee but may not be less than the fair market value of our ordinary shares on the date of grant. The term of each share option will be fixed by the compensation committee and may not exceed 10 years from the date of grant. Share options may vest upon continued employment or upon the achievement of certain performance factors. Our compensation committee will determine when each option may be exercised and other conditions applicable to the share option.

Restricted Stock Units. A restricted stock unit (RSU) represents the right to acquire one ordinary share on a specified date, subject to such conditions and restrictions as our compensation committee may determine, including continued employment or service with us through a specified vesting period or the attainment of certain performance factors.

Stock Appreciation Rights . A stock appreciation right (SAR) is an award in respect of a specified number of our ordinary shares that entitles the holder to receive a payment equal to the excess of the fair market value of our ordinary shares when the SAR is exercised over the exercise price of the SAR. The exercise price of each SAR will be determined by our compensation committee but may not be less than the fair market value of our ordinary shares on the date the SAR is granted. SARs may become exercisable upon continued employment or upon the achievement of certain performance factors. Our compensation committee will determine when each SAR may be exercised, any other conditions applicable to it, and whether it will be settled in cash or our ordinary shares.

Restricted Share Awards. A restricted share award entitles the participant to subscribe for our ordinary shares, upon payment of no less than their nominal value, but the ordinary shares are subject to restrictions, which may include restrictions on transfer or forfeiture provisions. Our compensation committee will determine whether such restrictions will lapse upon continued employment or upon the achievement of certain performance factors, and any other conditions applicable to the restricted shares.

Unrestricted Stock Unit Awards . An unrestricted stock unit is a right to acquire one of our ordinary shares that is free of restrictions and vested in full on the date of grant of the award. Our compensation committee will determine the payment, if any, to be made by the participant under the award.

Performance Awards . A performance award is an award of a cash payment or an award denominated in our ordinary shares that is subject to the achievement of certain performance factors. Our compensation committee will determine the performance factors and any other conditions applicable to the award, and whether the award will be settled in cash or in our ordinary shares.

Awards lapse upon the holder ceasing to be employed or engaged by us, save that share options and stock appreciation rights, to the extent exercisable, may be exercised during a limited period of time after the holder leaves.

Our compensation committee may grant performance-based awards under the 2014 Plan to our service providers in the United States that are intended to qualify as “performance-based compensation” under Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended. These awards will only vest or become payable upon the attainment of certain performance goals that are established by our compensation committee and related to one or more performance criteria.

Awards granted under our 2014 Plan may not be transferred in any manner other than by will or by the laws of descent and distribution, or as determined by our compensation committee.

Non-executive members of our board of directors may receive any type of award under our 2014 Plan, but no individual non-executive director may receive awards over more than 1,250,000 of our ordinary shares in any calendar year.

Our compensation committee may award dividend equivalent rights in respect of awards made under our 2014 Plan, other than share options and stock appreciation rights, but rights granted in respect of an award that is subject to vesting conditions will be subject to those vesting conditions. Dividend equivalent rights may be paid in cash or in our ordinary shares.

Our compensation committee may, without shareholder approval, reprice our share options or stock appreciation rights and, provided the repricing is a reduction in the exercise price, the consent of the participant will not be required. Also, with the consent of the participant, our compensation committee may pay cash or grant new awards in exchange for the surrender and cancellation of outstanding awards.

Upon a change in control of our company, our compensation committee may decide that one or more of the following treatments will apply to outstanding awards under our 2014 Plan: (1) the award, to the extent not fully exercisable or vested or settled, will accelerate and be exercisable or vested or settled in full or in part; (2) performance factors applicable to the award will lapse or will be measured as of the time of the change in control and/or vesting of the award will be determined on a pro-rata basis to take account of the portion of the performance period completed; (3) if the award has an exercise price that is equal to or greater than the price to be paid for our ordinary shares in the change in control, it will be cancelled for no payment; (4) if the award has an exercise price that is less than the price to be paid for our ordinary shares in the change in control, it will be cancelled for payment to the participant of consideration equivalent to the price to be paid less the applicable exercise price; (5) the participant will be allowed a specified period in which to exercise the award if it is a share option or stock appreciation right; (6) the award will be assumed by the acquirer and converted into an award over its shares or will be surrendered and replaced with an equivalent award; (7) ordinary shares subject to restrictions will cease to be subject to such restrictions or will be exchanged for or replaced with substantially similar shares or other property subject to similar restrictions; or (8) our compensation committee may determine other appropriate treatment of an award. If our compensation committee determines that an award is not to be cancelled, assumed, exchanged, replaced or converted in the change in control the award will lapse unless, in the case of a share option or stock appreciation right, it is exercised before the change in control. The committee need not treat all awards similarly in the event of a change of control.

If awards are continued following a change in control, our compensation committee may provide that unvested awards will accelerate, in full or in part, if the participant's employment is involuntarily terminated within 12 months after the change in control.

Our board of directors may suspend, amend or terminate our 2014 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, but no such action may adversely affect rights under an award without the holder's consent. Certain amendments to the 2014 Plan may require the approval of our shareholders.

Our 2014 Plan will terminate on March 5, 2024, unless earlier terminated by our board of directors as described above.

Obligations of Directors to Disclose Holdings

Under the Irish Companies Acts, directors (and certain persons connected with them) must notify us of any acquisition or disposal of interests held by them in our securities (and any securities of other group companies) within five business days of the transaction occurring. A register of these interests must be kept by us and this register can be inspected by shareholders.

In addition, we are obliged to file an annual return with the Irish Companies Registration Office each year and are required to include in this return a list of registered shareholders. If the directors hold their shares outside DTC and instead hold them directly, details of their holdings must be included in this return. This return is available to the public.

Disclosure requirements may also arise in particular circumstances, for example, where a company is in an "offer period" within the meaning of the Irish Takeover Rules.

Because we are a foreign private issuer, our directors and executive officers are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. Certain of these persons are, however, subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules.

C. Board Practices

Board of Directors

Our board of directors consists of eight directors, including five non-executive directors and three executive directors, to serve terms which expire in three separate years in a manner similar to a "staggered" board of directors under Delaware law. Directors are elected to serve three-year terms, except that the current terms of Messrs. Cohn and Zacconi will expire at the annual general meeting of shareholders in 2015, the current terms of Messrs. Kurgan, McKee and Sillitoe will expire at the annual general meeting of shareholders in 2016 and the current terms of Messrs. Florin, Knutsson and Mackenzie will expire at the annual general meeting of shareholders in 2017. A director may be re-elected to serve for an unlimited number of terms. As a result of the staggered terms, not all of our directors will be elected in any given year.

Mr. Mackenzie was appointed to the board of directors pursuant to our memorandum and articles of association that were in effect prior to our IPO and a shareholders' agreement that was terminated in connection with our IPO. Following our IPO, all directors are appointed by the general meeting of shareholders. A director may, subject to compliance with certain Irish statutory procedures, be removed with or without cause by a resolution passed by a majority of the votes cast by those present in person or by proxy at a meeting and who are entitled to vote. Our board of directors may also in certain circumstances appoint additional directors.

The primary responsibility of our executive directors, Messrs. Zacconi, Knutsson and Kurgan, is, together with the rest of our management team, to manage our company. The primary responsibility of our non-executive directors is to supervise the policies of the executive directors and executive officers, and the affairs of our company and its affiliated enterprises. In addition, the non-executive directors assist the executive directors and executive officers by providing advice.

All of our directors, except Messrs. Zacconi, Knutsson and Kurgan, are independent under applicable New York Stock Exchange listing standards.

See "Item 6.B. Compensation" and "Item 7.B. Related Party Transactions" for more information about our service and compensation arrangements with our directors.

Committees of the Board of Directors

We have an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of these committees, which are available on our website at http://investor.king.com.

Audit Committee

As of December 31, 2014, the members of our audit committee were Mr. McKee, who is the chair of the committee, and Messrs. Florin and Mackenzie. Mr. Mackenzie is not independent under the rules of the SEC and the New York Stock Exchange listing standards applicable to audit committee membership. In order to comply with such independence requirements, Mr. Mackenzie will step down from the audit committee when we have identified a replacement, but no later than March 25, 2015. Following this transition, we currently expect that all members of our audit committee will be independent and meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the New York Stock Exchange listing standards. For information about our audit committee financial expert, see "Item 16A. Audit Committee Financial Expert."

The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the New York Stock Exchange listing standards. Our audit committee's responsibilities include:

- overseeing our corporate accounting and financial reporting process;
- evaluating the independent auditors' qualifications, independence and performance;

- determining the engagement of the independent auditors;
- reviewing and approving the scope of the annual audit and the audit fee;
- discussing with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements;
- approving the retention of the independent auditors to perform any proposed permissible non-audit services;
- monitoring the rotation of partners of the independent auditors on our engagement team as required by law;
- reviewing our critical accounting policies and estimates;
- overseeing our internal audit function; and
- annually reviewing the audit committee charter and the audit committee's performance.

Compensation Committee

The current members of our compensation committee are Mr. Florin, who is the chair of the committee, and Mr. Mackenzie. Each member of this committee is independent under the New York Stock Exchange listing standards. Our compensation committee reviews and recommends policies relating to the compensation and benefits provided to our executive officers and employees. The compensation committee's responsibilities include:

- reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers;
- evaluating the performance of these officers in light of those goals and objectives;
- setting the compensation of these officers based on such evaluations;
- administering the issuance of share options and other awards under our share plans; and
- reviewing and evaluating, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter.

Nominating and Corporate Governance Committee

The current members of our nominating and corporate governance committee are Mr. Mackenzie, who is the chair of the committee and Mr. Florin. Each of the members of our nominating and corporate governance committee is independent under the applicable rules and regulations of the New York Stock Exchange listing standards. The nominating and corporate governance committee's responsibilities include:

- making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors;
- develop, review and recommend to our board of directors our corporate governance guidelines; and
- reporting and making recommendations to our board of directors concerning governance matters.

D. Employees

For information with respect to our employees, see "Item 4.B. Information on the Company—Employees."

E. Share Ownership

For information with respect to share ownership of members of our board of directors and senior management, see "Item 7.A Major Shareholders."

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of December 31, 2014 by:

- each executive officer;
- each of our directors;
- our directors and executive officers as a group; and
- each person or entity known by us to own beneficially more than 5% of our outstanding shares.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting or investment power with respect to those securities or receive the economic benefit of ownership of the securities, and includes shares subject to options that are exercisable within 60 days after December 31, 2014. Such shares are also deemed outstanding for purposes of computing the percentage ownership of the person holding the option, but not the percentage ownership of any other person.

Unless otherwise indicated below, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares, except to the extent authority is shared by spouses under community property laws. Our major shareholders do not have voting rights that are different from each other or our shareholders in general.

Unless otherwise indicated below, the address of each of the individuals and entities named below is c/o King Digital Entertainment plc, Fitzwilton House, Wilton Place, Dublin 2, Ireland.

	Shares Beneficially Owned	
	Number	Percent
Major Shareholders:		
Entities affiliated with Apax WW Nominees Ltd. (1)	140,962,567	43.8%
Melvyn Morris	35,616,659	11.1
Directors and Executive Officers:		
Riccardo Zacconi (2)	31,191,846	9.7
John Sebastian Knutsson (3)	17,601,938	5.5
Stephane Kurgan (4)	8,370,159	2.6
Hope Cochran (5)	203,125	*
Robert Miller (6)	335,678	*
Gerhard Florin (7)	1,120,783	*
Roy Mackenzie (8)	—	—
Robert S. Cohn (9)	238,000	*
E. Stanton McKee, Jr. (10)	87,500	*
Andrew P. Sillitoe (11)	—	—
All directors and executive officers as a group (10 persons) (12)	59,149,029	18.3

* Less than 1%.

(1) Ordinary shares held of record by Bellaria Holding S.à r.l. (Bellaria). The sole shareholder of Bellaria is Apax WW Nominees Ltd. (Apax Nominees) as nominee for Apax Europe VI-A, L.P., an English limited partnership (Apax Europe VI-A) and Apax Europe VI-1, L.P., an English limited partnership (Apax Europe VI-1 and, together with Apax Europe VI-A, the Apax Funds). Apax Europe VI GP L.P. Inc., a Guernsey limited partnership (Apax Europe VI GP), is the general partner of each of the Apax Funds. Apax Europe VI GP Co. Limited, a Guernsey company (Apax Europe VI), is the general partner of Apax Europe VI GP. The directors of Apax Europe VI are Andrew Guille, David Staples, Simon Cresswell, Denise Fallaize, Martin Halusa and Nick Kershaw and the directors of Apax Europe VI collectively may be deemed to have shared voting and dispositive power with respect to the shares held by Bellaria. The address for Bellaria is 1-3 Boulevard de la Foire, L-1528 Luxembourg.

(2) Includes (i) 873,011 ordinary shares subject to a lapsing right of repurchase in our favor as of December 31, 2014, 218,253 of which vest each quarter, and (ii) 880,913 Linked Shares that may be cancelled pursuant to their terms in connection with an exercise of Linked Options. For more information about Linked Shares, see "Item 10.A. Share Capital—Capital Structure—Share Options with Linked Shares."

(3) Includes 416,406 ordinary shares issuable upon exercise of share options within 60 days of December 31, 2014.

(4) Includes 6,120,159 ordinary shares held of record by Mr. Kurgan and 2,250,000 ordinary shares held of record by LTS Trustees S.à r.l., as trustee of the KvH Trust (KvH Trust). The authorized signatories of LTS Trustees S.à r.l. are Markus Gresch, Derek Paul Baudains, Paul Broxup, Johannes Schwab, Jennifer Marie Hennessy, Richard Lousse, Natalie Lerchegger, Denise Isauré Langlois, Michael William Horrocks, Faidra Zisi and Sarah Talbot, and these individuals share voting and dispositive power with respect to the shares held by the KvH Trust. The shares held of record by Mr. Kurgan include: (i) 465,672 ordinary shares subject to a lapsing right of repurchase in our favor as of December 31, 2014, all of which will vest in the first quarter of 2015 and (ii) 1,196,167 Linked Shares that may be cancelled pursuant to their terms in connection with an exercise of Linked Options. For more information about Linked Shares, see "Item 10.A. Share Capital—Capital Structure—Share Options with Linked Shares."

(5) Includes 203,125 ordinary shares issuable upon exercise of share options within 60 days of December 31, 2014.

(6) Includes (i) 54,688 ordinary shares issuable upon exercise of a share option within 60 days of December 31, 2014, and (ii) 66,068 Linked Shares that may be cancelled pursuant to their terms in connection with an exercise of Linked Options. For more information about Linked Shares, see "Item 10.A. Share Capital—Capital Structure—Share Options and Linked Shares."

(7) Includes (i) 1,102,033 ordinary shares held of record by Gerhard Florin Consultancy GmbH and (ii) 18,750 ordinary shares issuable upon exercise of a share option by Dr. Florin within 60 days of December 31, 2014. Dr. Florin has sole voting and dispositive power with respect to the shares held by Gerhard Florin Consultancy GmbH.

(8) Mr. Mackenzie is a Partner at Apax Partners LP, but he does not have voting or dispositive power with respect to the shares held by Bellaria.

(9) Includes 112,500 ordinary shares subject to a lapsing right of repurchase in our favor as of December 31, 2014, 18,750 of which vest each quarter.

(10) Includes 87,500 ordinary shares issuable upon exercise of a share option within 60 days of December 31, 2014.

(11) Mr. Sillitoe is a Partner at Apax Partners LLP, but he does not have voting or dispositive power with respect to the shares held by Bellaria.

(12) Includes (i) 780,469 ordinary shares issuable upon exercise of a share option within 60 days of December 31, 2014, and (ii) 1,451,183 ordinary shares subject to a lapsing right of repurchase in our favor as of December 31, 2014.

U.S. Resident Shareholders of Record

As of December 31, 2014, 315,517,633 of our outstanding ordinary shares were held by 16 record holders in the United States. The actual number of shareholders is greater than this number of holders and includes shareholders who are beneficial owners of our shares whose shares are held by, and in the name of, brokers and other nominees in the United States. Because of this, and because most of our shares are held in book-entry form, we are not aware of the identity or location of all of our shareholders.

B. Related Party Transactions

Other than the executive and director compensation arrangements discussed in "Item 6.B. Compensation," we have not entered into any transactions since January 1, 2012 to which we have been or are a party and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest other than the following:

Registration Rights Agreement

On March 25, 2014, Riccardo Zacconi, John Sebastian Knutsson, Patrik Stymne, Lars Markgren, Thomas Hartwig, Melvyn Morris, Stephane Kurgan, a trust associated with Stephane Kurgan, entities associated with Apax Nominees and Index Ventures, and the Company entered into a Registration Rights Agreement (Registration Rights Agreement). The Registration Rights Agreement contains customary registration rights, including:

Demand Registration Rights . Certain of such holders have the right to request that we register their shares for sale, subject to customary underwriter's cutbacks. These holders are entitled to a specified number of demand registration rights six months following our IPO. Those holders that do not have demand registration rights will be entitled to include their shares in any such registrations once a demand request is made.

Shelf Registration Rights. After we are eligible to use a "shelf" registration statement, certain of such holders shall have the right to request that we file a shelf registration statement. We will not, however, obligated to file a shelf registration statement if we have already effected a specified number of shelf registrations or if a shelf registration statement is not available for such offering by holders wishing to participate. Those holders that do not have shelf registration rights will be entitled to include their shares in any such registrations once a shelf request is made.

Piggyback Registration Rights . If we propose to file a registration statement for a public offering of our securities, then we must offer the parties to this agreement an opportunity to include in such registration all or part of their shares, subject to customary underwriter's cutbacks. Such holders shall have first priority to sell in any such offering (other than the shares we sell) over the shares of any other holders.

Expenses of Registration . We will pay specified expenses related to any demand, piggyback or shelf registration pursuant to the Registration Rights Agreement other than underwriting commissions and discounts.

Indemnification . We will have certain indemnification obligations in connection with the registration rights under the Registration Rights Agreement.

Repurchase of Shares

On January 31, 2014, we repurchased 17,227,880 ordinary shares held by Stephane Kurgan, our Chief Operating Officer and a member of our board of directors, in exchange for an aggregate repurchase price of $1,240,407 plus 7,422,180 Linked Options with an exercise price of $31.37 per share with Linked Shares. Mr. Kurgan subsequently subscribed for 4,190,580 of such Linked Shares for an aggregate subscription price of $536,394. The terms of the repurchase and issuance were determined through arms-length negotiations among the parties. The remaining proceeds from the repurchase of the ordinary shares were used to subscribe for other restricted shares linked to a previous grant of share options.

Loan Agreements

On June 14, 2013, we entered into a loan facility agreement with Mr. Kurgan. Pursuant to the loan facility, we loaned Mr. Kurgan £600,000, with an initial interest rate of 4% per year, to fund Mr. Kurgan's purchase of a property. The aggregate principal and interest accrued under such loan was repaid in full on October 28, 2013. The terms of this loan facility were determined through arms-length negotiations among the parties.

Service Agreements

In 2011, 2013, and 2014 Midasplayer AB entered into various agreements with Joshsthlm AB, an entity affiliated with John Sebastian Knutsson, our Chief Creative Officer and a member of our board of directors, pursuant to which we received, or continue to receive, certain developer, project management and design consulting services and a software license. Joshsthlm received $367,000, $838,000 and $1,633,000 for these services in 2012, 2013 and 2014, respectively. The 2014 agreement superseded the 2011 and 2013 agreements. The 2014 agreement includes a $1.6 million commitment by King with respect to services in 2015.

In May 2013, we entered into a management services arrangement with Apax Partners LLP, an advisor to our largest shareholders and an entity affiliated with Roy Mackenzie and Andrew Sillitoe, members of our board of directors, pursuant to which we paid £3,000 per day for certain management services. This arrangement concluded on November 30, 2013. The terms of this arrangement were determined through arms-length negotiations among the parties.

Equity Awards

Since January 1, 2012, we have issued an aggregate of 10,765,580 ordinary shares and share options exercisable for 16,398,430 ordinary shares to our directors and executive officers. The weighted-average purchase price for the ordinary share issuances was $0.22 and the weighted-average exercise price per share for the share option issuances was $18.08.

Dividends

On October 24, 2013, we paid a dividend of $287 million with respect to our equity securities that are eligible to receive dividends, which included an aggregate dividend payment of $81 million to our directors and executive officers and $151 million and $26 million to entities affiliated with our major shareholders, the Apax Funds and Index Ventures, respectively.

On February 6, 2014, we paid a dividend of $217 million with respect to our equity securities that are eligible to receive dividends, which included an aggregate dividend payment of approximately $62 million to all directors and executive officers and approximately $115 million and $ 20 million to entities affiliated with Apax Nominees and Index Ventures, respectively. These dividend payments were made as part of a broader dividend to holders of our capital stock.

On October 22, 2014, we paid a special dividend of $147 million with respect to our equity securities that are eligible to receive dividends, which included an aggregate dividend payment of approximately $42 million to all directors and executive officers and approximately $65 million and $11 million to entities affiliated with Apax Nominees and Index Ventures, respectively. These dividend payments were made as part of a broader dividend to holders of our ordinary shares.

On February 12, 2015, our board of directors declared a special dividend of $0.94 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of approximately $300 million in aggregate to be payable to shareholders of record on March 4, 2015 (the Record Date). Assuming no changes in their share ownership between December 31, 2014 and the Record Date, we expect this to include an aggregate dividend payment of approximately $55 million to all of our directors and executive officers and approximately $33 million to Melvyn Morris and approximately $133 million to entities affiliated with Apax Nominees. These dividend payments will be made as part of a broader dividend to holders of our ordinary shares, which we expect to be paid on March 24, 2015.

See “Item 5. Operating and Financial Review and Prospects —Managements’s Discussion and Analysis of Financial Condition and Results of Operations—Dividends and Other Payments” for more information about these dividend payments.

Other Payments

In connection with our IPO, we paid stamp duty costs on behalf of our selling shareholders, which included an aggregate payment of $281,859 on behalf of all of our directors and executive officers and $191,439, $757,673 and $131,200 on behalf of Melvyn Morris, entities affiliated with Apax of our Nominees and entities affiliated with Index Ventures, respectively.

Indemnity Agreements

Subject to the provisions of, and so far as may be permitted by the Irish Companies Acts, our directors and executive officers will be indemnified by us against all costs, charges, losses, expenses and liabilities incurred by them in the execution and discharge of their duties or in relation thereto including any liability incurred by them in defending civil or criminal proceedings which relate to anything done or omitted or alleged to have been done or omitted by them in their capacity as an officer or employee and in which judgment is given in their favor (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on their part) or in which they are acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to them by the Irish court.

Through our wholly-owned subsidiary, King.com Inc., we have entered into agreements to indemnify our directors and officers to the maximum extent allowed under applicable law. These agreements, among other things, provide that we will indemnify our directors for certain expenses (including attorneys’ fees), judgments, fines and settlement amounts reasonably incurred by such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on our behalf or that person’s status as our director.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

See “Item 18. Consolidated Financial Statements.”

Legal Proceedings

For a discussion of legal proceedings, see “Item 4.B. Business Overview—Legal Proceedings.”

Dividend Policy

On October 21, 2013, our board of directors declared a dividend of $1.050 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of $287 million in aggregate, which was paid on October 24, 2013. On January 31, 2014, our board of directors declared a dividend of $0.795 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of $217 million in the aggregate, which was paid on February 6, 2014. On August 10, 2014, our board of directors declared a special dividend of $0.46 per ordinary share with respect to our equity securities that are eligible to receive dividends, amounting to a total

dividend of $147 million in the aggregate, which was paid on October 22, 2014. On February 12, 2015, our board of directors declared a special dividend of $0.94 per share with respect to our equity securities that are eligible to receive dividends, amounting to a total dividend of approximately $300 million in aggregate to be payable to shareholders of record on March 4, 2015. We expect the dividend to be paid on March 24, 2015.

We do not currently intend to pay any regular dividends in the foreseeable future.

Our ability to pay dividends on our ordinary shares in the future is limited by restrictions, including under Irish law and under our ABL Credit Facility. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. Furthermore, as a matter of Irish law, the ability to pay dividends will depend on the extent of any profits available for distribution, subject to compliance with applicable laws, including the Irish Companies Acts, which require Irish companies to have profits available for distribution before they can pay dividends and, in the case of cash dividends, cash resources available for this purpose. In addition, under the Companies Acts, no dividend may be paid by us unless our net assets are equal to at least our called up share capital plus undistributable reserves and the payment of the dividend does not reduce our net assets below such amount.

Cash dividends on our ordinary shares, if any, are expected to be paid in U.S. dollars. As we are an Irish company, dividend withholding tax (DWT), currently at a rate of 20%, will arise in respect of dividends or other distributions to our shareholders unless an exemption applies. Where DWT does arise, we are responsible for deducting DWT at source and accounting for the relevant amount to the Irish Revenue Commissioners. For additional information on Irish tax considerations and limits on our ability to pay dividends, see “Item 10.E. Taxation—Taxation in Ireland—Dividend Withholding Tax” and “Item 10.A. Share Capital—Dividends.”

B. Significant Changes

See Note 26 to our consolidated financial statements included in this Annual Report for a discussion of subsequent events.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our ordinary shares have been listed on the New York Stock Exchange under the symbol “KING” since March 26, 2014. Prior to that date, there was no public trading market for our ordinary shares. The following table sets forth for the periods indicated the high and low sales prices per share of our ordinary shares as reported by the New York Stock Exchange:

	High	Low
	(Per Share, in USD)	
Year Ended December 31, 2014 (from March 26, 2014)	$23.48	$10.68
First Quarter (from March 26, 2014)	21.39	17.62
March (from March 26, 2014)	21.39	17.62
Second Quarter	20.82	15.26
April	20.60	15.84
May	19.46	15.26
June	20.82	16.05
Third Quarter	23.48	12.43
July	23.48	18.26
August	19.95	12.90
September	13.91	12.43
Fourth Quarter	17.56	10.68
October	12.88	10.68
November	17.12	11.32
December	17.56	14.93
Year Ended December 31, 2015		
First Quarter (through February 12, 2015)	15.51	11.96
January	15.51	11.96
February (through February 12, 2015)	15.01	13.06

B. Plan of Distribution

Not Applicable.

C. Markets

See “Item 9. The Offer and Listing – Offer and Listing Details.”

D. Selling Shareholders

Not Applicable.

E. Dilution

Not Applicable.

F. Expenses of the Issue

Not Applicable.

Item 10. Additional Information

A. Share Capital

Organization

We are an Irish public company with limited liability. We were organized in Ireland on July 3, 2013 under the name King Digital Entertainment plc (registration number 529753). Our affairs are governed by our amended and restated memorandum of association and articles of association and Irish law.

Objective

As provided by and described in Clause 3 of our memorandum of association, our principal objective is to carry on the business of a holding company and all associated related activities and to carry on various activities associated with that objective.

Capital Structure

The following description of our share capital is a summary. This summary is subject to the Irish Companies Acts and to the complete text of our memorandum (Memorandum) and articles of association (Articles), which are incorporated by reference as Exhibit 1.01 to this Annual Report.

Authorized Share Capital

As of December 31, 2014, our authorized share capital was $81,000 and €40,000 divided into 1,000,000,000 ordinary shares with a nominal value of $0.00008 per share, 40,000 Euro Deferred Shares with a nominal value of €1.00 ($1.30) per share, and 12,500,000 preferred shares with a nominal value of $0.00008 per share (Undesignated Shares).

Issued Share Capital

As of December 31, 2014, our issued share capital was $25,758 and €40,000 divided into 321,958,914 ordinary shares with a nominal value of $0.00008 per share and 40,000 Euro Deferred Shares with a nominal value of €1.00 ($1.30) per share.

Share Options

As of December 31, 2014, we had outstanding options to acquire 22,879,801 ordinary shares which were granted to employees, directors and consultants (i) before the date of our IPO in exchange for equivalent options granted by Midasplayer International Holding Company p.l.c. pursuant to individual share option agreements and (ii) following our IPO, pursuant to our 2014 Plan. The options have a weighted-average exercise price of $14.72 per share and generally expire ten years after their grant (or in the case of options granted before the date of our IPO, on the tenth anniversary of the original issuance of the options to purchase shares in Midasplayer Holding Company p.l.c.).

Restricted Share Units

As of December 31, 2014, we also had outstanding 1,799,515 RSUs, which were granted to employees, directors and consultants pursuant to our 2014 Plan since the date of our IPO. Upon vesting of each RSU, an ordinary share is issued to the holder subject to payment of the nominal value of $0.00008 per share. Participants in our 2014 Plan are generally required to pay one U.S. Dollar, or a unit of their local currency, in consideration for the grant of an option or an award of RSUs.

Share Options with Linked Shares

In January 2014, pursuant to individual option agreements, we granted "D1" options to purchase our ordinary shares (Linked Options) to certain employees and in connection with such Linked Option grants, the optionholder also was entitled to subscribe for an equivalent number of "D3" ordinary shares at the fair market value for such ordinary share. Immediately prior to our IPO, the D3 ordinary shares converted into our ordinary shares, subject to contractual restrictions with respect to transfer, voting and the right to dividends, to participate in any bonus issues of shares or to receive notice of, and vote at, general meetings (Linked Shares). This linking of an option to subscribe for ordinary shares with an equivalent number of Linked Shares is intended to allow for a more favorable tax treatment of the holder's gains upon a sale of our ordinary shares and not to otherwise provide additional economic value in addition to the value delivered by the option over ordinary shares. The terms of the Linked Options substantially mirror the provisions of the other outstanding share options described in "Share Options" above.

Of the outstanding options to acquire 22,879,801 ordinary shares as of December 31, 2014 referenced above, 13,999,650 are Linked Options, and of the 321,958,914 ordinary shares outstanding as of December 31, 2014, 2,535,097 are Linked Shares.

A portion of the Linked Options are subject to market-based vesting conditions based on our achievement of an average target price per share over a specified time period, which is either $25.54, $31.54 and $37.54. These Linked Options will vest in three tranches over seven years depending on our share price.

Upon exercise of vested Linked Options, the optionholder will either receive value through the "release" of Linked Shares or the exercise of the Linked Options, depending on the share value at the time of exercise. Each option agreement contains a formula to determine how many Linked Shares will be released from the Linked Share restrictions in order to deliver to the optionholder the in-the-money value of the Linked Option (i.e. market value of our ordinary shares less the exercise price). If the in-the-money value of the vested Linked Options is delivered by the release of Linked Shares, we will cancel the corresponding number of Linked Options. To the extent the optionholder does not hold a sufficient number of Linked Shares to deliver the in-the-money value of the Linked Options being exercised, then the Linked Option will be exercised with respect to ordinary shares. For more information about these Linked Options and Linked Shares, reference is made to our final prospectus filed on March 27, 2014 pursuant to Rule 424(b) under the Securities Act relating to the Registration Statement on Form F-1, as amended (File No. 333-193984).

If an optionholder holds Linked Shares that are unreleased and leaves the company, the unreleased Linked Shares may be acquired by an employee benefit trust set up by us, generally for the lesser of (1) the price paid for such Linked Shares or (2) the market value of such Linked Shares less 25%. We may also at any time require the executive to transfer such shares that are no longer capable of being released to an employee benefit trust. Generally, in such events, the price payable will be the lesser of (1) the price paid for such Linked Shares and (2) the market value of such Linked Shares less 25%. If an optionholder's employment is terminated in connection with a sale of our company, 100% of the Linked Options will vest immediately prior to the sale.

General

None of our shares are currently held in treasury. All of our ordinary shares issued and outstanding are registered shares and not bearer shares, and are fully paid, duly authorized and validly issued.

We have the authority, pursuant to our Articles, to increase our authorized but unissued share capital by ordinary resolution by creating additional shares of any class or series. An ordinary resolution of our company requires more than 50% of the votes cast at a shareholders' meeting by the shareholders entitled to vote at that meeting.

As a matter of Irish law, the board of directors of a company may issue authorized but unissued new shares without shareholder approval once authorized to do so by its articles of association or by an ordinary resolution adopted by the shareholders at a general meeting. The authority conferred can be granted for a maximum period of five years, at which point it must be renewed by the shareholders by an ordinary resolution. Because of this provision of Irish law, our Articles authorize our board of directors to issue new shares up to the amount of our authorized but unissued share capital without shareholder approval for a period of five years from the date our Articles are adopted. We expect

that we will seek to renew such general authority at an annual general meeting before the end of that five-year period.

Our Articles also authorize our board of directors, without shareholder approval, to determine the terms of the Undesignated Shares issued by us. Our board of directors is authorized, without obtaining any shareholder vote or consent, to provide from time to time for the issuance of ordinary shares or other classes or series of shares and to establish the characteristics of each such other class or series, including the number of shares and their preference or deferred or other special rights and privileges or limitations, conditions and restrictions, whether in regard to dividend, voting, return of capital, conversion, redemption or otherwise.

Except as otherwise described in this section or as prescribed by law, there are no limitations on the rights to own, or exercise voting rights with respect to, our ordinary shares.

Irish law does not recognize fractional shares held of record. Accordingly, our Articles do not provide for the issuance of fractional shares and our share register will not reflect any fractional shares. Even if an issuance, alteration, reorganization, consolidation, division, or subdivision of our shares would result in a shareholder being entitled to fractional shares, no such fractional shares will be issued or delivered. All such fractional shares may be sold for the best price reasonably obtainable and the aggregate proceeds from such sale will be distributed on a pro rata basis, rounding down to the nearest cent, to each shareholder who would otherwise have been entitled to receive fractional shares.

Pre-emption Rights, Share Warrants and Share Options

Under Irish law, certain statutory pre-emption rights apply automatically in favor of our ordinary shareholders when our shares are issued for cash. However, having obtained shareholder approval to do so, we have opted out of these pre-emption rights in our Articles as permitted under Irish law, subject to our board of directors being authorized to allot shares as described above. This opt-out may be renewed every five years by a special resolution of the shareholders. A special resolution requires approval of not less than 75% of the votes cast by our shareholders at a general meeting. We expect that we will seek renewal of this opt-out at an annual general meeting within five years from the date of our Articles. If the opt-out expires and is not renewed, shares issued for cash must be offered to our shareholders pro rata in proportion to their existing shareholding before the shares can be issued to any new shareholders or pre-existing shareholders in an amount greater than their pro rata entitlements. The statutory pre-emption rights:

- generally do not apply where shares are issued for non-cash consideration (such as in a share-for-share acquisition);
- do not apply to the issuance of non-equity shares (i.e., shares that have the right to participate only up to a specified amount in any dividend or capital distribution, which are sometimes referred to as non-participating shares); and
- do not apply to the issuance of shares pursuant to certain employee compensation plans.

Our Articles provide that, subject to any shareholder approval requirements under any laws, regulations or the rules of any stock exchange to which we are subject, our board of directors is authorized to grant, from time to time in its discretion, to such persons, for such periods and upon such terms as our board of directors deems advisable, options to purchase (or commitments to issue at a future date) such number of our shares of any class or series, and to cause warrants or other appropriate instruments evidencing such options or commitments to be issued. This authority under the Articles will lapse after five years from the date our Articles are adopted. We expect that we will seek renewal of this authority at an annual general meeting before the end of that five-year period. Under the same authority, our board of directors may issue shares upon exercise of warrants or options or other commitments without shareholder approval or authorization (up to the relevant authorized but unissued share capital). Statutory pre-emption rights apply to the issuance of warrants and options issued by us unless shareholder approval for an opt-out is obtained in the same manner described directly above for our ordinary shares and provided our board of directors is authorized to allot shares as described above.

Certain restrictions set out in the Irish Takeover Rules may also impact on our ability to issue shares, see "—Anti-takeover Provisions—Shareholder Rights Plans and Share Issuances."

Distributable Reserves

Under Irish law, dividends and distributions and, generally, share repurchases or redemptions may only be made from distributable reserves in our unconsolidated balance sheet prepared in accordance with the Irish Companies Acts. Generally, distributable reserves means the accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reductions. In addition, no distribution or dividend may be made unless net assets are equal to at least the called up share capital plus undistributable reserves and the distribution does not reduce net assets below such amount. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which accumulated unrealized profits (so far as not previously utilized by any capitalization), exceed accumulated unrealized losses (so far as not previously written off in a reduction or reorganization of capital). See "—Dividends" and "—Share Repurchases, Redemptions and Conversions."

Share Repurchases, Redemptions and Conversions

Overview

Our Articles provide that any ordinary share we have agreed to acquire shall be deemed to be a redeemable share. Accordingly, for Irish law purposes, the repurchase of ordinary shares by us may technically be effected as a redemption of those shares as described in "—Repurchases and Redemptions by King." Neither Irish law nor any of our constituent documents places limitations on the right of nonresident or foreign owners to vote or hold our ordinary shares. Except where otherwise noted, references elsewhere in this Annual Report to repurchasing or buying back our ordinary shares refer to the redemption of our ordinary shares by us or the purchase of our ordinary shares by one of our subsidiaries, in each case in accordance with our Articles and Irish law as described below.

Repurchases and Redemptions by King

Under Irish law, a company may issue, or convert existing shares into redeemable shares and redeem them out of distributable profits (which are described in "—Dividends") or the proceeds of a new issue of shares for that purpose. We may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of our total issued share capital. All redeemable shares must be fully paid and the terms of redemption of the shares must provide for payment on redemption. Redeemable shares may, upon redemption, be canceled or held in treasury. Our Articles permit us to redeem redeemable shares without additional shareholder approval. We may also be given an additional general authority to purchase our own shares on-market that would take effect on the same terms and be subject to the same conditions as those applicable to purchases by our subsidiaries as described below. Our board of directors will also be entitled to issue other classes or series of shares which may be redeemed at the option of us or the shareholder, depending on the terms of such shares. See "—Capital Structure."

Repurchased and redeemed shares may be canceled or held as treasury shares. The nominal value of treasury shares held by us at any time must not exceed 10% of the nominal value of our issued share capital. While we hold treasury shares, we cannot exercise any voting rights in respect of those shares. Treasury shares may be canceled by us or re-issued subject to certain conditions.

Purchases by King and Our Subsidiaries

Under Irish law, it may be permissible for an Irish or non-Irish subsidiary to purchase our shares either as overseas market purchases or off-market purchases. A general authority of our shareholders by way of ordinary resolution at a general meeting is required to allow one of our subsidiaries to make overseas market purchases of our shares; however, as long as this general authority has been granted, no specific shareholder authority for a particular overseas market purchase by a subsidiary of our shares is required. We and our subsidiaries are authorized to make purchases of our ordinary shares in an aggregate amount equal to 20% of our issued share capital as at September 26, 2014. This authorization will expire no later than 18 months after the effective date. We may elect to seek such general authority, which must expire no later than 18 months after the date on which it was granted, at our next annual general meeting and at subsequent annual general meetings.

In order for one of our subsidiaries to make an overseas market purchase of our shares, such shares must be purchased on a "recognized stock exchange." The New York Stock Exchange is specified as a recognized stock exchange for this purpose by Irish law.

For an off-market purchase by a subsidiary, the proposed purchase contract must be authorized by special resolution of our shareholders before the contract is entered into. The shares to which the contract relates cannot be voted in favor of the special resolution and, for at least 21 days prior to the special resolution being passed, the purchase contract must be on display or must be available for inspection by shareholders at our registered office.

The number of shares held by our subsidiaries at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the nominal value of our issued share capital. While a subsidiary holds our shares, it cannot exercise any voting rights in respect of those shares. The acquisition of our shares by a subsidiary must be funded out of distributable profits of the subsidiary.

Dividends

Under Irish law, dividends and other distributions may only be made from distributable profits. Distributable profits broadly means our accumulated realized profits less our accumulated realized losses on a standalone basis. As we are a public limited company in Ireland, no dividend or other distribution may be made unless our net assets are not less than the aggregate of our share capital plus undistributable reserves and the distribution does not reduce our net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which our accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed our accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital and any other reserve which we are prohibited from distributing under specific legislation or under its memorandum and articles of association.

The determination as to whether or not we have sufficient distributable reserves to fund a dividend must be made by reference to our "relevant accounts." Our "relevant accounts" are either our last set of unconsolidated annual audited accounts as laid before our annual general meeting or unaudited "interim accounts" properly prepared in accordance with the Irish Companies Acts, which give a "true and fair view" of our unconsolidated financial position either by way of Irish Companies Acts individual company accounts (Irish GAAP) or IFRS accounts. These "relevant accounts" must be filed in the Companies Registration Office (the official public registry for companies in Ireland).

The Articles authorize our board of directors to declare such dividends as appear justified from our profits without the approval of the shareholders. The dividends can be declared and paid in the form of cash or non-cash assets, subject to applicable law. We may pay dividends in any currency but intend to do so in U.S. dollars. Our board of directors may deduct from any dividend or other moneys payable to any shareholder all sums of money, if any, due from the shareholder to us in respect of our shares.

Our board of directors is also authorized to issue shares in the future with preferred rights to participate in dividends that we may declare. The holders of such preferred shares may, depending on their terms, rank senior to the holders of our ordinary shares with respect to dividend rights.

For information about the Irish tax considerations relating to dividend payments, see "Item 10.E Additional Information—Taxation—Taxation in Ireland."

Bonus Shares

Under our Articles, the board of directors may resolve to capitalize any amount credited to any reserve (including the share premium account and the capital redemption reserve fund) or credited to the profit and loss account, and use such amount for the issuance to shareholders of shares as fully paid bonus shares on the same basis of entitlement as would apply in respect of a dividend distribution.

Consolidation and Division; Subdivision

Under our Articles, we may, by ordinary resolution, divide any or all of our share capital into shares of smaller nominal value than our existing shares (often referred to as a share split) or consolidate any or all of our share capital into shares of larger nominal value than its existing shares (often referred to as a reverse share split).

Reduction of Share Capital

We may, by ordinary resolution, reduce our authorized but unissued share capital. We also may, by special resolution and subject to confirmation by the Irish High Court, reduce our issued share capital, any share premium account or capital redemption reserve fund.

General Meetings of Shareholders

Under the Irish Companies Acts, a public limited company must hold its first annual general meeting within 18 months of the date of its incorporation. Thereafter, we are required under Irish law to hold an annual general meeting at intervals of no more than 15 months, provided that an annual general meeting is held in each calendar year and no more than nine months after our fiscal year end. Our Articles include a provision requiring annual general meetings to be held within such time periods as required by Irish law. Any annual general meeting may be held outside Ireland if an ordinary resolution so authorizing has been passed at the preceding annual general meeting. Subject to the requirements of Irish law and our Articles, general meetings may be conducted by the use of a conference telephone call or similar facility for the meeting.

The only matters which must, as a matter of Irish law, be transacted at an annual general meeting are the presentation of the annual profit and loss account, balance sheet and reports of the directors and auditors, the appointment of auditors and the fixing of the auditor's fees (or delegation of same). If no resolution is made in respect of the reappointment of an auditor at an annual general meeting, the previous auditor will be deemed to have continued in office, subject to certain limited exceptions. As described in "—Corporate Governance—Directors: Term and Appointment," our Articles provide that, at each annual general meeting, directors will be elected to fill the board seats of those directors whose terms expire at that annual general meeting. At each annual general meeting, directors will be elected for a full term of three years to succeed those directors of the relevant class whose terms are expiring.

At any annual general meeting, only such business may be conducted as has been brought before the meeting (1) by or at the direction of our board of directors, (2) in certain circumstances, at the direction of the Irish High Court, (3) as required by law or (4) such business that the chairman of the meeting determines is properly within the scope of the meeting. The business to be conducted at any extraordinary general meeting must be set forth in the notice of the meeting. In addition, shareholders entitled to vote at an annual general meeting may make nominations of candidates for election to our board of directors.

Our extraordinary general meetings may be convened (1) by our board of directors, (2) on requisition of shareholders holding the number of our shares prescribed by the Irish Companies Acts (currently 10% of our paid-up share capital carrying voting rights), (3) in certain circumstances, on requisition of our auditors, or (4) in exceptional cases, by order of the Irish High Court.

Extraordinary general meetings are generally held for the purposes of approving shareholder resolutions as may be proposed by our board of directors required under Irish law or properly requisitioned by our shareholders from time to time. The business to be conducted at any extraordinary general meeting must be set forth in the notice of the meeting.

In the case of an extraordinary general meeting requisitioned by our shareholders, the proposed purpose of the meeting must be set out in the requisition notice of the meeting. The requisition notice can propose any business to be considered at the meeting. Under Irish law, upon receipt of this requisition notice, our board of directors has 21 days to convene the extraordinary general meeting of our shareholders to vote on the matters set out in the requisition notice. This meeting must be held within two months of receipt of the requisition notice. If our board of directors does not proceed to convene the meeting within such 21-day period, the requisitioning shareholders, or any of them representing more than 50% of the total voting rights of all of them, may themselves convene a meeting, which meeting must be held within three months of the receipt of the requisition notice by our board of directors.

If our board of directors becomes aware that our net assets are 50% or less of the amount of our called-up share capital, the board of directors must, not later than 28 days from the date that it learns of this fact, convene an extraordinary general meeting of our shareholders to be held not later than 56 days from such date. This meeting must be convened for the purposes of considering whether any, and if so what, measures should be taken to address the situation.

Subject to any shorter notice period permitted by the Irish Companies Acts, at least 21 days' notice of any annual general meeting or general meeting at which a special resolution is proposed and 14 days in all other circumstances must be given to shareholders, each director and our auditors, under our Articles.

Quorum for Shareholder Meetings

Under our Articles, the presence, in person or by proxy, of at least two shareholders who hold, in the aggregate, at least 50% of the voting power of our outstanding shares constitutes a quorum for the conduct of any business at a general meeting. In the case of an adjournment of such general meeting, the presence, in person or by proxy, of one shareholder constitutes a quorum.

In the case of a meeting to vary the rights of any class or series of shares, discussed in "—Voting—Variation of Rights Attaching to a Class or Series of Shares," our Articles provide that the necessary quorum is the presence, in person or by proxy, of at least two shareholders representing at least 50% of the voting power of our outstanding shares (or, at an adjourned meeting, at least one shareholder representing any amount of nominal value) of the relevant class.

Voting

Generally

Holders of our ordinary shares vote on all matters submitted to a vote of shareholders and are entitled to one vote per share.

A shareholder entitled to vote at a shareholders' meeting is entitled to one vote on a show of hands regardless of the number of shares held by such shareholder. A poll may be demanded by (1) the chairman of the meeting, (2) not fewer than three shareholders having the right to vote on the resolution; (3) any shareholder(s) representing at least 10% of the total voting rights of all the shareholders having the right to vote on the resolution; or (4) any shareholder(s) holding our shares conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right. If voting takes place on a poll, rather than a show of hands, every shareholder entitled to vote has one vote for each share held unless otherwise provided in our articles of association. Voting rights may be exercised by shareholders registered in our share register as of the record date for the meeting or by a duly appointed proxy of such a registered shareholder, which proxy need not be a shareholder. All proxies must be appointed in accordance with our Articles.

In accordance with our Articles, our board of directors may from time to time cause us to issue preference or any other class or series of shares. These shares may have such voting rights, if any, as may be specified in the terms of such shares (e.g., they may carry more votes per share than ordinary shares or may entitle their holders to a class vote on such matters as may be specified in the terms of the shares).

Treasury shares and our shares held by our subsidiaries will not entitle their holders to vote at general meetings of shareholders.

Except where a greater majority is required by Irish law or our Articles, any question proposed for consideration at any of our general meetings or of any class of shareholders will be decided by an ordinary resolution passed by a simple majority of the votes cast by shareholders entitled to vote at such meeting. Irish law requires special resolutions of the shareholders at a general meeting to approve certain matters. A special resolution requires not less than 75% of the votes cast by shareholders at a meeting of shareholders. Examples of matters requiring special resolutions include:

- amending our objectives as contained in our Memorandum;
- amending our Articles;
- approving a change of our name;
- authorizing the entry into a guarantee or provision of security in connection with a loan, quasi-loan or credit transaction in favor of a director or connected person of a director (which generally includes a family member or business partner of the director and any entity controlled by the director);
- opting out of pre-emption rights on the issuance of new shares;
- our re-registration from a public limited company to a private company;
- purchasing of our own shares off-market;
- reduction of issued share capital;
- resolving that we be wound up by the Irish courts;
- resolving in favor of shareholders' voluntary winding-up;
- re-designation of shares into different share classes;
- setting the re-issue price of treasury shares; and
- mergers with companies incorporated in the European Economic Area, as described in "—Anti-takeover Provisions—Acquisitions."

Action by Written Consent

Our Articles provide that anything which may be done by resolution at a general meeting may be done by resolution in writing, but only if it is signed by or on behalf of all of the shareholders who would be entitled to attend the relevant meeting and vote on the relevant resolution.

Variation of Rights Attaching to a Class or Series of Shares

Variation of any rights attached to any class or series of our issued shares (including our ordinary shares) must, in accordance with our Articles, be approved by (1) a resolution of the shareholders of the class or series affected, passed by the affirmative vote of the holders of 75% of the shares of that class or series voted at a meeting of that class or series or (2) the written consent of holders that represent 75% of the nominal value of the issued shares of that class or series. In the case of a meeting to vary the rights of any class or series of shares, Irish law provides that the necessary quorum is the presence, in person or by proxy, of at least two shareholders representing one-third in nominal value (or, at an adjourned meeting, at least one shareholder representing any amount of nominal value) of the relevant class. Every shareholder of the affected class or series will have one vote for each share of such class or series that he or she holds as of the record date for the meeting.

Record Dates

Our Articles provide that our board of directors may set the record date for the purposes of determining which shareholders are entitled to notice of, or to vote at, a general meeting and the record date must not occur before the date on which the board resolution fixing such record date is adopted. If no record date is fixed by the board of directors, the record date will be the date immediately preceding the date on which the notice of the meeting is mailed.

Shareholder Proposals

Under Irish law, there is no general right for a shareholder of a New York Stock Exchange-listed company to put items on the agenda of an annual general meeting. Our Articles provide that shareholders that hold such number of shares as is prescribed by the Irish Companies Acts may requisition extraordinary general meetings and may nominate persons to be elected as directors at such extraordinary general meetings. Our Articles specify requirements for notices with respect to members' business and director nominations at extraordinary general meetings.

Shareholders' Suits

In Ireland, the decision to institute proceedings on behalf of a company is generally taken by the company's board of directors. In certain limited circumstances, a shareholder may be entitled to bring a derivative action on our behalf. A central question at issue in deciding whether a minority shareholder may be permitted to bring a derivative action is whether, unless the action is brought, a wrong committed against us would otherwise go unredressed. The cause of action may be against the director, another person or both.

A shareholder may also be permitted to bring proceedings against us in his or her own name where the shareholder's rights as such have been infringed or where our affairs are being conducted, or the powers of the board of directors are being exercised, in a manner oppressive (connotes conduct that is burdensome, harsh or wrongful) to any shareholder or shareholders or in disregard of their interests as shareholders. This is an Irish statutory remedy under Section 205 of the Irish Companies Acts and the court can grant any order it sees fit, including providing for the purchase or transfer of the shares of any shareholder.

Inspection of Books and Records

Holders of shares have certain rights under the Irish Companies Acts to inspect books and records, including the right to: (1) receive a copy of our Memorandum and Articles; (2) inspect and obtain copies of the minutes of general meetings of shareholders (including resolutions adopted at such meetings); (3) inspect and receive a copy of the register of shareholders, register of directors and secretaries, register of directors' interests and other statutory registers maintained by us; (4) receive copies of the most recent balance sheets and directors' and auditors' reports which have previously been sent to shareholders prior to an annual general meeting; and (5) receive balance sheets of any of our subsidiary companies that have previously been sent to shareholders prior to an annual general meeting for the preceding ten years. Our auditors also have the right to inspect all of our books and records. The auditors' report must be circulated to the shareholders with our Financial Statements (as defined below) at least 21 days before the annual general meeting, and such report must be read to the shareholders at our annual general meeting. The Financial Statements referenced above mean our balance sheet, profit and loss account and, so far as they are not incorporated in the balance sheet or profit and loss account, any group accounts and the directors' and auditors' reports, together with any other document required by law to be annexed to the balance sheet.

Disclosure of Interests in Shares

Under the Irish Companies Acts, our shareholders must notify us if, as a result of a transaction, (1) the shareholder will be interested in 5% or more of our shares that carry voting rights or (2) the shareholder will cease to be interested in 5% or more of the our shares that carry voting rights. In addition, where a shareholder is interested in 5% or more of our relevant shares, the shareholder must notify us of any alteration of its interest that brings its total holding through the nearest whole percentage number, whether an increase or a reduction. The relevant percentage figure is calculated by reference to the aggregate nominal value of the shares in which the shareholder is interested as a proportion of the entire nominal value of the relevant class of share capital. Where the percentage level of the shareholder's interest does not amount to a whole percentage, this figure may be rounded down to the next whole number. All such disclosures must be notified to us within five business days of the event that gave rise to the requirement to notify. Where a person fails to comply with the notification requirements described above, no right or interest of any kind whatsoever in respect of any of our shares held by such person, will be enforceable by such person, whether directly or indirectly, by action or legal proceeding. However, such person may apply to the Irish High Court to have the rights attaching to its shares reinstated.

In addition to the disclosure requirement described above, under the Irish Companies Acts, we may, by notice in writing, and must, on the requisition of shareholders holding 10% or more of our paid up capital carrying voting rights, require a person whom we know or have reasonable cause to believe is, or at any time during the three years immediately preceding the date on which such notice is issued, was, interested in shares comprised in our relevant share capital to (1) indicate whether or not it is the case and (2) where such person holds or has during that time held an interest in our shares, to give certain further information as may be required by us including particulars of such person or beneficial owner's past or present interests in our shares. Any information given in response to the notice is required to be given in writing within such reasonable time as may be specified in the notice.

Where such a notice is served by us on a person who is or was interested in our shares and that person fails to give us any information required within the reasonable time specified, we may apply to court for an order directing that the affected shares be subject to certain restrictions. Under the Irish Companies Acts, the restrictions that may be placed on the shares by the court are as follows:

- any transfer of those shares or, in the case of unissued shares, any transfer of the right to be issued with shares and any issue of such shares, shall be void;
- no voting rights shall be exercisable in respect of those shares;
- no further shares shall be issued in respect of those shares or in pursuance of any offer made to the holder of those shares; and
- no payment shall be made of any sums due from us on those shares, whether in respect of capital or otherwise.

Where our shares are subject to these restrictions, the court may order the shares to be sold and may also direct that the shares shall cease to be subject to these restrictions.

In the event that we are in an offer period pursuant to the Irish Takeover Rules, accelerated disclosure provisions apply for persons holding an interest in our securities of one percent or more.

In addition, persons or groups (within the meaning of the Exchange Act) beneficially owning 5% or more of our ordinary shares must comply with the reporting requirements under Sections 13(d) and 13(g) of the Exchange Act.

Appraisal Rights

Generally, under Irish law, shareholders of an Irish company do not have statutory appraisal rights. In the event that we merge with another EU company under the European Communities (Cross-Border Mergers) Regulations 2008 (Cross-Border Regulations), (1) any of our shareholders who voted against the special resolution approving the merger or (2) if 90% of our shares are held by the successor company, any other of our shareholders, may be entitled to require that the successor company acquire its shares for cash. In the event of a takeover of our company by a third party in accordance with the Irish Takeover Rules and the Irish Companies Acts where the holders of 80% or more in value of a class of our shares (excluding any shares already beneficially owned by the bidder) have accepted an offer for their shares, the remaining shareholders in that class may be statutorily required to transfer their shares, unless, within one month, the non-tendering shareholders can obtain an Irish court order otherwise providing. If the bidder does not exercise this "squeeze out" right, the non-accepting shareholders also have a statutory right to require the bidder to acquire their shares on the same terms as the original offer, or such other terms as the bidder and the non-tendering shareholders may agree or on such terms as an Irish court, on application of the bidder or non-tendering shareholder, may order.

Registration Rights

Certain holders of our ordinary shares are entitled to rights with respect to the registration of their shares following our IPO. For a description of these registration rights, see "Item 7.B Related Party Transactions—Registration Rights Agreement."

Corporate Governance

Generally

Our Articles allocate authority over the management of our company to our board of directors. Our board of directors may then delegate management of our company to committees of the board of directors or such other persons as it thinks fit. Regardless of any delegation, our board of directors will remain responsible, as a matter of Irish law, for the proper management of the affairs of our Company. Our board of directors may create new committees or change the responsibilities of existing committees from time to time. See "Item 6.C Directors, Senior Management and Employees—Committees of the Board of Directors"

Directors: Term and Appointment

Directors are elected or appointed at the annual general meeting or at any extraordinary general meeting called for that purpose. Each director is elected by the affirmative vote of a majority of the votes cast with respect to such director.

Our Articles provide that our board of directors is divided into three classes serving staggered three-year terms. Accordingly, the holders of a majority of the voting rights attaching to our ordinary shares will, as a practical matter, be entitled to control the election of all directors. At each annual general meeting, directors will be elected for a full term of three years to succeed those directors of the relevant class whose terms are expiring. Any nominee for director who does not receive a majority of the votes cast is not elected to the board of directors.

Under our Articles, our board of directors has the authority to appoint directors to our board of directors, either to fill a vacancy or as an additional director. A vacancy on our board of directors created by the removal of a director may be filled by an ordinary resolution of the shareholders and, in the absence of such election or appointment, the remaining directors may fill the vacancy. Our board of directors may fill a vacancy by an affirmative vote of a majority of the directors constituting a quorum. If there is an insufficient number of directors to constitute a quorum, the board of directors may nonetheless act to fill such vacancies or call a general meeting of the shareholders. Under our Articles, if our board of directors fills a vacancy, the director's term expires at the same time as the term of the other directors of the class of directors to which the new director is appointed. If there is an appointment to fill a casual vacancy or an addition to our board of directors, the total number of directors shall not at any time exceed the number of directors from time to time fixed by our board of directors in accordance with the Articles.

Removal of Directors

The Irish Companies Acts provide that, notwithstanding anything contained in the articles of association of a company or in any agreement between that company and a director, the shareholders may, by an ordinary resolution, remove a director from office before the expiration of his or her term, provided that notice of any such resolution be given to the shareholders not less than 28 days before the meeting at which the director is to be removed, and the director will be entitled to be heard at such meeting. The power of removal is without prejudice to any claim for damages for breach of contract (e.g., employment agreement) that the director may have against us in respect of his or her removal.

Directors' Duties

Our directors have certain statutory and fiduciary duties. All of the directors have equal and overall responsibility for the management of our company (although directors who also serve as employees will have additional responsibilities and duties arising under their employment agreements and will be expected to exercise a greater degree of skill and diligence than non-executive directors). The principal fiduciary duties include the common law fiduciary duties of good faith and exercising due care and skill. The statutory duties include ensuring the maintenance of proper books of account, having annual accounts prepared, having an annual audit performed, maintaining certain registers and making certain filings as well as the disclosure of personal interests. Particular duties also apply to directors of insolvent companies (for example, the directors could be liable to sanctions where they are deemed by the court to have carried on our business while insolvent, without due regard to the interests of creditors). For public limited companies like us, directors are under a specific duty to ensure that the corporate secretary is a person with the requisite knowledge and experience to discharge the role.

Conflicts of Interest

As a matter of Irish law, a director is under a general fiduciary duty to avoid conflicts of interest. Irish law and our Articles provide that (1) a director may be a director of or otherwise interested in a company relating to us and will not be accountable to us for any remuneration or other benefits received as a result, unless we otherwise direct; (2) a director or a director's firm may act for us in a professional capacity other than as auditor; and (3) a director may hold an office or place of profit in us and will not be disqualified from contracting with us. If a director has a personal interest in an actual or proposed contract with us, the director must declare the nature of his or her interest and we are required to maintain a register of such declared interests that must be available for inspection by the shareholders. Such a director may vote on any resolution of the board of directors in respect of such a contract, and such a contract will not be voidable solely as a result, provided the contract has been approved by a majority of the disinterested directors.

Indemnification of Directors and Officers; Insurance

To the fullest extent permitted by Irish law, our Articles confer an indemnity on our directors and officers. However, this indemnity is limited by the Irish Companies Acts, which prescribe that an advance commitment to indemnify only permits a company to pay the costs or discharge the liability of a director or corporate secretary where judgment is given in favor of the director or corporate secretary in any civil or criminal action in respect of such costs or liability where the director or corporate secretary is acquitted, or where an Irish court grants relief because the director or corporate secretary acted honestly and reasonably and ought fairly to be excused. Any provision whereby an Irish company seeks to commit in advance to indemnify its directors or corporate secretary over and above the limitations imposed by the Irish Companies Acts will be void under Irish law, whether contained in its articles of association or any contract between the company and the director or corporate secretary. This restriction does not apply to our executives who are not directors, the corporate secretary or other persons who would be considered "officers" within the meaning of that term under the Irish Companies Acts.

Our Articles also contain indemnification and expense advancement provisions for certain persons. We are permitted under our Articles and the Irish Companies Acts to take out directors' and officers' liability insurance, as well as other types of insurance, for our directors, officers, employees and agents.

Additionally, through our wholly-owned subsidiary, King.com Inc., we have agreed to indemnify our directors to the maximum extent allowed under Delaware law. These agreements, among other things, provide that we will indemnify our directors for certain expenses (including attorneys' fees), judgments, fines and settlement amounts reasonably incurred by such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on our behalf or that person's status as our director.

Directors' Borrowing Powers

The directors may exercise all the powers of our company to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof, and subject to the Irish Companies Acts to issue debentures, debenture stock and other securities whether outright or as collateral security for any debt, liability or obligation of ours or of any third party, without any limitation as to amount.

Duration; Dissolution; Rights upon Liquidation

Our duration will be unlimited. We may be dissolved at any time by way of either a shareholder's voluntary winding up or a creditors' voluntary winding up. In the case of a shareholder's voluntary winding up, we must be solvent and a special resolution of the shareholders is required. We may also be dissolved by way of court order on the application of a creditor, or by the Director of Corporate Enforcement in Ireland where the affairs of our company have been investigated by an inspector and it appears from the report or any information obtained by the Director of Corporate Enforcement that we should be wound up.

The rights of the shareholders to a return of our assets on dissolution or winding up, following the settlement of all claims of creditors, may be prescribed in our Articles or the terms of any shares issued by the board of directors from time to time. If our Articles and terms of issue of the shares contain no specific provisions in respect of a dissolution or winding up then, subject to the shareholder priorities and the rights of any creditors, the assets will be distributed to shareholders in proportion to the paid-up nominal value of the shares held. Our Articles provide that our ordinary shareholders shall be entitled to participate in a winding up, and the method by which the property will be divided shall be determined by the liquidator, subject to a special resolution of the shareholders, but such rights of ordinary shareholders to participate may be subject to the rights of any preferred shareholders to participate under the terms of any series or class of preferred shares.

No Share Certificates

We do not intend to issue share certificates unless (1) certificates are required by law, any stock exchange, a recognized depository, any operator of any clearance or settlement system, or the terms of issue of any class or series of our shares or (2) a holder of our shares applies for share certificates evidencing ownership of our shares.

No Sinking Fund

Our ordinary shares will have no sinking fund provisions.

Transfer and Registration of Shares

Our share register is maintained by our transfer agent. Registration in this share register is determinative of membership in us. Any of our shareholders who hold shares beneficially will not be the holder of record of such shares. Instead, the depository (e.g., Cede & Co., as nominee for DTC) or other nominee is the holder of record of such shares. Accordingly, a transfer of shares from a person who holds such shares beneficially to a person who will also hold such shares beneficially through the same depository or other nominee will not be registered in our official share register, as the depository or other nominee will remain the holder of record of such shares.

A written instrument of transfer will be required under Irish law in order to register on our official share register any transfer of shares (1) from a person who holds such shares directly to any other person (2) from a person who holds such shares beneficially to a person who holds such shares directly, or (3) from a person who holds such shares beneficially to another person who also will hold such shares beneficially where the transfer involves a change in the depository or other nominee that is the record owner of the transferred shares. An instrument of transfer also will be required for a shareholder who directly holds shares to transfer those shares into his or her own broker account (or vice versa). Such instruments of transfer may give rise to Irish stamp duty, which must be paid prior to registration of the transfer on our official Irish share register. However, a shareholder who directly holds shares may transfer those shares into his or her own broker account (or vice versa) without giving rise to Irish stamp duty provided that there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not made in contemplation of a sale of the shares.

Accordingly, we strongly recommend that shareholders hold their shares through DTC (or through a broker who holds such shares through DTC).

Our Articles provide that, subject to the Irish Companies Acts, we may, in our absolute discretion, pay (or procure the payment of by one of our subsidiaries) any Irish stamp duty, which is the legal obligation of a buyer. In the event of any such payment, we are (on our own behalf or on behalf of any subsidiary) entitled to (i) seek reimbursement from the buyer or seller in our sole discretion, (ii) set-off the amount of the stamp duty against future dividends payable to the buyer or seller in our sole discretion, and (iii) claim a lien against the shares on which we have paid stamp duty. Our lien shall extend to all dividends paid on those shares. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in our shares has been paid unless we notify one or both of such parties.

Any transfer of our ordinary shares that is subject to Irish stamp duty will not be registered in the name of the buyer unless an instrument of transfer is duly stamped and provided to our transfer agent. We do not intend to pay any stamp duty on behalf of any buyer of our capital stock. See “Item 10.E Additional Information—Taxation—Taxation in Ireland.”

Our Articles grant our board of directors general discretion, without giving a reason, to decline to register any transfer of shares that is not fully paid. In addition, our board of directors may decline to register a transfer of shares unless a registration statement under the Securities Act is in effect with respect to the transfer or the transfer is exempt from registration. Furthermore, our Articles delegate to our Secretary the authority to execute an instrument of transfer on behalf of a transferring party.

The registration of transfers may be suspended at such times and for such periods, not exceeding 30 days in any year, as our board of directors may from time to time determine (except as may be required by law).

Anti-takeover Provisions

Shareholder Rights Plans and Share Issuances

Irish law does not expressly prohibit companies from issuing share purchase rights or adopting a shareholder rights plan as an anti-takeover measure. However, there is no directly relevant case law on the validity of such plans under Irish law.

Our Articles allow our board of directors to adopt any shareholder rights plan upon such terms and conditions as the board of directors deems expedient and in the best interest of our company, subject to applicable law, including the Irish Takeover Rules and Substantial Acquisition Rules described below and the requirement for shareholder authorization for the issue of shares described above.

Subject to the Irish Takeover Rules described below, our board of directors also has the power to issue any of our authorized and unissued shares on such terms and conditions as it may determine to be in our best interest. It is possible that the terms and conditions of any issue of shares could discourage a takeover or other transaction that holders of some or a majority of our ordinary shares might believe to be in their best interest or in which holders of our ordinary shares might receive a premium for their shares over the then-market price of the shares.

In carrying out any of these actions, our board of directors must act in what they believe to be the best interests of our company. Our board of directors is prohibited from taking actions which would be likely to frustrate an offer for our company.

Irish Competition Law

Under Irish competition legislation, the Irish Competition and Consumer Protection Commission must be notified of a merger or acquisition if the transaction meets certain criteria under the relevant legislation. Failure to properly notify the Irish Competition and Consumer Protection Commission of such merger or acquisition will result in the voiding of the transaction, as well as the potential imposition of fines. A merger or acquisition that does not meet the criteria under the relevant legislation but which may give rise to competition concerns, though not legally required, may be voluntarily reported to the Irish Competition and Consumer Protection Commission in order to seek legal comfort that the merger or acquisition is not anti-competitive.

Acquisitions

An Irish public limited company may be acquired in a number of ways, including:

- a court-approved scheme of arrangement under the Irish Companies Acts. A scheme of arrangement with shareholders requires a court order from the Irish High Court and the approval of a majority in number representing 75% or more in value of the shareholders present and voting in person or by proxy at a meeting called to approved the scheme, in each case at the relevant meeting or meetings of such class or series. A scheme of arrangement, if authorized by the shareholders of each participating class or series and the court, is binding on all of the shareholders of each participating class or series. Shares held by the acquiring party are not excluded from the tally of a vote on the scheme, but such shares may be considered to belong to a separate class for the purposes of approving the scheme, in which case the acquiring party’s shares would not be voted for the purposes of the separate class approval required from the remaining, non-acquiring shareholders;
- through a tender or takeover offer by a third party in accordance with the Irish Takeover Rules and the Irish Companies Acts for all of our shares. Where the holders of 80% or more in value of a class of our shares (excluding any shares already beneficially owned by the bidder) have accepted an offer for their shares in our company, the remaining shareholders in that class may also be statutorily required to transfer their shares, unless, within one month, the non-tendering shareholders can obtain an Irish court order otherwise providing. If the bidder does not exercise this “squeeze out” right, the non-accepting shareholders also have a statutory right to require the bidder to acquire their shares on the same terms as the original offer, or such other terms as the bidder and the non-tendering shareholders may agree or on such terms as an Irish court, on application of the bidder or non-tendering shareholder, may order. If our shares were listed on the Irish Stock Exchange or another regulated stock exchange in the EU, this 80% squeeze out threshold would be increased to 90%; and

- subject to the approval of the Irish High Court, by way of a merger with an EU-incorporated company under the Cross-Border Regulations, which implement the EU Cross Border Merger Directive 2005/56 in Ireland. Such a merger must be approved by a special resolution. In the event that we merge with another EU company, under the Cross-Border Regulations and the consideration payable to our shareholders is not all in the form of cash, our shareholders may be entitled to require their shares to be acquired at fair value. See "—Appraisal Rights."

The approval of our board of directors is required, and the approval of shareholders may be required, for a sale, lease or exchange of all or substantially all of our assets, except that any transaction between us and one of our directors or a person or entity connected to such a director may require shareholder approval. Shareholder approval may be required during or after such period if we propose to take any frustrating action.

Irish Takeover Rules and Substantial Acquisition Rules

A transaction in which a third party seeks to acquire 30% of more of the voting rights in our company will be governed by the Irish Takeover Panel Act 1997 and the Irish Takeover Rules made thereunder and will be regulated by the Irish Takeover Panel. The "General Principles" of the Irish Takeover Rules and certain important aspects of the Irish Takeover Rules are described below. Takeovers by means of a scheme of arrangement are also generally subject to these regulations.

General Principles . The Irish Takeover Rules are based on the following General Principles that will apply to any transaction regulated by the Irish Takeover Panel:

- in the event of an offer, all classes of shareholders of the target company should be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected;
- the holders of securities in the target company must have sufficient time and information to allow them to make an informed decision regarding the offer. If the board of directors of the target company advises the holders of the securities with respect to the offer, it must advise on the effects of the implementation of the offer on employment, employment conditions and the locations of the target company's place of business;
- the board of a target company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the offer;
- false markets in the securities of the target company or any other company concerned by the offer must not be created;
- a bidder can only announce an offer after ensuring that it can fulfill in full the consideration offered;
- a target company may not be hindered in the conduct of its affairs for longer than is reasonable by an offer for its securities. This is a recognition that an offer will disrupt the day-to-day running of a target company particularly if the offer is hostile and the board of the target company must divert its attention to resist the offer; and
- a "substantial acquisition" of securities (whether such acquisition is to be effected by one transaction or a series of transactions) will only be allowed to take place at an acceptable speed and shall be subject to adequate and timely disclosure.

Mandatory Offer. Under certain circumstances, a person who acquires shares in us may be required under the Irish Takeover Rules to make a mandatory cash offer for the remaining outstanding shares in us at a price not less than the highest price paid for the shares by the acquirer or (any parties acting in concert with the acquirer) during the previous 12 months. This mandatory offer requirement is triggered if an acquisition of shares would increase the aggregate holding of an acquirer (including the holdings of any parties acting in concert with the acquirer) to shares representing 30% or more of the voting rights in us, unless the Irish Takeover Panel otherwise consents. An acquisition of shares by a person holding (together with its concert parties) shares representing between 30% and 50% of the voting rights in us would also trigger the mandatory offer requirement if, after giving effect to the acquisition, the percentage of the voting rights held by that person (together with its concert parties) would increase by 0.05% within a 12-month period. Any person (excluding any parties acting in concert with the holder) holding shares representing more than 50% of the voting rights of a company is not subject to these mandatory offer requirements when purchasing additional securities.

Under the Irish Takeover Rules, certain separate concert parties (including, among others, Bellaria and its affiliates and all of the members of our board of directors) are presumed to be acting in concert. The application of these presumptions may result in restrictions upon the ability of any of the concert parties and/or members of our board of directors to acquire more of our securities, including under the terms of any executive incentive arrangements, and/or our ability to repurchase or redeem our ordinary shares. Following an application made on behalf of our company, the Irish Takeover Panel granted a rebuttal in respect of the presumption under the Irish Takeover Rules that Bellaria (by reason of the size of its shareholding in the company) is acting in concert with certain members of our board of directors. However, this rebuttal shall not apply during the course of an offer for our company, or whilst our board of directors has reason to believe that an offer for our company may be made in the near future, or whilst our company is in the process of redeeming or repurchasing its own voting securities or whilst our board of directors proposes that our company redeems or repurchases its own voting securities.

Voluntary Offer; Requirements to Make a Cash Offer and Minimum Price Requirements. If a person makes a voluntary offer to acquire our outstanding ordinary shares, the offer price must be no less than the highest price paid for our ordinary shares by the bidder or its concert parties during the three-month period prior to the commencement of the offer period. The Irish Takeover Panel has the power to extend the "look back" period to 12 months if the Irish Takeover Panel, taking into account the General Principles, believes it is appropriate to do so.

If the bidder or any of its concert parties has acquired our ordinary shares (1) during the period of 12 months prior to the commencement of the offer period which represent more than 10% of the total of our ordinary shares or (2) at any time after the commencement of the offer period, the offer must be in cash (or accompanied by a full cash alternative) and the price per ordinary share must not be less than the highest price paid by the bidder or its concert parties during, in the case of (1), the 12-month period prior to the commencement of the offer period and, in the case of (2), the offer period. The Irish Takeover Panel may apply this rule to a bidder who, together with its concert parties, has acquired less than 10% of the total of our ordinary shares in the 12-month period prior to the commencement of the offer period if the Irish Takeover Panel, taking into account the General Principles, considers it just and proper to do so.

An offer period will generally commence from the date of the first announcement of an offer or proposed offer.

Substantial Acquisition Rules . The Irish Takeover Rules also contain rules governing substantial acquisitions of shares which restrict the speed at which a person may increase his or her holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights in our shares. Except in certain circumstances, an acquisition or series of acquisitions of shares or rights over shares representing 10% or more of the voting rights in our shares is prohibited, if such acquisition(s), when aggregated with shares or rights already held, would result in the acquirer holding 15% or more but less than 30% of the voting rights in our shares and such acquisitions are made within a period of seven days. These rules also require accelerated disclosure of certain other acquisitions of shares or rights over shares relating to such holdings.

Frustrating Action . Under the Irish Takeover Rules, our board of directors is not permitted to take any action that might frustrate an offer for our shares during the course of an offer or at any earlier time at which the board of directors has reason to believe an offer is or may be imminent, subject to certain exceptions. Potentially frustrating actions such as (1) the issue of shares, options or convertible securities, (2) material disposals, (3) entering into contracts other than in the ordinary course of business or (4) any action, other than seeking alternative offers, which may result in the frustration of an offer, are prohibited during the course of an offer or at any time during which the board of directors has reason to believe that an offer is or may be imminent. Exceptions to this prohibition are available where:

(a) the action is approved by our shareholders at a general meeting; or

(b) with the consent of the Irish Takeover Panel, where:

  (i) the Irish Takeover Panel is satisfied that the action would not constitute frustrating action;

  (ii) the holders of at least 50% of the voting rights state in writing that they approve the proposed action and would vote in favor of it at a general meeting;

  (iii) the action is in accordance with a contract entered into prior to the announcement of the offer (or prior to a time at which the board of directors has reason to believe that an offer is or may be imminent); or

  (iv) the decision to take such action was made before the announcement of the offer (or prior to a time at which the board of directors has reason to believe that an offer is or may be imminent) and has been either at least partially implemented or is in the ordinary course of business.

Insider Dealing . The Irish Takeover Rules also provide that no person, other than the bidder, who is privy to confidential price-sensitive information concerning an offer made in respect of the acquisition of our company (or a class of its securities) or a contemplated offer shall deal in relevant securities of the target during the period from the time at which such person first has reason to suppose that such an offer, or an approach with a view to such an offer being made, is contemplated to the time of (1) the announcement of such offer or approach or (2) the termination of discussions relating to such offer, whichever is earlier.

Certain other provisions of Irish law or our Memorandum and Articles may be considered to have an anti-takeover effects, including those described in "—Pre-emption Rights, Share Warrants and Share Options," "—Voting" and "—Corporate Governance."

History of Security Issuances

The following is a summary of our securities issuances during the past three years:

- From February 12, 2012 through February 12, 2015, we granted to our directors, officers, employees, consultants and other service providers an aggregate of 1,962,525 RSUs to be settled in to our ordinary shares.
- From February 12, 2012 through February 12, 2015, we granted to our directors, officers, employees, consultants and other service providers share options to purchase an aggregate of 24,514,600 ordinary shares with a per share weighted-average exercise price of $13.92.
- From February 12, 2012 through February 12, 2015, we issued to our directors, officers, employees, consultants and other service providers an aggregate of 4,715,829 ordinary shares at a per share purchase price of $0.15 pursuant to exercises of share options.
- From February 12, 2012 through February 12, 2015, we issued to our directors, officers, employees, consultants and other service providers an aggregate of 43,012 ordinary shares pursuant to the settlement of RSUs.
- From February 12, 2012 through February 12, 2015, we granted to our directors, officers, employees, consultants and other service providers shadow options to purchase an aggregate of 223,750 ordinary shares all with a per share exercise price of $0.00008.
- From February 12, 2012 through February 12, 2015, we issued to our directors, officers, employees, consultants and other service providers an aggregate of 10,434,508 ordinary shares at a per share weighted-average purchase price of $0.20 pursuant to purchases of restricted shares.
- On November 15, 2013, we issued 503,355,703 deferred shares at a per share purchase price of $0.00008.
- On July 3, 2013, we issued 40,000 Euro deferred shares at a per share purchase price of €1.00.
- On March 26, 2014, we issued 15,533,334 ordinary shares in connection with our IPO at the per share IPO price of $22.50.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is Computershare Trust Company, N.A.

B. Memorandum and Articles of Association

For information with respect to our Memorandum and Articles, see "—A. Share Capital."

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

Facilities Agreements

On May 31, 2013, we entered into an Agreement for Assignment of Lease with Specific Media UK Limited, pursuant to which Specific Media assigned to us the Lease between Central Saint Giles Limited Partnership, Specific Media UK Limited and Interactive Media Holdings Inc., dated December 31, 2010, in respect of one of the Company's facilities in London, United Kingdom.

On July 9, 2014, we entered into a Contract for Sale and Purchase and two Deeds of Assignment with Facebook UK Ltd pursuant to which Facebook UK Ltd assigned to us two leases between Expedia.com Limited and Facebook UK Ltd, dated November 11, 2011 and January 3, 2012, in respect of another of the Company's facilities in London, United Kingdom.

On June 12, 2013, we entered into a Lease Agreement with Diligentia Fyrkanten AB, as subsequently amended by Addendums No. 1 and No. 2, dated November 5, 2013, in respect of our facility in Stockholm, Sweden.

On November 11, 2014, we entered into two Lease Agreements with Bassat Partners, S.L in respect of our facilities in Barcelona, Spain.

On August 4, 2014, we entered into a Services Agreement with Interxion Sverige AB, pursuant to which we receive data center space and services for our servers.

For more information about the facilities covered by these lease agreements, see "Item 4.B Information on the Company—Facilities"

Credit Facility

On October 7, 2013, we entered into an ABL Credit Agreement between Midasplayer International Holding Company Limited, King.com Limited, Midasplayer Vertriebs GmbH, JP Morgan Chase Bank, N.A. and the lenders from time to time party thereto. For more information, see "Item 5. Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operation—Credit Facility."

Registration Rights Agreement

On March 25, 2014, the Company entered into the Registration Rights Agreement with certain of its shareholders. For more information, see "Item 7.B Related Party Transactions—Registration Rights Agreement."

Employment and Other Service Agreements

We have entered into the following agreements with our directors, executive officers and their affiliated entities:

- Service Agreement between Midasplayer.com Limited and Riccardo Zacconi, dated March 9, 2014.
- Service Agreement between Midasplayer AB and John Sebastian Knutsson, dated March 7, 2014.
- Service Agreement between Midasplayer.com Limited and Stephane Kurgan, dated March 11, 2014.
- Service Agreement between Midasplayer.com Limited and Hope Cochran, dated March 7, 2014.
- Service Agreement between Midasplayer.com Limited and Robert Miller, dated March 9, 2014.
- Description of Management Services Arrangement between Midasplayer.com Limited and Apax Partners LLP.
- Consultancy Agreement between Midasplayer AB and Joshsthlm AB, dated January 7, 2013.
- Master Services Agreement between Midasplayer AB and Joshsthlm AB, dated December 15, 2014.

For more information, see “Item 7.B Related Party Transactions—Service Agreements” and “Item 6.B. Compensation—Employment Agreements.”

Platform Agreements

Our material platform agreements are with Apple, Google and Facebook and provide for the distribution of our games on their respective platforms around the world. Those platforms generally charge us approximately 30% of the after-tax payments they collect from players, which represents their normal terms of service.

Indemnity Agreement

We have entered into indemnity agreements with our directors and executive officers pursuant to which we agreed to indemnify them to the maximum extent allowed under applicable law in connection with claims made by reason of their being a director or executive officer of the Company. A copy of the Form of Indemnity Agreement is included as Exhibit 10.4 to the Company’s Registration Statement on Form F-1, as amended (File No. 333-178282), filed with the SEC on February 18, 2014. Also, see “Item 7.B Related Party Transactions—Indemnity Agreements.”

Equity Plans and Arrangements

For a description of our material equity compensation arrangements, see “Item 6.B. Compensation—Share Incentive Arrangements.”

D. Exchange Controls

Irish exchange control regulation ceased to apply in 1992. However, the Irish Minister for Finance can restrict financial transfers (which includes movements of payments or capital) and impose financial sanctions between Ireland and other countries. There are currently restrictions on financial transfers between Ireland and countries such as Iran, Iraq and North Korea. We do not expect such restrictions or sanctions to have any material effect on our business. The movement of capital may in addition be impacted by Irish company and tax laws in the ordinary course.

E. Taxation

Taxation in Ireland

Scope of Discussion

The following is a general summary of the material Irish tax considerations applicable to certain investors who are the owners of our ordinary shares. It is based on existing Irish law and our understanding of the practices of the Irish Revenue Commissioners on February 13, 2015. Legislative, administrative or judicial changes may modify the tax consequences described below, possibly with retrospective effect.

The following general summary does not constitute tax advice and is intended only as a general guide. Furthermore, this information applies only to our ordinary shares that are held as capital assets and does not apply to all categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes or shareholders who have, or who are deemed to have, acquired their shares by virtue of an office or employment. This summary is not exhaustive and shareholders should consult their own tax advisors as to the tax consequences in Ireland, or other relevant jurisdictions, including the acquisition, ownership and disposition of our shares.

Tax on Chargeable Gains

A disposal of our ordinary shares by a shareholder who is not resident or ordinarily resident for tax purposes in Ireland should not give rise to Irish tax on any chargeable gain realized on such disposal unless such shares are used, held or acquired for the purposes of a trade carried on by such shareholder through a branch or agency in Ireland.

A disposal of our shares by an Irish resident or ordinarily resident shareholder may, depending on the circumstances (including the availability of exemptions and reliefs), give rise to a chargeable gain or allowable loss for that shareholder. The rate of capital gains tax in Ireland is currently 33%.

A holder of our ordinary shares who is an individual and who is temporarily non-resident in Ireland may, under Irish anti-avoidance legislation, be liable to Irish tax on any chargeable gain realized on a disposal during the period in which such individual is non-resident.

Dividend Withholding Tax

DWT (currently at a rate of 20%) may arise in respect of dividends or distributions from an Irish resident company unless an exemption applies. For DWT purposes dividends and distributions includes cash dividends, non-cash dividends and additional stock or units taken in lieu of a cash dividend. Where DWT does arise in respect of dividends, we are responsible for deducting DWT at source and forwarding the relevant payment to the Irish Revenue Commissioners.

Certain shareholders are entitled to an exemption from DWT. In particular, dividends to a non-Irish tax resident shareholder should not be subject to DWT if the shareholder is:

- an individual shareholder resident for tax purposes in a "relevant territory" and the individual is neither resident nor ordinarily resident in Ireland;
- a corporate shareholder resident for tax purposes in a "relevant territory" provided that the corporate shareholder is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;
- a corporate shareholder that is not resident for tax purposes in Ireland, that is ultimately controlled, directly or indirectly, by persons resident in a "relevant territory;" and that is not controlled, directly or indirectly, by persons who are not resident in a "relevant territory";
- a corporate shareholder that is not resident for tax purposes in Ireland and whose principal class of shares (or those of its 75% parent) is substantially and regularly traded on a recognized stock exchange either in a "relevant territory" or on such other stock exchange approved by the Irish Minister for Finance; or
- a corporate shareholder that is not resident for tax purposes in Ireland and is wholly-owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a recognized stock exchange in a "relevant territory" or on such other stock exchange approved by the Irish Minister for Finance,

and provided that, in all cases noted above (but subject to "—U.S. Resident Shareholders" below), the shareholder has provided a relevant Irish DWT declaration form to his or her broker at least seven business days before the record date for the dividend (in the case of shares held through DTC), and the relevant information is further transmitted to us (in the case of shares held through DTC) or to our transfer agent (in the case of shares held outside of DTC).

A list of "relevant territories" for the purposes of DWT is set forth below.

Albania	China	Greece	Luxembourg	Panama	Spain
Armenia	Croatia	Hong Kong	Macedonia	Poland	Sweden
Australia	Cyprus	Hungary	Malaysia	Portugal	Switzerland
Austria	Czech Republic	Iceland	Malta	Qatar	Thailand

Bahrain	Denmark	India	Mexico	Romania	Turkey
Belarus	Egypt	Israel	Moldova	Russia	Ukraine
Belgium	Estonia	Italy	Montenegro	Saudi Arabia	United Arab Emirates
Bosnia & Herzegovina	Ethiopia	Japan	Morocco	Serbia	United Kingdom
Botswana	Finland	Republic of Korea	Netherlands	Singapore	United States of America
Bulgaria	France	Kuwait	New Zealand	Slovak Republic	Uzbekistan
Canada	Georgia	Latvia	Norway	Slovenia	Vietnam
Chile	Germany	Lithuania	Pakistan	South Africa	Zambia

Prior to paying any dividend, we will put in place an agreement with an entity which is recognized by the Irish Revenue Commissioners as a "qualifying intermediary" which satisfies one of the Irish requirements for dividends to be paid free of DWT to certain shareholders who hold their shares through DTC.

With regard to shareholders (other than U.S. resident shareholders who hold their shares through DTC) who held shares in Midasplayer International Holding Company p.l.c. prior to the share-for-share exchange and who are resident in a relevant territory, the Irish Revenue Commissioners have confirmed that they will be given one year from the date of the share-for-share exchange to provide the relevant Irish DWT declaration form or, in the case of U.S. resident shareholders who hold their shares outside DTC, to provide a valid IRS Form 6166. The payment of dividends to these shareholders may be made without deduction of DWT during this transitional one year period.

U.S. Resident Shareholders

The Irish Revenue Commissioners have confirmed that dividends paid in respect of shares in an Irish resident company that are owned by residents of the United States and held through DTC will not be subject to DWT provided that the address of the beneficial owner of the shares in the records of the broker is in the United States. We strongly recommend that such shareholders ensure that their information has been properly recorded by their brokers (so that such brokers can provide the relevant information to a qualifying intermediary appointed by us).

Dividends paid in respect of shares in an Irish resident company that are owned by residents of the United States and held outside of DTC will not be subject to DWT provided that the shareholder has provided a valid IRS Form 6166 to our transfer agent at least seven business days before the record date for the first dividend payment to which they are entitled. However, with regard to U.S. resident shareholders who hold their shares outside DTC and who held shares in Midasplayer International Holding Company p.l.c. prior to the share-for-share exchange, the Irish Revenue Commissioners have confirmed that they will be given one year from the date of the share-for-share exchange to provide a valid IRS Form 6166. The payment of dividends to these shareholders may be made without deduction of DWT during this transitional one-year period.

If a U.S. resident shareholder receives a dividend subject to DWT, that shareholder should generally be able to make an application for a refund of DWT from the Irish Revenue Commissioners subject to certain time limits, provided the shareholder is beneficially entitled to the dividend.

Residents of "Relevant Territories" other than the United States

Shareholders who are residents of "relevant territories" other than the United States (regardless of when such shareholders acquired their shares) must satisfy the conditions of one of the exemptions referred to above including the requirement to complete the appropriate Irish DWT declaration form in order to receive dividends without suffering DWT.

Shareholders must provide the appropriate Irish DWT declaration form to their brokers (so that such brokers can provide the relevant information to a qualifying intermediary appointed by us) before the record date for the first dividend to which they are entitled (in the case of shares held through DTC), or to our transfer agent at least seven business days before such record date (in the case of shares held outside of DTC). We strongly recommend that such shareholders complete the appropriate Irish DWT declaration form and provide them to their brokers or our transfer agent as soon as possible.

If a shareholder who is resident in a "relevant territory" receives a dividend subject to DWT, that shareholder should generally be able to make an application for a refund of DWT from the Irish Revenue Commissioners subject to certain time limits, provided the shareholder is beneficially entitled to the dividend.

Irish Resident Shareholders

Irish tax resident or ordinarily resident shareholders will generally be subject to DWT in respect of dividends or distributions received from an Irish resident company unless an exemption applies.

Irish tax resident or ordinarily resident shareholders that are entitled to receive dividends without DWT must complete the relevant Irish DWT declaration form and provide the declaration form to their brokers (so that such brokers can provide the relevant information to a qualifying intermediary appointed by us) before the record date for the first dividend to which they are entitled (in the case of shares held through DTC), or to our transfer agent at least seven business days before such record date (in the case of shares held outside of DTC).

Irish tax resident or ordinarily resident shareholders who are not entitled to an exemption from DWT and who are subject to Irish tax should consult their own tax advisor.

Other Persons

Shareholders that do not fall within one of the categories mentioned above may fall within other exemptions from DWT, provided that the shareholder has completed the relevant Irish DWT declaration form and this declaration remains valid.

If a shareholder is exempt from DWT but receives a dividend subject to DWT, that shareholder may be able to claim a refund of DWT from the Irish Revenue Commissioners subject to certain time limits, provided the shareholder is beneficially entitled to the dividend.

Income Tax on Dividends

Non-Irish Resident Shareholders

A shareholder who is not resident or ordinarily resident for tax purposes in Ireland and who is entitled to an exemption from DWT, generally has no liability to Irish income tax or income charges on a dividend from an Irish resident company unless that shareholder holds the shares through a branch or agency which carries on a trade in Ireland.

A shareholder who is not resident or ordinarily resident for tax purposes in Ireland and who is not entitled to an exemption from DWT, generally has no additional liability to Irish income tax or income charges unless that shareholder holds the shares through a branch or agency which carries on a trade in Ireland. The shareholder's liability to Irish income tax is effectively limited to the amount of DWT already deducted by the company.

Irish Resident Shareholders

Irish resident or ordinarily resident individual shareholders may be subject to Irish income tax and income charges such as pay related social insurance (PRSI) and the Universal Social Charge (USC) on dividends received from us. Such shareholders should consult their own tax advisor. Irish resident corporate shareholders should not be subject to tax on dividends from us on the basis that the dividend is not in respect of preferred shares.

Capital Acquisitions Tax

A gift or inheritance of our shares could attract a charge to Irish capital acquisitions tax (CAT) being gift tax or inheritance tax. A gift or inheritance of our shares (including where such shares are held in DTC) could attract a charge to CAT regardless of the place of residence, ordinary residence or domicile of the deceased or donor of the shares (collectively referred to as the "donor") or the successor or donee of the shares (collectively referred to as the "donee"). This is because a charge to CAT can arise on a gift or inheritance which comprises of property situated in Ireland. Our shares are regarded as property situated in Ireland because our share register must be held in Ireland. The person who receives the gift or inheritance is the person who is accountable for any CAT that arises. However there are certain circumstances where another person such as an agent or personal representative may become accountable for the CAT.

The rate of CAT is currently 33% and is payable if the taxable value of the gift or inheritance exceeds certain thresholds, referred to as "group thresholds." CAT is applied on the excess over the threshold amount. The appropriate threshold amount depends upon the relationship between the donor and the donee of the shares and also the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold. For example, in 2014 a child is entitled to a tax-free threshold of €225,000 on a gift or inheritance from a parent, but all gifts or inheritances within the charge to tax in Ireland taken from donors within the same group threshold since December 5, 1991 are taken into account. A gift or inheritance received from a spouse is exempt from CAT. Gifts or inheritances taken by charities may be exempt where they have been or will be applied for purposes which would be considered public or charitable under Irish law. There is also a "small gift exemption" whereby the first €3,000 of the taxable value of all taxable gifts taken by a donee from any one donor, in each calendar year is exempt from tax and is also excluded from any future aggregation. This exemption does not apply to an inheritance.

There is a double tax agreement for gift and inheritance tax with the United Kingdom and for inheritance tax only with the United States. However, although these double tax agreements exist, they can be limited in their application. Under these agreements, U.K. or U.S. residents may, in certain cases, obtain relief from double taxation to CAT and their own country's taxes. Otherwise, unilateral relief from double taxation may apply in certain circumstances.

Stamp Duty

Irish stamp duty typically arises on the transfer of shares in an Irish incorporated company, subject to certain exceptions. Irish stamp duty is currently 1% of the higher of the price paid or the market value of the shares acquired.

Shares Held Through DTC

The Irish Revenue Commissioners have confirmed that a transfer of our shares effected by means of the transfer of book-entry interests in DTC should not be subject to Irish stamp duty.

Shares Transferred into DTC

A shareholder may transfer our ordinary shares into DTC without giving rise to Irish stamp duty, so long as there is no change in the ultimate beneficial ownership of the ordinary shares as a result of the transfer and the transfer into DTC is not on a sale or in contemplation of a sale.

The Irish Revenue Commissioners have confirmed that a shareholder may transfer our shares into DTC without giving rise to Irish stamp duty so long as the transfer into DTC is not on a sale and there is no agreement in place for the sale of those shares.

Shares Transferred out of DTC

A shareholder may transfer our shares out of DTC without giving rise to Irish stamp duty so long as:

- there is no change in the ultimate beneficial ownership of the shares as a result of the transfer; and
- the transfer out of DTC is not on a sale or in contemplation of a sale.

Shares Held Outside of DTC

A transfer of our shares where any of the parties to the transfer hold the shares outside of DTC, may be subject to Irish stamp duty. The transferee of the shares is typically the person that is liable to pay stamp duty.

Due to the potential Irish stamp duty on transfers of our shares, we strongly recommend that shareholders hold their shares through DTC (or through a broker who holds such shares through DTC).

DTC Eligibility

In order for DTC, Cede & Co. and National Securities Clearing Corporation, or NSCC, which provides clearing services for securities that are eligible for the depository and book-entry transfer services provided by DTC and registered in the name of Cede & Co., which entities are referred to collectively as the DTC Parties, to provide services with respect to our ordinary shares, the company has entered into a composition agreement with the Revenue Commissioners of Ireland under which inter alia we have assumed any obligation of paying the liability for any Irish stamp duty with respect to our shares, on (a) transfers or deemed transfers of our shares to DTC (including transfers or deemed transfers of our shares to Cede & Co. as nominee for DTC), (b) transfers or deemed transfers of our shares from DTC (including transfers or deemed transfers of our shares from Cede & Co. as nominee for DTC) where those instruments operate as a voluntary disposition and have not already been duly stamped by the transferee within the appropriate statutory time limit, and (c) transfers or deemed transfers of our shares created by us and to the extent that such transfer had it been created by any person other than us would have fallen within the provisions of either (a) or (b), and the company has received confirmation from the Revenue Commissioners of Ireland that while such composition agreement remains in force, the DTC Parties shall have no liability whatsoever to report, collect, remit or pay any stamp duty in respect of any transactions in our shares

In addition, to assure the DTC Parties that they will not be liable for any Irish stamp duty or similar Irish transfer or documentary tax with respect to our ordinary shares under any circumstances (including as a result of a change in applicable law), and to make other provisions with respect to our ordinary shares required by the DTC Parties, we and our transfer agent have entered into a Special Eligibility Agreement for Securities, with DTC, Cede & Co. and NSCC, or the DTC Eligibility Agreement.

The DTC Eligibility Agreement provides for certain indemnities of the DTC Parties by us and our transfer agent (as to which we have agreed to indemnify our transfer agent) and also that any of the DTC Parties may take any restrictive measures with respect to our ordinary shares as the DTC Rules or the NSCC Rules (as applicable) provide without any liability on the part of any of the DTC Parties (except in the case of gross negligence or wilful misconduct on the part of any of the DTC Parties). The DTC Eligibility Agreement also provides that DTC, in its sole discretion, may impose a global lock on our ordinary shares, otherwise limit transactions in the shares, or cause the shares to be withdrawn, and NSCC may, in its sole discretion, exclude our ordinary shares from its continuous net settlement service or any other service, and any of the DTC Parties may take other restrictive measures with respect to our ordinary shares as it may deem necessary and appropriate, without any liability on the part of any of the DTC Parties (except in the case of gross negligence or wilful misconduct on the part of any of the DTC Parties), if at any time a DTC Party determines, in its sole discretion acting in good faith, that to continue to hold or process transactions in our ordinary shares might give rise to a liability for tax relating to or in respect of our ordinary shares on the part of any of the DTC Parties.

Material U.S. Federal Income Tax Consequences to U.S. Holders

The following general summary describes the material U.S. federal income tax consequences to U.S. Holders (as defined below) of owning and disposing of our ordinary shares. It does not purport to be a comprehensive discussion of all of the tax considerations that may be relevant to a decision to purchase our ordinary shares.

This discussion applies only to a U.S. Holder that owns our ordinary shares as capital assets for U.S. federal income tax purposes. In addition, this summary does not address all U.S. federal income tax matters that may be relevant to a particular U.S. Holder. **Each prospective investor should consult a professional tax advisor with respect to the tax consequences of an investment in our ordinary shares.** This summary does not address tax considerations applicable to a holder of our ordinary shares that may be subject to special tax rules including, without limitation, the following:

- dealers in securities or currencies;
- financial institutions;
- S corporations;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt entities (including private foundations);
- qualified retirement plans, individual retirement accounts and other tax-deferred accounts;
- insurance companies;
- persons holding ordinary shares as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- persons that own, directly, indirectly or as a result of certain constructive ownership rules, ordinary shares representing 10% or more of the total combined voting power of all classes of our stock;
- traders in securities that elect to use a mark-to-market method of accounting;
- persons liable for alternative minimum tax;
- persons that received our shares as compensation for services;
- U.S. Holders whose “functional currency” is not the U.S. dollar; or
- U.S. tax expatriates and certain former citizens and long-term residents of the United States.

This summary is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (Code), the U.S. Treasury Regulations promulgated thereunder, and administrative and judicial interpretations of the Code and the U.S. Treasury Regulations, all as currently in effect as of the date hereof, and all subject to differing interpretations or change, possibly on a retroactive basis. This summary does not address any estate, gift, state, local, non-U.S. or other tax consequences, except as specifically provided herein. No ruling has been or will be sought from the U.S. Internal Revenue Service (IRS), with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the ownership and disposition of our ordinary shares, or that any such contrary position will not be sustained by a court.

For purposes of this summary, a “U.S. Holder” means a holder of ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States (as determined under U.S. federal income tax rules);
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership or an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds our ordinary shares, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our ordinary shares or partners in such partnerships should consult their own tax advisors regarding the particular U.S. federal income tax consequences of the ownership and disposition of our ordinary shares.

The following summary is of a general nature only and is not a substitute for careful tax planning and advice. U.S. Holders of our ordinary shares are urged to consult their own tax advisors concerning the U.S. federal income tax consequences of the issues discussed herein, in light of their particular circumstances, as well as any considerations arising under the laws of any foreign, state, local or other taxing jurisdiction.

Taxation of Distributions on Ordinary Shares

Subject to the discussion under "—Passive Foreign Investment Company" below, the gross amount of any distribution (including amounts, if any, withheld in respect of Irish withholding tax) actually or constructively received by a U.S. Holder with respect to our ordinary shares will be taxable to the U.S. Holder as a dividend to the extent of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Distributions to a U.S. Holder in excess of earnings and profits ordinarily would be treated first as a return of capital that reduces a U.S. Holder's tax basis in such ordinary shares (thereby increasing the amount of gain or decreasing the amount of loss that a U.S. Holder would recognize on a subsequent disposition of our ordinary shares), and then as gain from the sale or exchange of such ordinary shares.

We believe that we did not have earnings and profits for the 2014 year as determined under U.S. federal income tax principles. We do not necessarily intend to calculate our earnings and profits for the current year or any subsequent year, in the event we make distributions to holders of our ordinary shares, there can be no assurance that we will determine the portion of any distribution that constitutes a dividend for U.S. federal income tax purposes. As a result, U.S. Holders may be required to treat the entire distribution as a taxable dividend, even if some or all of the distribution would otherwise be treated as a non-taxable return of capital or as capital gain. The amount of any distribution of property other than cash will be the fair market value of that property on the date of distribution. The amount of the dividend will generally be treated as foreign-source dividend income to U.S. Holders, which may be relevant in calculating any foreign tax credit limitation. U.S. Holders should consult their own tax advisors to determine whether and to what extent they will be entitled to foreign tax credits.

For U.S. Holders who are individuals, estates or trusts, dividends received with respect to our ordinary shares will generally be considered qualified dividend income, subject to U.S. federal income tax at a maximum rate of 20%, provided that we are a "qualified foreign corporation," the stock on which the dividend is paid is held for a minimum holding period, and other requirements are satisfied.

A "qualified foreign corporation" includes a foreign corporation that is not a PFIC (as defined in "—Passive Foreign Investment Company") in the year of the distribution or in the prior tax year and that is eligible for the benefits of an income tax treaty with the United States, if such treaty contains an exchange of information provision and the U.S. Treasury Department has determined that the treaty is satisfactory for purposes of the legislation. An Irish resident company that is publicly traded on a recognized U.S. stock exchange is eligible for the benefits of the U.S. income tax treaty with Ireland. The IRS has published guidance stating that the U.S. income tax treaty with Ireland contains an exchange of information provision and is satisfactory for purposes of the legislation. Thus, based on current law and applicable administrative guidance, dividends paid on our ordinary shares will be eligible for treatment as qualified dividend income, provided that we are not a PFIC, and the holding period and other requirements are satisfied.

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds will be subject to a 3.8% Medicare tax (in addition to the regular income tax) on certain investment income, including dividends.

Distributions to U.S. Holders that are corporations generally will not be eligible for the dividends received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Taxation of Sale, Exchange or Other Taxable Disposition of Our Ordinary Shares

Upon the sale, exchange or other taxable disposition of an ordinary share, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange or other disposition and such U.S. Holder's tax basis in the ordinary share. The amount realized on the sale, exchange or other taxable disposition of the ordinary shares will be the amount of cash received plus the fair market value of any property received. The U.S. Holder's amount realized and tax basis will be measured in U.S. dollars. Subject to the discussion under "—Passive Foreign Investment Company" below, any such gain or loss will generally be capital gain or loss and will generally be long-term capital gain or loss if the U.S. Holder's holding period for the ordinary shares transferred exceeds one year on the date of the sale or disposition. Long-term capital gains of non-corporate U.S. Holders derived with respect to the disposition of ordinary shares are currently subject to tax at reduced rates. The deductibility of capital losses is subject to limitations. The gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes.

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds will be subject to a 3.8% Medicare tax (in addition to the regular income tax) on certain investment income, including capital gains.

Passive Foreign Investment Company

A foreign corporation is a passive foreign investment company (PFIC), within the meaning of Section 1297 of the Code if, during any taxable year, (1) 75% or more of its gross income consists of certain types of passive income or (2) the average quarterly value (or basis in certain cases) of its passive assets (generally assets that generate passive income) is 50% or more of the average quarterly value (or basis in certain cases) of all of its assets. In arriving at this calculation, we will be treated as holding directly our proportionate share of the assets, and receiving directly our proportionate share of income of any corporation in which we own, directly or indirectly, at least a 25% interest measured by value. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions, subject to certain exceptions.

Based on our estimated gross income, the average value of our gross assets, and the nature of our businesses, we do not believe that we were a PFIC for the 2014 year or that we will be a PFIC for the current taxable year, and we do not expect to become one in the foreseeable future. Our status for any taxable year will depend on our assets and activities in each year, and because this is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC for the current taxable year or any future taxable year. The market value of our assets may be determined in large part by reference to the market price of our ordinary shares, which is likely to fluctuate over time. If our income or asset composition were to become more passive (including through the acquisition of assets that generate passive income), we could potentially become a PFIC.

If we were classified as a PFIC in any year with respect to which a U.S. Holder owns ordinary shares, we would continue to be treated as a PFIC with respect to the U.S. Holder in all succeeding years during which the U.S. Holder owns our ordinary shares, regardless of whether we continue to meet the tests described above.

If we were treated as a PFIC for any taxable year during which a taxable U.S. Holder held our ordinary shares, gain recognized by the U.S. Holder on a sale or other disposition (including certain pledges) of the ordinary shares would be allocated ratably over the U.S. Holder's holding period for the ordinary shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the amount allocated to that taxable year. Further, to the extent that any distribution received by a U.S. Holder on its ordinary shares exceeded 125% of the average of the annual distributions on the ordinary shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution (referred to as excess distribution) would be subject to taxation in the same manner as gain, described immediately above.

Certain elections may be available that would result in alternative treatments of the ordinary shares. However, we do not expect that we will prepare or provide to U.S. Holders a "PFIC annual information statement," which would enable a U.S. Holder to make one type of election, a "qualified electing fund." In addition, each U.S. Holder of a PFIC is required to file an annual report containing such information as the U.S. Department of the Treasury may require. U.S. Holders are advised to consult with their own tax advisors regarding the details of the PFIC rules and any elections that may be available.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to payments with respect to ordinary shares paid to certain U.S. Holders. Backup withholding, currently at a 28% rate, also may apply to such payments if the U.S. Holder fails to provide a taxpayer identification number or certification of other exempt status or fails to comply with the applicable requirements of the backup withholding rules. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against such U.S. Holder's U.S. federal income tax liability provided that the required information is furnished by such U.S. Holder to the IRS. A U.S. Holder who does not provide a correct taxpayer identification number may be subject to penalties imposed by the IRS.

Certain U.S. Holders holding specified foreign financial assets, including our ordinary shares, with an aggregate value in excess of the applicable U.S. dollar threshold are, subject to certain exceptions, required to report information relating to our ordinary shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, to their tax returns, for each year in which they hold our ordinary shares. U.S. Holders are urged to consult their own tax advisors regarding information reporting requirements relating to the ownership of our ordinary shares.

F. Dividends and Paying Agents

Not Applicable.

G. Statements by Experts

Not Applicable.

H. Documents on Display

We are subject to the reporting requirements of the Exchange Act applicable to foreign private issuers, which do not require us to deliver proxy statements or to file quarterly reports on Form 10-Q or to provide current reports on Form 8-K disclosing significant events within four days of their occurrence, among other things. However, we plan to continue to provide proxy materials to our shareholders for all meetings of our shareholders in accordance with the New York Stock Exchange listing standards, and plan to continue to produce quarterly financial reports and furnish them to the SEC on a Form 6-K for each of the first three quarters of our fiscal year and to file our annual report on Form 20-F after the end of our fiscal year. In addition, our “insiders” are not subject to the SEC’s rules that prohibit short-swing trading of our ordinary shares. We also maintain a website at www.king.com. Information contained in or accessible through, our website is not a part of this prospectus.

You may review a copy of our filings with the SEC, including exhibits and schedules filed with this Annual Report, at the SEC’s public reference facilities at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also request copies of these documents upon payment of a duplicating fee by writing to the SEC. For further information on the public reference facility, please call the SEC at 1-800-SEC-0330. Our SEC filings are also available to shareholders on the SEC’s website at http://www.sec.gov. We also maintain a website at http://investor.king.com. We intend to post this Annual Report on our website promptly following filing with the SEC. Information contained in, or accessible through, our website is not a part of this Annual Report, and the inclusion of our website address in this Annual Report is an inactive textual reference.

With respect to references made in this Annual Report to any contract or other document, such references are not necessarily complete and you should refer to the exhibits filed with or incorporated by reference to this Annual Report for copies of the actual contract or document.

I. Subsidiary Information

Not Applicable.

Item 11. Qualitative and Quantitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates and foreign currency exchange rates. We do not hold or issue financial instruments for trading purposes. See Note 4 to our consolidated financial statements for our quantitative and qualitative disclosures about market risk.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications of Rights of Security Holders and Use of Proceeds

Material Modifications to Rights of Security Holders

On March 26, 2014 in connection with our IPO, we amended and restated our memorandum and articles of association. A copy of our current Memorandum and Articles are incorporated by reference into this Annual Report as Exhibit 1.01. For more information about our Memorandum and Articles, see "Item 10.A. Share Capital."

Use of Proceeds

In our IPO in March 2014, we sold 15,533,334 ordinary shares and received net proceeds of approximately $329 million after deducting underwriting discounts and commissions and offering expenses. The offer and sale of the ordinary shares in the IPO were registered under the Securities Act, pursuant to a registration statement on Form F-1 (File No. 333-193984) (the Registration Statement), which the SEC declared effective on March 25, 2014. The offering commenced as of March 25, 2014 and did not terminate before all of the securities registered in the registration statement were sold. J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner and Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc. and RBC Capital Markets, LLC acted as joint book-running managers of the IPO. There has been no material change in the planned use of proceeds from our IPO as described in the Registration Statement.

Item 15. Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Annual Report. Based on such evaluation, our chief executive officer and chief financial officer have concluded that as of December 31, 2014, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

This Annual Report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the company's registered public accounting firm due to a transition period established by rules of the SEC.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this Annual Report that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. Reserved

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Mr. McKee is independent and an audit committee financial expert as defined under the applicable SEC rules and regulations and the New York Stock Exchange listing standards.

Item 16B. Code of Ethics

We adopted a code of business conduct and ethics that applies to directors and a code of business conduct and ethics that applies to all of our employees, including our executive officers who are responsible for financial reporting, both of which are available on our website at http://investor.king.com. We intend to disclose any amendments to the code of business conduct and ethics, or any waivers of its requirements, on our website.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by PricewaterhouseCoopers LLP, our principal accountants for the periods indicated:

	Year Ended December 31,	
	2014	**2013**
Audit fees (1)	$2,449,380	$6,753,804
Audit-related fees	—	—
Tax fees (2)	2,088,483	7,064,927
All other fees (3)	660,777	1,242,775
Total	**$5,198,640**	**$15,061,506**

(1) Includes the aggregate fees related to the audits of our annual consolidated financial statements and the reviews of our interim financial statements, services rendered in connection with the filing of our registration statements, including our Registration Statement on Form F-1 related to our IPO and the issuance of comfort letters and consents, and also includes fees related to accounting consultations, and statutory audit services for certain of our foreign subsidiaries.
(2) Includes preparation and review of various filings and advising on transfer pricing, international tax structures, indirect taxes and various other tax issues.
(3) Includes advice on the restructuring of the group prior to and shortly following the IPO.

The audit committee's policy is to pre-approve all audit and non-audit services provided by the independent accountants. These services may include audit services, audit-related services, tax services and other services. The audit committee pre-approves services on a case-by-case basis. The independent accountant and management are required to periodically report to the audit committee regarding the extent of services provided by the independent accountant with these pre-approvals, and the fees for the services performed to date.

Item 16D. Exemptions from the Listing Standards for Audit Committees

We are relying on the exemption under Rule 10A-3(b)(1)(iv)(A)(2) of the Exchange Act, which provides that a minority of the members of the listed issuer's audit committee may be exempt from the independence requirements of paragraph (b)(1)(ii) of Rule 10A-3 for one year from the date of effectiveness of the registration statement covering an initial public offering of securities listed by the issuer. Our audit committee currently comprises three directors and two of those directors are independent. Our audit committee will consist solely of independent directors within one year of our IPO.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to repurchases of our ordinary shares by us or on our behalf in the year ended December 31, 2014:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2014	17,227,880 (1)	$ 0.072(1)	N/A	N/A

(1) Shares were repurchased in exchange for an aggregate repurchase price of $1,240,407 plus 7,422,180 Linked Options with an exercise price of $31.37 per share with Linked Shares. For more information, see "Item 7.B. Related Party Transactions—Repurchase of Shares"

For information on our share repurchase program, see "Item 5. Operating and Financial Review and Prospects—Management's Discussion and Analysis of Financial Condition and Results of Operation—Share Repurchase Programs."

Item 16F. Change in Registrant's Certifying Accountant

Not Applicable.

Item 16G. Corporate Governance

We are a foreign private issuer under the securities laws of the United States and the New York Stock Exchange listing standards. We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act of 2002, the rules adopted by the SEC and the New York Stock Exchange listing standards.

Under the New York Stock Exchange listing standards, a foreign private issuer is subject to less stringent corporate governance requirements. Subject to certain exceptions, the New York Stock Exchange listing standards permit a foreign private issuer to follow its home country practice in lieu of the New York Stock Exchange listing standards. Under Irish law, there is no general statutory requirement for equity compensation plans to be approved by way of shareholder resolution, which is different than the requirements of the New York Stock Exchange listing standards. As such, while we may choose to seek shareholder approval for any equity compensation plans, we do not intend to adopt any requirements for shareholder approval of such plans in our amended and restated memorandum and articles of association. Other than the foregoing, we do not intend to follow home country corporate governance practices instead of the requirements of the New York Stock Exchange.

Further, as a foreign private issuer, the rules governing the information that we disclose differ from those governing U.S. public companies pursuant to the Securities Act and Exchange Act. See "Item 10.H Documents on Display."

If at any time we cease to be a foreign private issuer, we would be required to comply with the Securities Act and Exchange Act reporting and other requirements applicable to U.S. public companies and we would be required make changes in our corporate governance practices in accordance with various SEC and New York Stock Exchange listing standards.

Item 16H. Mine Safety Disclosure

Not Applicable.

PART III

Item 17. Consolidated Financial Statements

Not applicable, see Item 18.

Item 18. Consolidated Financial Statements

The financial statements as required under Item 18 are attached hereto and found immediately following the text of this Annual Report. The audit report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, is included herein preceding the audited consolidated financial statements.

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Item 19.Exhibits

EXHIBITS INDEX

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
1.01	Amended and Restated Memorandum and Articles of Association.	S-8	333-195457	4.01	April 23, 2014	
2.01	Form of Ordinary Share Certificate.	F-1	333-193984	4.01	February 18, 2014	
2.02	Registration Rights Agreement between the Registrant and the shareholders party thereto.	F-1	333-193984	4.02	March 21, 2014	
4.01	Lease between Central Saint Giles Limited Partnership, Specific Media UK Limited and Interactive Media Holdings Inc., dated December 31, 2010, and Agreement for Assignment of Lease between Midasplayer.com Limited and Specific Media UK Limited, dated May 31, 2013.	F-1	333-193984	10.01	February 18, 2014	
4.02	Lease Agreement between Midasplayer AB and Diligentia Fyrkanten AB, dated June 12, 2013, and Addendums No. 1 and No. 2 to the Lease Agreement with Diligentia Fyrkanten AB, dated November 5, 2013.	F-1	333-193984	10.18	February 18, 2014	
4.03	Lease Agreements between King Shared Services, S.L. and Bassat Partners, S.L., dated November 11, 2014.					X
4.04	Leases between Expedia.com Limited and Facebook UK Ltd, dated November 11, 2011 and January 3, 2012, and a Contract for Sale and Purchase of Leasehold Property and Deeds of Assignment between Midasplayer.com Limited and Facebook UK Ltd, dated July 9, 2014.					X
4.05	Services Agreement between Midasplayer AB and InterXion Sverige AB, dated August 4, 2014.					X
4.06	ABL Credit Agreement between Midasplayer International Holding Company Limited, King.com Limited, Midasplayer Vertriebs GmbH, JP Morgan Chase Bank, N.A. and the lenders from time to time party thereto, dated October 7, 2013.	F-1	333-193984	10.17	February 18, 2014	
4.07+	Form of Indemnity Agreement entered into between King.com Inc. and its officers and directors.	F-1	333-193984	10.04	March 12, 2014	
4.08+	Service Agreement between Midasplayer.com Limited and Riccardo Zacconi, dated March 9, 2014.	F-1	333-193984	10.05	March 12, 2014	
4.09+	Service Agreement between Midasplayer AB and John Sebastian Knutsson, dated March 7, 2014.	F-1	333-193984	10.06	March 12, 2014	
4.10+	Service Agreement between Midasplayer.com Limited and Stephane Kurgan, dated March 11, 2014.	F-1	333-193984	10.07	March 12, 2014	
4.11+	Service Agreement between Midasplayer.com Limited and Hope Cochran, dated March 7, 2014.	F-1	333-193984	10.19	March 12, 2014	
4.12+	Service Agreement between Midasplayer.com Limited and Robert Miller, dated March 9, 2014.	F-1	333-193984	10.08	March 12, 2014	
4.13+	Description of Management Services Arrangement between Midasplayer.com Limited and Apax Partners LLP.	F-1	333-193984	10.20	February 18, 2014	
4.14+	Consultancy Agreement between Midasplayer AB and Joshsthlm AB, dated January 7, 2013.	F-1	333-193984	10.09	February 18, 2014	
4.15+	Master Services Agreement between Midasplayer AB and Joshsthlm AB, dated December 15, 2014.					X
4.16	Registered Apple Developer Agreement.					X
4.17	Google Play Developer Distribution Agreement, Developer Program Policies, and Brand Guidelines.					X
4.18	Facebook Platform Policies, Statement of Rights and Responsibilities, Developer Payment Terms Advertising Guidelines, and Brand Resource Guidelines.					X
4.19+	Midasplayer International Holding Company Limited 2012 Share Incentive Plan (for United States Services Providers) and forms of subscription agreement thereunder.	F-1	333-193984	10.13	March 12, 2014	
4.20+	Forms of non-U.S. equity-settled award agreements.	F-1	333-193984	10.14	March 12, 2014	

4.21	Form of Discretionary Bonus Unit award letter.	F-1	333-193984	10.15	February 18, 2014	
4.22+	2014 Equity Incentive Plan and forms of agreement thereunder.	S-8	333-195457	99.01	April 23, 2014	
4.22A+	2014 Equity Incentive Plan additional forms of agreement.					X
4.23+	Form of U.S. Individual Option Agreement	S-8	333-195457	99.03	April 23, 2014	
8.01	Subsidiaries of the Registrant.					X
12.01	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
12.02	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
13.01*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
13.02*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
15.01	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.					X

+ Indicates a management contract or compensatory plan.
* This certification is deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

KING DIGITAL ENTERTAINMENT PLC

Date: February 13, 2015

By: /s/ Riccardo Zacconi
Name: Riccardo Zacconi
Title: Chief Executive Officer

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KING DIGITAL ENTERTAINMENT PLC

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of:
King Digital Entertainment plc

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of operations, comprehensive income, changes in equity and cash flows present fairly, in all material respects, the financial position of King Digital Entertainment plc and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2014 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
London, United Kingdom

February 13, 2015.

KING DIGITAL ENTERTAINMENT PLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(In US$ thousands, except per share data)

	Notes	Year Ended December 31, 2014	2013	2012
Revenue	6	$2,260,241	$1,884,301	$ 164,412
Other income		9,163	-	-
Costs and expenses:				
Cost of revenue		716,743	584,358	54,713
Research and development		177,934	110,502	28,600
Sales and marketing		455,408	376,898	55,188
General and administrative		184,236	95,667	14,577
Total costs and expenses	7	1,534,321	1,167,425	153,078
Other gains (losses)	9	34,100	(870)	(269)
Net finance (costs) income		(905)	(1,731)	52
Profit before tax		768,278	714,275	11,117
Income tax expense	10	193,427	146,681	3,272
Profit		$ 574,851	$ 567,594	$ 7,845
Earnings per share attributable to the equity holders of the Company during the year				
Basic earnings per share	11	$ 1.86	$ 1.86	$ 0.03
Diluted earnings per share	11	$ 1.79	$ 1.75	$ 0.02

See accompanying notes to the consolidated financial statements.

KING DIGITAL ENTERTAINMENT PLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In US$ thousands)

	Year Ended December 31,		
	2014	**2013**	**2012**
Profit for the year	$ 574,851	$ 567,594	$ 7,845
Other comprehensive income:			
Items that may be subsequently reclassified to profit			
Exchange difference on translation of foreign subsidiaries, net of tax $0	(45,917)	4,062	1,242
Total comprehensive income for the year	$ 528,934	$ 571,656	$ 9,087

See accompanying notes to the consolidated financial statements.

KING DIGITAL ENTERTAINMENT PLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In US$ thousands)

	Notes	December 31, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	12	$ 963,972	$ 408,695
Trade and other receivables	13	228,392	221,550
Income tax receivable		103,748	1,379
Total current assets		1,296,112	631,624
Non current assets			
Intangible assets, net	14	48,587	9,239
Property, plant and equipment, net	15	34,310	14,258
Deferred tax assets	16	14,733	47,440
Income tax receivable		38,431	103,534
Other deposits		9,604	5,437
Total non current assets		145,665	179,908
Total assets		$ 1,441,777	$ 811,532
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	17	137,638	176,776
Deferred revenue		34,310	10,942
Income tax liabilities		232,637	118,728
Provision for other liabilities	18	-	15,513
Total current liabilities		404,585	321,959
Non current liabilities			
Deferred tax liabilities	16	669	17
Income tax liabilities		51,589	120,903
Provision for other liabilities	18	3,055	1,266
Other non current liabilities	25	13,000	-
Total non current liabilities		68,313	122,186
Total liabilities		$ 472,898	$ 444,145
Shareholders' equity			
Share capital	19	78	65
Other reserves		456,499	65,995
Retained earnings		512,302	301,327
Total shareholders' equity		968,879	367,387
Total liabilities and shareholders' equity		$ 1,441,777	$ 811,532

See accompanying notes to the consolidated financial statements.

KING DIGITAL ENTERTAINMENT PLC

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In US$ thousands)

	Share capital	Other Reserves			Retained earnings	Total shareholders' equity
		Other reserves	Other comprehensive income - translation reserve	Share-based payment reserve		
Balance as of January 1, 2012	$ 24	$ 3,695	$ (1,522)	$ 2,077	$ 12,607	$ 16,881
Profit for the year	-	-	-	-	7,845	7,845
Currency translation differences	-	-	1,242	-	-	1,242
Total comprehensive income for the year	-	-	1,242	-	7,845	9,087
Share-based payments	-	-	-	7,562	-	7,562
Issuance of shares	1	-	-	-	-	1
Balance as of December 31, 2012	$ 25	$ 3,695	$ (280)	$ 9,639	$ 20,452	$ 33,531
Balance as of January 1, 2013	$ 25	$ 3,695	$ (280)	$ 9,639	$ 20,452	$ 33,531
Profit for the year	-	-	-	-	567,594	567,594
Currency translation differences	-	-	4,062	-	-	4,062
Total comprehensive income for the year	-	-	4,062	-	567,594	571,656
Share-based payments	-	-	-	48,879	-	48,879
Issuance of shares	40	-	-	-	-	40
Dividends	-	-	-	-	(286,719)	(286,719)
Balance as of December 31, 2013	$ 65	$ 3,695	$ 3,782	$ 58,518	$ 301,327	$ 367,387
Balance as of January 1, 2014	$ 65	$ 3,695	$ 3,782	$ 58,518	$ 301,327	$ 367,387
Profit for the year	-	-	-	-	574,851	574,851
Currency translation differences	-	-	(45,917)	-	-	(45,917)
Total comprehensive income for the year	-	-	(45,917)	-	574,851	528,934
Share-based payments	-	-	-	107,511	-	107,511
Issuance of shares	55	12,317	-	(11,622)	-	750
Cancellation of shares	(42)	-	-	-	-	(42)
Reorganization and initial public offering [1]	-	328,215	-	-	-	328,215
Dividends	-	-	-	-	(363,876)	(363,876)
Balance as of December 31, 2014	$ 78	$ 344,227	$ (42,135)	$ 154,407	$ 512,302	$ 968,879

The amounts above are shown net of income tax expense.

[1] Refer to note 2 for details on the reorganization that occurred during the year ended December 31, 2014.

See accompanying notes to the consolidated financial statements.

KING DIGITAL ENTERTAINMENT PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In US$ thousands)

	Year Ended December 31,		
	2014	**2013**	**2012**
Cash flows from operating activities			
Profit for the year	$ 574,851	$ 567,594	$ 7,845
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation and amortization	14,845	6,363	2,826
Equity settled share-based payments	116,877	19,263	4,781
Unrealized foreign currency exchange (gain) loss	(32,835)	1,362	978
Loss on disposal of property, plant and equipment & intangible assets & derecognition of intangible assets	1,055	169	325
Net finance costs (income)	905	1,731	(52)
Income tax expense	193,427	146,681	3,272
Change in fair value of contingent consideration	(4,000)	-	-
Change in deferred revenue	23,368	5,261	3,355
Change in provisions	(15,513)	15,513	-
Changes in operating assets and liabilities:			
Trade receivables	4,020	(180,221)	(22,714)
Prepayments, other receivables, current and non current assets	(15,505)	(12,581)	(4,052)
Trade payables	(5,488)	17,677	2,377
Accrued expenses and other liabilities	(44,130)	125,425	15,400
Cash generated from operations	811,877	714,237	14,341
Interest received	275	150	52
Finance costs paid	(1,020)	(1,881)	-
Income tax paid, net of refunds	(149,847)	(26,964)	(2,151)
Net cash provided by operating activities	661,285	685,542	12,242
Cash flows from investing activities			
Purchases of intangible assets	(9,729)	(7,611)	(2,553)
Purchase of property, plant and equipment	(31,274)	(15,347)	(2,704)
Purchase of business, net of cash acquired	(17,969)	-	(669)
Net cash used in investing activities	(58,972)	(22,958)	(5,926)
Cash flows from financing activities			
Payment of dividends	(363,876)	(286,719)	-
Proceeds from initial public offering	329,404	-	-
Repurchase of the company's share capital	(1,240)	-	-
Proceeds from issuance of share capital	-	40	-
Proceeds from exercise of share options and employee share plan	3,062	-	-
Net cash used in financing activities	(32,650)	(286,679)	-
Net increase in cash and cash equivalents	569,663	375,905	6,316
Cash and cash equivalents at the beginning of the year	408,695	27,912	21,658
Exchange gains (losses) on cash and cash equivalents	(14,386)	4,878	(62)
Cash and cash equivalents at the end of the year	$ 963,972	$ 408,695	$ 27,912

See accompanying notes to the consolidated financial statements.

KING DIGITAL ENTERTAINMENT PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014, 2013 and 2012

1. General information

King Digital Entertainment plc (KDE) and its subsidiaries (together, the Group or the Company) produce and distribute digital games on multiple platforms. The Company is incorporated under the laws of Ireland under the Irish Companies Act (1963-2013). Its registered office is Fitzwilton House, Wilton Place, Dublin 2, Ireland.

The Company historically conducted its business through Midasplayer International Holding Company Limited (MIHC).

These consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest thousands ($000), except per share amounts or when otherwise indicated.

These financial statements were authorized for issue by the board of directors on February 12, 2015.

2. Corporate reorganization and initial public offering

On March 25, 2014, the Company engaged in a corporate reorganization, where the entire share capital of MIHC was acquired by KDE, a newly formed company. KDE became the ultimate parent company of the Group, by way of a share-for-share exchange at a ratio of 5-for-2 in which the existing shareholders of MIHC exchanged their shares in MIHC for shares having substantially the same rights in the Company.

On March 26, 2014, the Company completed an initial public offering (IPO) of its ordinary shares, which resulted in the sale of 15,533,334 ordinary shares by the Company and 6,666,666 ordinary shares held by certain of its shareholders at a price of $22.50 per ordinary share. The Company received net proceeds from the IPO of $329,403,764, based upon the price of $22.50 per ordinary share and after deducting underwriting discounts and commissions paid by the Company. Expenses of $3,025,765 directly attributable to this issue of new shares have been offset against shareholder's equity. The Company received no proceeds from the sale of ordinary shares by the shareholders. Upon completion of the IPO, all of the Company's outstanding share classes converted into ordinary shares, with the exception of Euro deferred shares.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRIC), collectively 'IFRSs'. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as issued by the IASB requires the use of certain critical accounting estimates.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

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New standards, amendments and interpretations adopted by the group

In 2014, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on January 1, 2014.

- Amendments to IAS 36 'Impairment of assets' on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cost generating units (CGUs) which had been included in IAS 36 by the issue of IFRS 13.
- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognized.

The above standards, along with other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2014 did not have a material impact to the group.

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are not yet effective, and have not been applied in preparing these consolidated financial statements. The Group has considered the impact of the new standards, amendments and interpretations and have concluded that they are either not relevant to the Group or that they would not have a significant impact on the Group's financial statements, apart from additional disclosures, except for the following:

- IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized costs, fair value through profit or loss. The basis of classification depends on the Group's business model and the contractual cash flow characteristics of the financial asset. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on January 1, 2018. The Group is yet to assess IFRS 9's full impact.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard is effective for the first interim period beginning on January 1, 2017. The Group is yet to assess IFRS 15's full impact.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Intercompany transactions, balances between Group companies are eliminated.

(a) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for an acquisition is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition

basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent changes to the fair value of the contingent consideration are recognized in the statement of operations within 'Other gains (losses)'.

The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Segments

The Group has one reporting segment with one business activity, developing and monetizing digital games on multiple platforms. The Chief Operating Decision Maker (CODM) is the board of directors, which manages operations on a consolidated basis. When assessing performance and allocating resources the CODM reviews financial information presented on a consolidated basis.

Foreign currency translation

(a) Functional currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group monitors for significant and stable changes in an entity's economic environment which may indicate a need to reassess the functional currency.

(b) Transactions and balances

Foreign currency transactions that are settled in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of operations.

All foreign exchange gains and losses are presented net in the consolidated statement of operations within 'Other gains (losses)'.

(c) Group companies

The operations and financial position of all the Group's subsidiaries that have a functional currency different from the presentation currency are translated into the Group's presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date;
- Income and expenses are translated at the average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- All resulting exchange differences are recognized in other comprehensive income — translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, are recognized in 'Other comprehensive income – translation reserve'. When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognized in the consolidated statement of operations as part of the gain or loss on sale.

Property, plant and equipment

Property, plant and equipment are initially recorded at historical cost and are subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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The Company recognizes in the carrying amount of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation is recorded using the straight-line method to allocate the cost less residual value over their estimated useful life of the asset. Leasehold improvements are depreciated over the lesser of the lease term or the estimated useful lives of the improvements. The estimated useful lives of property, plant and equipment are as follows:

• Fixtures, fittings and office equipment	3 years
• Computer hardware	2-3 years
• Leasehold improvements	1-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets

(a) Domain names

Separately acquired domain names are shown at cost less accumulated amortization. Domain names acquired in a business combination are recognized at fair value at the acquisition date. Domain names are amortized using the straight-line method over their estimated useful lives of 20 years.

(b) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

The estimated useful lives of computer software are as follows:

• Computer software	2-3 years

(c) Internally generated software

Development costs that are directly attributable to the design and testing of the Group's identifiable and unique games are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- the expenditure attributable to the software product during its development can be reliably measured; and
- the availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs.

Internally generated software development costs recognized as assets are amortized using the straight-line method over their estimated useful lives of 18 months for social and mobile games and three years for skill games. Software abandoned in subsequent periods are derecognized and recognized as an expense in the statement of operations during the period.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets acquired at the date of acquisition.

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(e) Patents

Patents have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of patents over their estimated useful lives, subject to any additional impairment that might arise.

The estimated useful lives of patents are as follows:

- Patents 4 –17 years

Impairment

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Impairment losses are recognized in the statement of operations in the period in which they arise.

An impairment loss is recognized for the amount by which the asset's carrying amount or its cash-generating unit (CGU) exceeds its recoverable amount. An impairment loss in respect of goodwill cannot be reversed. In respect to other assets, an impairment loss is reversed when there is indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows of the business are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to a group of CGUs that is expected to benefit from the synergies to the combination. Each group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is at the reporting segment level.

Financial instruments

Financial assets and liabilities are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(a) Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

The Group considers that trade receivables are not impaired unless there are specific indicators of impairment. The Group manages credit limits and exposures actively such that there are no material past due amounts receivable from third parties as at the reporting date.

Based on the short term nature of trade and other receivables, the carrying amount approximates the fair value.

(b) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and balances held on behalf of customers (money players).

(c) Deposits

Deposits comprise of funds paid to secure leasehold rental properties of the Group. These funds are held with financial institutions and recognized initially at fair value plus transactions costs.

(d) Trade and other payables

Trade payables comprise obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They further include a liability relating to player balances for deposited funds that are yet to be spent on games within the Group's online skill games. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Based on the short term nature of trade and other payables the carrying amount approximates the fair value.

Share capital

Ordinary and deferred shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

(a) Restoration

Provisions for restorations are for the rehabilitation of leasehold improvements at the end of the lease term and are recognized on a lease by lease basis, based on the Group's best estimate of the likely cash outflow.

(b) Sales taxes

Provisions for sales taxes relate to probable payments due to tax authorities in countries where the Group operates and are based on the Group's best estimate of the likely cash outflow, including associated penalties.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of operations except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the year-end date in the countries where the company and its subsidiaries operate and generate taxable income. The Group evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

(a) Pension obligations

The Group operates a defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separately administered fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are earned. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

Equity-settled share-based awards

The Company has granted equity-settled share-based awards in the form of ordinary shares, options to purchase ordinary shares, restricted ordinary shares and restricted stock units. The Company receives services from employees as consideration for the awards. The fair value of the cost of these services is recognized as an expense over the period in which the services are rendered.

The fair value of equity-settled share-based awards is initially measured at grant date using an option-pricing or valuation model and is not subsequently remeasured.

The fair value of the equity-based awards is determined using a Black Scholes option pricing model. This model requires the use of the following assumptions: (i) fair value of our ordinary shares, (ii) exercise price, (iii) expected volatility of ordinary shares, (iv) expected term of the award, which is determined based on the expected period to settlement date, (v) expected dividend yield, and (vi) the risk-free interest rate, which is based on the implied yield of U.S. Treasury bonds with a term equal to the expected term.

Historically, the fair value of certain equity-based awards was determined using a Monte Carlo valuation model.

At the end of each reporting period, the group revises its estimates of the number of awards that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of operations, with a corresponding adjustment to equity.

Cash-settled share-based awards

The Company historically granted cash-settled share-based Discretionary Bonus Units (DBUs) to some employees. The Company recognized the cost of the services and the related liability as the employees render the service. The liability was measured at fair value using an option pricing model by reference to the terms and conditions on which the DBUs are granted and the extent to which the employees have rendered service up to the valuation date.

For more information about our share-based payments, refer to Note 20.

Revenue recognition

Our revenue is primarily derived from the sale of virtual items available for in-game purchase on third party social and mobile platforms, as well as from the provision of online skill games accessed on the Company’s website.

The Group recognizes revenue once we have transferred the risks and rewards of ownership, the amounts can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recorded at the fair value of consideration received or receivable net of sale tax, prizes, discounts and other promotions and after eliminating intra-group sales.

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(a) Virtual currency and virtual items

The Company offers free to play games on social and mobile platforms. Customers purchase virtual currency or virtual items directly from the platform service providers who remit the payments to us net of a platform service charge.

Currently in all games on social platforms and most games on mobile platforms, players can only purchase virtual currency. The price of virtual currency can vary based on volume discounts, other discounts and, at times, promotional free grants of virtual currency. Virtual currency can be redeemed for virtual items and cannot be withdrawn or transferred between games.

Amounts collected from the sale of virtual currency are deferred and recognized as the player uses the virtual items purchased with the virtual currency. Deferred revenue from the sale of virtual currency is measured by multiplying units of unredeemed virtual currency by the maximum potential per unit price. The Group reassesses the per unit price periodically. The Group does not defer revenue for unredeemed virtual currency associated with players who have never purchased virtual currency. Revenue for virtual currency is recognized according to the category of virtual item that the virtual currency is redeemed for.

Virtual items are classified into two categories, consumable or durable, depending on whether the virtual items' value is consumed immediately or if the item has an ongoing value in game play.

Consumable virtual items provide a benefit to the player that is consumed through specific player actions, after which the consumable virtual items are no longer available for re-use in future game play. Consumable items can be purchased in a single item format or a multiple item pack. Revenue is recognized at the time the item is consumed for single item formats and is recognized at the time the final item in a multiple item pack is consumed, which approximates its time of purchase. The Group monitors the consumption pattern of its consumable virtual items and reassesses its impact on revenue recognition on a quarterly basis.

Durable virtual items are used by players from the time of purchase onward. They provide game enhancement throughout game play and do not expire. The Company recognizes revenue from the sale of durable virtual items ratably over the average life of durable virtual items that we estimate using average playing period of paying players on a game by game basis. The Company reassesses the estimated average playing periods of paying players on a periodic basis. Currently, the Company no longer offers durable virtual items.

We are responsible for the operation and maintenance of our games on these platforms as well as setting the prices of our virtual currency and virtual items. On this basis, we have determined that we are the principal in the majority of our arrangements and recognize revenue from the sale of virtual items on a gross, as opposed to net, basis.

(b) Online skill games

The Group generates revenue from skill games on the royalgames.com website by retaining a commission from the amount that players pay to play. Players deposit funds into individual player accounts maintained by the Company and draw down on the balance of their player accounts to enter skill game tournaments. The revenue recognized is the commission charged on skill tournament entry fees where the players have concluded their participation in the skill tournament with a deduction of incentives or bonus money.

Other income

Other income consists of other operating income not directly related to sale virtual items and includes income from the funded design and development of our games for specific third party platforms. The Group recognizes other income once we have transferred the risks and rewards of ownership or the service has been rendered, the amounts can be reliably measured and it is probable that future economic benefits will flow to the entity.

Cost of revenue

Amounts recorded as cost of revenue relate to direct expenses incurred in order to generate revenue from games. Cost of revenue primarily includes amounts charged by platform distribution partners, payments for third party licensed intellectual property usage related to audio content, fees paid to payment processing providers, salaries, benefits and share-based payments for customer support and infrastructure teams, as well as their related travel and entertainment and occupancy and facility costs.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. The Group leases certain property, plant and equipment. Payments made under operating leases net of any incentives received from the lessor, are charged to the statement of operations on a straight-line basis over the period of the lease.

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Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's financial statements in the reporting period in which an obligation to pay a dividend is established.

4. Financial risk management

Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

A committee of the board of directors provides oversight of the overall risk management of the Group, including policies governing investment of excess liquidity. The Group did not make use of derivative financial instruments during the current and preceding financial periods.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from financial instruments that are denominated in a currency other than the functional currency of the entity that holds the financial instrument. The exposure of foreign exchange risk is minimized by matching cash balances and trade receivables with trade payables of the same currency. In addition, intercompany payment terms are managed to reduce risk. The table below shows the Group's sensitivity to foreign exchange rates on its pound sterling (GBP), euro (EUR) and Swedish krona (SEK) financial instruments. These three currencies are the significant non-functional currencies in which the Group's financial instruments are denominated. The Group has considered movements in these currencies over the last three years and has concluded that a 5% movement in rates is a reasonable benchmark. Foreign exchange sensitivity on Group assets and liabilities other than financial instruments is not included and translation related risk is not taken into account.

At December 31, 2014, if the currencies had strengthened by 5% against the U.S. dollar with all other variables held constant, the impact on profits for the year would have been as follows:

Currency (in thousands)	Increase/(Decrease) on Profit
5% appreciation of SEK	$(11,168)
5% appreciation of GBP	(4,795)
5% appreciation of EUR	3,795

If the currencies depreciated by 5% against the U.S. dollar, the impact on profits for the year would result in an equal and opposite effect.

(ii) Cash flow and fair value interest rate risk

The Group's interest-bearing financial instruments are primarily comprised of money market investments. Interest rates on money market investments are minimal. Consequently, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from deposits held with banks, fixed income investments and trade and other receivables. The Group's banks and investments are rated highly by rating agencies. Management considers credit risk in respect of receivables to be insignificant and does not expect any material losses from non-performance of trade and other receivables. Further disclosure in this regard is provided in Note 12 and Note 13 to the financial statements.

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(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated within its financial liabilities and commitments. Financial liabilities comprise amounts owed to customers, and trade and other payables. Liquidity risk is monitored at a Group level by ensuring that sufficient funds are available to each subsidiary in the appropriate currency within the Group. In addition to its cash and cash equivalents balance, the Group has a $150 million asset-based loan ("ABL") revolving credit facility.

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Total capital is shareholders' equity as shown in the consolidated statement of financial position and is maintained in the context of the Group. In view of the nature of the Group's activities the capital level as at the end of the reporting period is deemed adequate by the directors.

Fair value measurements

Fair value estimation

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- Inputs for the asset or liability that are not based on observable market data (Level 3).

The following table presents the group's financial liabilities that are measured at fair value at December 31, 2014.

(in thousands)	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at fair value through profit and loss				
Contingent consideration	$ —	$ —	$ 13,000	$ 13,000
Total liabilities	**$ —**	**$ —**	**$ 13,000**	**$ 13,000**

There were no transfers between Levels 1 and 2 during the year.

The following table presents the changes in Level 3 instruments for the year ended December 31, 2014:

(in thousands)	Contingent consideration in a business combination
Opening balance	$ -
Acquisition of Nonstop Games Oy	17,000
Remeasurement recognized in statement of operations	(4,000)
Closing balance	**$ 13,000**

See note 25 for disclosures of the measurement of the contingent consideration.

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5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 'Presentation of Financial Statements', except as referred to below:

(a) Revenue recognition

In accordance with IAS 18 'Revenue', we recognize revenue once all of the criteria are met:

- the seller has transferred to the buyer the significant risks and rewards of ownership;
- the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the seller, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

We generate substantially all of our revenue through the sale of virtual goods. In the majority of our games, our players first purchase virtual currency that is later used to purchase virtual goods.

The Group initially defers proceeds related to the sale of virtual currency and recognizes revenue after the virtual currency is exchanged for virtual items and such items are used. The Group sells two types of virtual goods: consumable and durable virtual items. The Group defers revenue related to durable virtual items over the period in which they are expected to be used, and recognizes revenue related to consumable virtual items at the time of consumption which approximates its point of purchase. Related to the deferral of revenue, the Group has made the following judgments:

(i) The cost of a virtual currency unit is determined to be the maximum unit cost a player could have paid during the period. The Group monitors the unit cost and reassesses the impact on revenue recognition on a periodic basis.

(ii) Revenue for consumable virtual items is recognized at the time of consumption which approximates the time of purchase. Future player usage patterns and behavior may change and differ from the historical patterns. This may result in a change in the timing of consumption of consumable virtual items. The Group monitors the consumption pattern of its consumable virtual items and reassesses its impact on revenue recognition on a periodic basis.

(iii) Revenue on durable virtual items is deferred and recognized over the average playing period of paying players for each game, which is the best estimate of the average life of durable virtual items. The Group reassesses the estimated average life of durable virtual items on a periodic basis, as future player usage patterns and behavior may differ from historical patterns. We did not offer durable virtual items for sale in year ended December 31, 2014.

(b) Income taxes

The group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

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(c) Valuation of ordinary shares

The Company operates several cash- and equity-settled share-based award plans under which it receives services from employees as consideration for equity-based instruments of the Company. Historically, prior to the IPO, the Company determined the fair value of services provided, the Company estimated the fair value of the ordinary shares as of each grant date using a discounted cash flow model and in consideration of the following factors:

- the market performance of comparable companies selected based on several factors including, but not limited to industry (primarily internet and games companies), similar rapid growth rates and availability of financial information (primarily public companies);
- historical results and forecasted profitability;
- the rights and preferences of our preferred shares relative to our ordinary shares and other equity classes;
- the likelihood of achieving a discrete liquidity event, such as an initial public offering, sale or dissolution; and
- external market and economic conditions impacting our industry group.

6. Segments and geographical information

The Group has one reporting segment with one business activity: developing and monetizing digital games.

The following represents revenue based on geographic location of paying players:

(in thousands)	2014	2013	2012
United States	$ 1,108,299	$ 991,505	$ 47,836
United Kingdom	202,381	181,318	19,418
Germany	94,511	62,310	23,818
Rest of World [1]	855,050	649,168	73,340
Total revenue	**$ 2,260,241**	**$ 1,884,301**	**$ 164,412**

[1] No individual country exceeded 10% of our total revenue for any period presented.

The following represents non current assets by location:

(in thousands)	2014	2013
Malta	$ 74,708	$ 112,053
United Kingdom	26,296	7,329
Rest of World	29,928	13,086
Non current assets	**$ 130,932**	**$ 132,468**

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7. Costs and expenses

(in thousands)	2014	2013	2012
Payments to social & mobile platform providers	$ 684,804	$ 563,853	$ 35,504
Marketing and advertising	422,140	362,478	46,250
Employee benefits expense (note 8)	298,521	152,457	36,519
Office, data center and related services	32,158	16,168	7,153
Operating lease payments	11,238	4,420	1,448
Depreciation of property, plant and equipment (note 15)	9,580	4,189	1,342
Amortization of intangibles (note 14)	5,265	2,174	1,484
Commissions paid to advertising partners & agencies	-	3,255	4,473
Payments to online partners & service providers	2,798	2,236	7,978
Other expenses	67,817	56,195	10,927
Total costs and expenses	**$ 1,534,321**	**$ 1,167,425**	**$ 153,078**

8. Employee benefits expense

(in thousands)	2014	2013	2012
Wages and salaries	$ 119,440	$ 67,303	$ 19,006
Share-based payments	130,956	55,289	9,618
Social security costs	27,431	25,062	6,104
Pension costs - defined contribution plans	4,458	2,380	1,316
Post-acquisition compensation	6,669	-	-
Other charges	9,567	2,423	475
Total employee benefit expense	**$ 298,521**	**$ 152,457**	**$ 36,519**

9. Other gains (losses)

(in thousands)	2014	2013	2012
Foreign currency exchange gain (loss)	$ 29,100	$ (870)	$ (827)
Remeasurement of contingent consideration	4,000	-	-
Other	1,000	-	558
Total other gains (losses)	**$ 34,100**	**$ (870)**	**$ (269)**

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10. Income tax expense

(in thousands)	2014	2013	2012
Current tax:			
Current tax on profit for the year	$ 190,293	$ 159,874	$ 3,546
Adjustment in respect to prior years	(1,053)	(1,609)	-
Total current tax	**$ 189,240**	**$ 158,265**	**$ 3,546**
Deferred tax:			
Origination and reversal of temporary differences	4,170	(11,584)	(300)
Adjustment in respect to prior years	17	-	-
Total deferred tax	**$ 4,187**	**$ (11,584)**	**$ (300)**
Exchange movement	-	-	26
Total income tax expense	**$ 193,427**	**$ 146,681**	**$ 3,272**

Corporation tax is calculated at 35% (2013: 35%, 2012: 35%) of the estimated taxable profit for the year and at the prevailing rates of the jurisdictions in which we operate.

The tax on profit for the years differs from the theoretical amount that would arise by applying the basic tax rate to the accounting profit as follows:

(in thousands)	2014	2013	2012
Profit before tax	**$ 768,278**	**$ 714,275**	**$ 11,117**
Profit on ordinary activities is multiplied by the corporation tax rate of 35% (2013: 35%, 2012: 35%)	268,897	249,996	3,891
Tax effects of:			
Different tax rates for subsidiaries operating in other jurisdictions	(63,712)	(5,407)	(1,355)
Expenditure not deductible for tax purposes	1,889	2,552	976
Tax refund on operating activities	(39,226)	(103,534)	(1,347)
Prior year adjustments	(1,034)	(1,609)	-
Tax losses not recognized/(utilized)	259	-	(1,012)
Write off of previously recognized deferred tax assets	-	-	321
Share-based payments	16,892	4,583	1,809
Non-recoverable withholding tax	9,462	-	-
Other	-	100	(11)
Total income tax expense	**$ 193,427**	**$ 146,681**	**$ 3,272**

The tax refund of $39,226,000 (2013: $103,534,000, 2012: $1,347,000) represents the tax recoverable by the Company in accordance with applicable fiscal legalization on intra-group dividends declared during the year.

A certain degree of judgment is required in evaluating the group's tax positions and determining the provision for income taxes. In addition, tax laws are dynamic and subject to change. As a result, our tax positions could be challenged and our income tax expense could increase in the future.

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The Group operates throughout the world and strives to apply transfer pricing that adequately represents the composition of its operations. The Group is in discussions with certain tax authorities to confirm there is alignment with the Group's approach and has included within 'income tax liabilities' an estimate of these uncertainties, which will only be resolved upon completion of these discussions. These estimates reflect an appropriate corresponding relief in the territories affected. The Group continues to believe that its position is robust and that is appropriately provided for. It is not possible to estimate when the group will reach final settlement on its transfer pricing affairs. The total net estimate recorded for worldwide transfer pricing exposure for the year ended December 31, 2014 is $54,100,000 (2013: $34,700,000).

The income tax (cost) benefit recognized directly into equity during the year is as follows (in thousands):

	2014	2013	2012
Share option and award scheme	$ (10,058)	$ 29,616	$ 2,845
Total	**$ (10,058)**	**$ 29,616**	**$ 2,845**

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted-average number of ordinary shares in issue during the year.

(in thousands, except per share data)	2014	2013	2012
Basic:			
Profit attributable to equity holders of the Company ($)	574,851	567,594	7,845
Weighted average number of shares in issue (a)	309,120	305,468	298,773
Basic earnings per share ($)	1.86	1.86	0.03
Diluted:			
Profit attributable to equity holders of the Company ($)	574,851	567,594	7,845
Weighted average number of shares in issue (a)	320,301	323,788	321,210
Diluted earnings per share ($)	1.79	1.75	0.02

(a) The Company engaged in a corporate reorganization and share-for-share exchange at a ratio of 5-for-2 on March 25, 2014. The 2013 and 2012 share amounts have been adjusted retrospectively to reflect this exchange.

Share options, unvested shares and restricted share units on a weighted average basis have been included in the diluted earnings per share calculation.

(in thousands)	2014	2013	2012
Diluted			
Weighted-average number of shares in issue	309,120	305,468	298,773
Adjusted for:			
- Unvested shares	5,469	12,183	15,582
- Share options	5,494	6,137	6,855
- Restricted share units	218	-	-
Weighted-average number of shares for diluted earnings per share	**320,301**	**323,788**	**321,210**

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12. Cash and cash equivalents

(in thousands)	2014	2013
Cash at bank and in hand	$ 961,345	$ 405,440
Cash held on behalf of customers	2,627	3,255
Total cash and cash equivalents	**$ 963,972**	**$ 408,695**

Cash held on behalf of customers from the Group's online skill tournament business is subject to some restrictions over its use. An equal liability is recognized in the statement of financial position within trade and other payables (note 17).

As at December 31, 2014 and 2013, approximately 4% and 45%, respectively, of total cash and cash equivalents of the Group, was held in a currency other than the functional currency of each individual entity.

The credit ratings of the Group's principal banking partners at December 31, 2014 and 2013, based on publicly reported Nationally Recognized Statistical Rating Organizations, are as follows (in thousands):

	2014	2013
AAA	$ 879,544	$ -
A+	4,258	9,167
A	68,881	395,791
A-	2,538	255
AA-	335	-
BBB+	7,818	2,496
B-	-	382
Not rated	598	604
Total cash and cash equivalents	**$ 963,972**	**$ 408,695**

The Group continually monitors its credit risk with banking partners and did not incur any losses during 2013 and 2014 as a result of bank failures.

13. Trade and other receivables

(in thousands)	2014	2013
Trade receivables	$ 204,289	$ 208,282
Prepayments and other receivables	24,103	13,268
Current trade and other receivables	**$ 228,392**	**$ 221,550**

Trade receivables relate to remittances from web and mobile platform providers. The Group assesses the credit quality of third parties it contracts with and there are no concerns about the collectability of these balances.

At December 31, 2014, the Group had 96% of total trade receivables with three key platform service providers.

At December 31, 2014 and 2013, approximately 1%, of total trade receivables of the Group, was held in a currency other than the functional currency of each individual entity.

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14. Intangible assets

(in thousands)	Goodwill	Patents	Domain names	Computer software	Internally generated software	Total
Cost						
As of January 1, 2013	**$ 60**	**$ -**	**$807**	**$705**	**$6,632**	**$8,204**
Additions	-	2,150	-	677	4,784	7,611
Disposals	-	-	-	-	(2,186)	(2,186)
Exchange differences	-	-	34	41	151	226
As of December 31, 2013	**$ 60**	**$2,150**	**$841**	**$1,423**	**$9,381**	**$13,855**
Additions	-	2,000	-	1,025	6,704	9,729
Acquisition of subsidiaries	32,117	-	-	4,017	444	36,578
Derecognition	-	-	-	-	(878)	(878)
Exchange differences	(408)	-	(99)	(159)	(550)	(1,216)
As of December 31, 2014	**$31,769**	**$4,150**	**$ 742**	**$ 6,306**	**$ 15,101**	**$ 58,068**
Accumulated amortization						
As of January 1, 2013	**$ -**	**$ -**	**$261**	**$110**	**$3,997**	**$4,368**
Charge for the year	-	80	40	202	1,852	2,174
Disposals	-	-	-	-	(2,101)	(2,101)
Exchange differences	-	-	12	11	152	175
As of December 31, 2013	**$ -**	**$ 80**	**$313**	**$323**	**$3,900**	**$ 4,616**
Charge for the year	-	228	41	1,876	3,120	5,265
Exchange differences	-	-	(42)	(41)	(317)	(400)
As of December 31, 2014	**$ -**	**$ 308**	**$ 312**	**$ 2,158**	**$ 6,703**	**$ 9,481**
Carrying amount						
As of December 31, 2013	60	2,070	528	1,100	5,481	9,239
As of December 31, 2014	**$31,769**	**$3,842**	**$ 430**	**$ 4,148**	**$ 8,398**	**$ 48,587**

Derecognition represents internally generated software abandoned during the year.

The amortization expense in 2014 of $5,265,000 (2013: $2,174,000) is included in ‘Costs and expenses’, within general and administrative and research and development expenses.

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15. Property, plant and equipment

(in thousands)	Fixtures, fittings and office equipment	Leasehold improvements	Computer hardware	Total
Cost				
As of January 1, 2013	**$ 495**	**$ 355**	**$ 5,526**	**$ 6,376**
Additions	1,777	2,885	10,685	15,347
Disposals	(214)	(693)	(1,041)	(1,948)
Exchange differences	42	77	178	297
As of December 31, 2013	**$ 2,100**	**$ 2,624**	**$ 15,348**	**$ 20,072**
Additions	4,305	15,738	13,258	33,301
Disposals	(175)	-	(52)	(227)
Exchange differences	(525)	(1,015)	(3,818)	(5,358)
As of December 31, 2014	**$ 5,705**	**$ 17,347**	**$ 24,736**	**$ 47,788**
Accumulated depreciation				
As of January 1, 2013	**$ 232**	**$ 56**	**$ 3,111**	**$ 3,399**
Charge for the year	335	784	3,070	4,189
Disposals	(146)	(684)	(1,034)	(1,864)
Exchange differences	8	32	50	90
As of December 31, 2013	**$ 429**	**$ 188**	**$ 5,197**	**$ 5,814**
Charge for the year	1,198	1,107	7,275	9,580
Disposals	(18)	-	(31)	(49)
Exchange differences	(145)	(84)	(1,638)	(1,867)
As of December 31, 2014	**$ 1,464**	**$ 1,211**	**$ 10,803**	**$ 13,478**
Carrying amount				
As of December 31, 2013	1,671	2,436	10,151	14,258
As of December 31, 2014	**$ 4,241**	**$ 16,136**	**$ 13,933**	**$ 34,310**

The depreciation expense in 2014 of $9,580,000 (2013: $4,189,000) is included in ‘Costs and expenses’ within general and administrative expenses.

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16. Deferred taxation

Deferred tax assets and liabilities are reflected in the consolidated statements of financial position, as follows:

(in thousands)	2014	2013
Deferred tax assets	$ 14,733	$ 47,440
Deferred tax liabilities	(669)	(17)
Net deferred asset	**$ 14,064**	**$ 47,423**

Deferred tax assets are recognized for timing differences on share-based awards granted and other temporary differences, to the extent that the realization of the related tax benefit through future taxable profits is probable. Gross movement on the deferred income tax account is as follows:

(in thousands)	2014	2013
At January 1,	**$ 47,423**	**$ 5,418**
Recognized in the statement of operations:		
- Intangibles	68	643
- Share options	(3,455)	11,228
- Other	(801)	(287)
Amounts recognized directly in equity	(27,090)	29,616
Exchange differences	(2,081)	805
At December 31,	**$ 14,064**	**$ 47,423**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

(in thousands)	Share options	Intangibles	Other	Total
At January 1, 2013	**$ 4,292**	**$ -**	**$ 1,397**	**$ 5,689**
Recognized in the statement of operations	11,228	372	(270)	11,330
Recognized in equity	29,616	-	-	29,616
Exchange differences	773	6	26	805
At December 31, 2013	**$ 45,909**	**$ 378**	**$ 1,153**	**$ 47,440**
Recognized in the statement of operations	(3,455)	68	(897)	(4,284)
Recognized in equity	(26,331)	-	-	(26,331)
Exchange differences	(1,919)	(46)	(127)	(2,092)
At December 31, 2014	**$ 14,204**	**$ 400**	**$ 129**	**$ 14,733**

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Deferred tax liabilities

(in thousands)	Intangibles	Other	Total
At January 1, 2013	**$ (271)**	**$ -**	**$ (271)**
Recognized in the statement of operations	271	(17)	254
At December 31, 2013	**$ -**	**$ (17)**	**$ (17)**
Recognized in the statement of operations	-	96	96
Recognized in the statement of equity	-	(759)	(759)
Exchange differences	-	11	11
At December 31, 2014	**$ -**	**$ (669)**	**$ (669)**

A deferred tax liability of $35,376,000 has not been recognized in respect of timing differences with regard to the undistributed profits in foreign subsidiaries of the Company of $512,302,000 (2013: $354,304,000). The Company has control over the reversal of these timing differences and does not intend to repatriate cash to KDE, our ultimate parent in the form of a dividend.

17. Trade and other payables

(in thousands)	2014	2013
Trade payables	$ 17,403	$ 22,876
Accrued marketing expenses	36,133	51,221
Accrued employee expenses	47,218	73,195
Social security and other indirect taxes	23,782	17,833
Liability relating to player balances	2,627	3,255
Other liabilities	10,475	8,396
Total trade and other payables	**$ 137,638**	**$ 176,776**

Liability relating to player balances is equal to the amount of cash held on behalf of customers (note 12).

At December 31, 2014 and 2013, approximately 14% and 21%, respectively, of total trade payables of the Group, was held in a currency other than the functional currency of each individual entity.

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18. Provisions

(in thousands)	Restoration	Sales taxes	Total
At January 1, 2013	**$ -**	**$ -**	**$ -**
Charged to the statement of operations:			
- additions	1,255	15,513	16,768
Exchange differences	11	-	11
At December 31, 2013	**$ 1,266**	**$ 15,513**	**$ 16,779**
At January 1, 2014	**$ 1,266**	**$ 15,513**	**$ 16,779**
Charged to the statement of operations:			
- additions	2,027	-	2,027
- reversals	-	(15,513)	(15,513)
Exchange differences	(238)	-	(238)
At December 31, 2014	**$ 3,055**	**$ -**	**$ 3,055**

Analysis of total provisions:

(in thousands)	2014	2013
Current	$ -	$ 15,513
Non current	3,055	1,266
Total	**$ 3,055**	**$ 16,779**

Restoration

This provision is based on future expected restoration costs required to restore the Group's leased buildings to their fair condition at the end on their respective lease terms. Contractual amounts are due to be incurred at the end of the lease term.

Sales Taxes

The Group provides for sales taxes and associated penalties that may be due to different tax authorities, when a potential obligation is identified. The provision is determined based on the Company's assumptions with regard to the location of players, the development of case law, tax authority interpretation and the sale of products in the relevant territory.

In 2013, the Group identified multiple risks which could create a potential obligation for sales taxes in certain jurisdictions in which revenues are generated. A provision was created to address these risks and associated penalties. In 2014, new information about the various risks presented itself over the course of the year, leading to periodic reassessments of risks of payment. In November 2014, the group determined the risk of potential payment to be nil.

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19. Share capital

As set out in note 2, during the year, the Company engaged in a corporate reorganization, where the entire share capital of MIHC was acquired by KDE, a newly formed company, which became the parent company of the Group, by way of a share-for-share exchange at a ratio of 5-for-2 in which the existing shareholders of MIHC exchanged their shares in MIHC for shares having substantially the same rights in the Company. Upon the exchange, the historical consolidated financial statements of MIHC became the historical consolidated financial statements of KDE. Following the reorganization all previous issued share classes in KDE, with the exception of Euro deferred shares were re-designated into ordinary shares with a nominal value of $0.00008 per share.

The total number of authorized shares by class is as follows:

	2014	2013	2012
A ordinary shares	-	2,237,175,000	2,237,175,000
B ordinary shares	-	49,460,000	49,460,000
C ordinary shares	-	23,687,500	23,687,500
D1 ordinary shares	-	158,815,925	25,033,293
D2 ordinary shares	-	30,642,738	15,321,368
D3 ordinary shares	-	58,097,805	-
E ordinary shares	-	21,310,000	21,310,000
Deferred ordinary shares	-	750,912,170	40,354,660
A preference shares	-	169,385,000	169,385,000
B preference shares	-	21,222,500	21,222,500
Ordinary shares	1,000,000,000	-	-
Preferred shares	12,500,000	-	-
Euro deferred shares	40,000	-	-
Total	**1,012,540,000**	**3,520,708,638**	**2,602,949,321**

Ordinary shares

There is one class of ordinary shares authorized with a nominal value of $0.00008 per share.

The holders of ordinary shares are entitled to receive dividends out of funds legally available at the time and in the amounts that the Company's Board of Directors (the Board) may determine. Holders of ordinary shares are entitled to one vote per share. In the event of liquidation, reduction of capital or otherwise, the holders of ordinary shares shall be entitled to distribution of assets, after payments are made to preferred shares in the Company then in issue, equally and pro rata to the number of ordinary shares held. Other than where statutory pre-emption rights have been disapplied by special resolution, any new shares will be offered for subscription to the holders of the ordinary shares in proportion to the shares held by each of them. Such statutory pre-emption rights have been disapplied for a period of five years.

Preferred shares

There is one class of preferred shares authorized with a nominal value of $0.00008 per share.

The holders of preferred shares are entitled to receive dividends at such rates, on such conditions and at such times as the Directors may fix in any resolution adopted by the Board providing for the issue of such preferred shares. Preferred shares shall have such voting powers as are stated and expressed in any resolution adopted by the Board providing for the issue of preferred shares. Preferred shares shall be entitled to such rights upon the dissolution of the Company, or upon any distribution of its assets, as the Directors may fix in any resolution adopted by the Board providing for the issue of such preferred shares. Preferred shares shall be convertible into, or exchangeable for, shares of any other class at such price or at such rates of exchange and with such adjustments as the Directors determine.

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Euro deferred shares

There is one class of deferred shares authorized with a per share nominal value denominated in euros of €1.00 ($1.30).

Euro deferred shares are non-voting and not entitled to a dividend. Euro deferred shares shall only be entitled to participate in an exit event if the proceeds exceed €100 billion.

Movement in share capital is as follows:

	Ordinary Shares [1]		E ordinary Shares		Deferred Shares		Total	
	Shares	$	Shares	$	Shares	$	Shares	$
At January 1, 2012	**292,358,648**	**23,389**	**17,227,880**	**1,378**	**-**	**-**	**309,586,528**	**24,767**
Shares issued	8,004,508	640	-	-	-	-	8,004,508	640
At December 31, 2012	**300,363,156**	**24,029**	**17,227,880**	**1,378**	**-**	**-**	**317,591,036**	**25,407**
At January 1, 2013	**300,363,156**	**24,029**	**17,227,880**	**1,378**	**-**	**-**	**317,591,036**	**25,407**
Shares issued	2,245,000	180	-	-	503,355,703	40,151	505,600,703	40,331
Shares repurchased	(400,000)	(32)	-	-	-	-	(400,000)	(32)
Shares forfeited	(2,593,322)	(207)	-	-	-	-	(2,593,322)	(207)
At December 31, 2013	**299,614,834**	**23,970**	**17,227,880**	**1,378**	**503,355,703**	**40,151**	**820,198,417**	**65,499**
At January 1, 2014	**299,614,834**	**23,970**	**17,227,880**	**1,378**	**503,355,703**	**40,151**	**820,198,417**	**65,499**
Shares issued	11,025,583	882	-	-	40,000	52,040	11,065,583	52,922
Shares repurchased	(295,217)	(24)	(17,227,880)	(1,378)	-	-	(17,523,097)	(1,402)
Options exercised	4,312,107	345	-	-	-	-	4,312,107	345
RSUs vested	41,919	3	-	-	-	-	41,919	3
Shares issued (IPO)	15,533,334	1,243	-	-	-	-	15,533,334	1,243
Shares converted	(8,273,646)	(661)	-	-	8,273,646	661	-	-
Shares cancelled	-	-	-	-	(511,629,349)	(40,812)	(511,629,349)	(40,812)
At December 31, 2014	**321,958,914**	**25,758**	**-**	**-**	**40,000**	**52,040**	**321,998,914**	**77,798**

[1] Includes unvested restricted shares. Refer to note 20 for further details.

Shares issued

2012

The Company granted 8,004,508 D1 ordinary shares, now ordinary shares, to selected employees and existing shareholders, for an immaterial amount.

2013

The Company granted 2,245,000 D1 ordinary shares, now ordinary shares, to selected employees and existing shareholders, for an immaterial amount.

The Company granted 503,355,703 deferred shares to an executive officer. Prior to the IPO these shares were bought back by the Company and cancelled.

2014

On January 29, 2014, the Company granted 10,855,580 D3 restricted ordinary shares, now restricted ordinary shares, to selected employees, for an aggregate purchase price of $3 million. These shares participated in the share-for-share exchange as described above. Immediately prior to the IPO on March 26, 2014, these D3 restricted ordinary shares were converted into restricted ordinary shares and deferred shares, which were subsequently cancelled.

Prior to the IPO, the Company also granted an additional 167,500 D1 restricted shares, now restricted ordinary shares and 2,503 ordinary shares, to selected employees and existing shareholders.

On incorporation of KDE, 40,000 Euro deferred shares with a nominal value of €1.00 ($1.30) per share were subscribed to existing shareholders.

Shares repurchased

During 2013, the Company repurchased 400,000 D1 ordinary shares, included within ordinary shares, from former employees, for an immaterial amount.

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On January 31, 2014, the Company repurchased 17,227,880 E ordinary shares held by Stephane Kurgan, the Chief Operating Officer and a Director of the Company, in exchange for an aggregate repurchase price of $1.2 million and 7,422,180 D1 share options, linked to D3 restricted shares.

During 2014, the Company repurchased 276,467 D1 ordinary shares and 18,750 ordinary shares, both included within ordinary shares, from former employees, for an immaterial amount.

Shares issued (IPO)

Upon completion of the IPO on March 26, 2014, the Company issued 15,533,334 ordinary shares with a nominal value of $0.00008 per share.

Shares cancelled

On March 25, 2014, all outstanding deferred ordinary shares of MIHC were bought back by the Company and cancelled.

20. Share-based payments

The Company has granted equity-settled and cash-settled share-based awards.

The following tables summarize the methods used to measure the fair value for each type of share-based award and the related vesting period over which the expense is recognized:

Awards currently in issue under share structure of the current parent, KDE:

Type of Award	Vesting period	Fair Value Measure	Classification
Restricted Shares	Predominately over a four-year period, with a one-year cliff, followed by quarterly vesting	Monte Carlo valuation model	Equity-settled
Share Options	Predominately over a four-year period, with a one-year cliff, followed by quarterly vesting	Black-Scholes option pricing model	Equity-settled
Restricted Stock Units	Predominately over a four-year period, with a one-year cliff, followed by quarterly vesting	Black-Scholes option pricing model	Equity-settled

Awards previously in issue under share structure of MIHC:

Type of Award	Vesting period	Fair Value Measure	Classification
D1 Share Options	Predominately over a four-year period, with a one-year cliff, followed by quarterly vesting	Monte Carlo valuation model	Equity-settled
Linked (D1 Share) Options with Linked (D3 Restricted) Shares	Predominately over a four-year period, with a one-year cliff, followed by quarterly vesting	Monte Carlo valuation model	Equity-settled
D2 Restricted Shares	Predominately over a four-year period with quarterly vesting	Monte Carlo valuation model	Equity-settled
Shadow Options	Upon completion of a qualifying exit event	Black-Scholes option pricing model	Equity-settled
Discretionary Bonus Units	50% upon initial public offering (IPO), 50% on first anniversary of IPO	Black-Scholes option pricing model	Cash-settled

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Restricted shares

The Company awarded the following restricted shares previously referred to as D1, D2 and D3 ordinary restricted shares (the restricted shares) to senior executives and selected employees during 2014, 2013 and 2012:

	D1 Restricted Shares	D2 Restricted Shares	D3 Restricted Shares	Total Restricted Shares
At January 1, 2012	**2,449,713**	**11,726,470**	**-**	**14,176,183**
Granted	8,720,758	-	-	8,720,758
Vested	(3,323,313)	(4,195,222)	-	(7,518,535)
At December 31, 2012	**7,847,158**	**7,531,248**	**-**	**15,378,406**
At January 1, 2013	**7,847,158**	**7,531,248**	**-**	**15,378,406**
Granted	1,143,750	-	-	1,143,750
Forfeited	(336,250)	-	-	(336,250)
Vested	(1,336,827)	-	-	(1,336,827)
Converted	(2,437,663)	(3,830,342)	-	(6,268,005)
At December 31, 2013	**4,880,168**	**3,700,906**	**-**	**8,581,074**
At January 1, 2014	**4,880,168**	**3,700,906**	**-**	**8,581,074**
Granted	167,500	-	10,855,580	11,023,080
Forfeited	(88,594)	-	-	(88,594)
Vested	(2,799,712)	(2,362,223)	(46,837)	(5,208,772)
Converted	-	-	(8,273,646)	(8,273,646)
At December 31, 2014	**2,159,362**	**1,338,683**	**2,535,097**	**6,033,142**

The restricted shares are issued upon grant and contain claw-back provisions which lapse in accordance with the required service period. The Company recognizes the corresponding compensation expense of those awards, net of estimated forfeitures and has recognized a share-based payment expense for these awards of $3,881,082, $4,153,563 and $2,771,118 for D1 restricted shares and $101,837, $278,150 and $632,635 for D2 restricted shares in 2014, 2013 and 2012, respectively, based on the fair value of the shares at date of grant.

All Linked (D3 restricted) Shares are linked to share options (previously D1 share options) and are included in the fair value calculation of share options below, and consequently excluded from the diluted weighted average number of shares in issue. All D1, D2 and Linked (D3 restricted) Shares are now included within ordinary shares.

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The Company determines the grant date fair value of the D1 and D2 restricted shares on the grant date using the Monte Carlo valuation model. The weighted-average fair value of all restricted shares granted for the years ended December 31, 2014, 2013 and 2012 was determined using the following assumptions:

	2014	2013	2012
Weighted-average fair value ($)	22.47	7.49	0.70
Weighted average of key assumptions:			
Share price ($)	22.47	7.50	0.86
Subscription price ($)	0.00008	1.90929	0.00008
Hurdle price ($)			
D1 Shares	-	0.18222	0.26442
Expected term, in years	4.00	3.44	3.15
Risk-free interest rates	0.69%	0.17%	0.26%
Expected volatility	55%	55%	55%
Dividend yield	0%	0%	0%

Share options (previously D1 share options)

Previously, options granted to purchase D1 ordinary shares were referred to as “D1 share options”, upon the completion of the reorganization and IPO, all options granted are ordinary shares and referred to as “share options”.

The Company granted the following options to purchase ordinary shares to senior executives and selected employees, during 2014, 2013 and 2012:

	2014	2013	2012
At January 1,	**19,054,987**	**7,402,487**	**8,529,808**
Granted	8,310,174	12,998,750	3,289,420
Forfeited	-	(992,500)	(632,813)
Exercised	(4,312,107)	(325,000)	-
Cancelled	(173,253)	(28,750)	(3,783,928)
At December 31,	**22,879,801**	**19,054,987**	**7,402,487**
Exercisable at December 31,	3,455,674	3,192,661	2,771,143

The aggregate intrinsic value of options exercised was $65,134,594 for the year ended December 31, 2014 and $2,577,875 for the year ended December 31, 2013.

The options expire ten years after their grant date. The weighted-average remaining contractual life of the share options outstanding is 8.71 years as of December 31, 2014. These options have an exercise price range of between $0.00008 and $31.70. Of these share options granted, an aggregate of 3,500,000 include the right to subscribe for D3 restricted shares, which were granted to our executive directors and will vest over the service period to the extent that certain market-based vesting conditions are satisfied. These conditions are based on the Company’s achievement of an average target share price over a specified time period, which commenced upon IPO. These awards are divided into three tranches and each tranche has a target share price of either $25.54, $31.54 or $37.54 per share. The Company has recognized a share-based payment expense for these awards of $97,502,343, $14,357,000 and $1,377,224 in 2014, 2013 and 2012, respectively, and of this, $78,854,987 in 2014, related to options linked to Linked (D3 restricted) Shares (nil in both 2013 and 2012).

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The Company measures all share options at the fair value of the award on grant date using the Black-Scholes option pricing model. The weighted-average fair value of all options granted in 2014, 2013 and 2012 was determined using the following principal assumptions:

	2014	2013	2012
Weighted-average fair value ($)	9.77	10.48	0.73
Weighted average of key assumptions:			
Share price ($)	21.92	16.00	0.76
Exercise price ($)	29.42	7.44	0.00008
Hurdle price ($)	-	0.0005	0.26442
Expected term, in years	5.66	5.65	3.99
Risk-free interest rates	1.89%	1.66%	0.33%
Expected volatility	55%	55%	55%
Dividend yield	0%	0%	0%

Restricted stock units (RSUs)

A restricted stock unit represents the right to receive one ordinary share on a specified date, subject to such conditions and restrictions, including continued employment or service.

The Company awarded the following RSUs to selected employees during the year ended December 31, 2014, there were no RSUs awarded in 2013 and 2012:

	2014
At January 1,	-
Granted	1,910,693
Vested	(41,919)
Forfeited	(69,259)
At December 31,	**1,799,515**

The Company recognized a share-based payment expense for these awards of $15,312,620 in the year ended December 31, 2014 based on the fair value of the RSU at date of grant.

The Company determines the fair value of RSUs using the Black-Scholes option-pricing model. The weighted-average fair value of all options granted for the year ended December 31, 2014 was determined using the following principal assumptions:

	2014
Weighted-average fair value ($)	18.78
Weighted average of key assumptions:	
Share price ($)	12.63
Expected term, in years	4.00
Risk-free interest rates	0.68%
Expected volatility	55%
Dividend yield	0%

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Shadow options

The Company awarded shadow options to selected employees entitling them to subscribe for a specified number of ordinary shares in the event of an IPO.

The movement in shadow options during the 2014 and 2013 is as follows, there were no shadow options granted in 2012:

	2014	2013
At January 1,	**223,750**	**-**
Granted	-	223,750
Vested	(79,994)	-
Lapsed	(143,756)	-
At December 31,	**-**	**223,750**

Upon the IPO a significant portion of shadow options vested and were converted into share options, the remaining balance lapsed and was replaced with an equivalent number of RSUs.

The Company recognized a share-based payment expense for these awards of $78,780 and $293,810 in 2014 and 2013 respectively, based on the fair value of the awards at date of grant.

The Company determines the fair value of shadow options using the Black-Scholes option pricing model. The weighted- average fair value of all options granted in 2013 was determined using the following principal assumptions:

	2013
Weighted-average fair value ($)	4.15
Weighted average of key assumptions:	
Share price ($)	4.61
Exercise price ($)	0.00008
Expected term, in years	0.92
Risk-free interest rates	0.16%
Expected volatility	55%
Dividend yield	0%

Discretionary Bonus Units (DBUs)

The Company awarded DBUs to selected employees entitling them to the payment of a cash bonus in the event of an IPO.

The following DBUs were outstanding at December 31, 2014, 2013 and 2012:

	2014	2013	2012
At January 1,	**2,627,715**	**3,074,818**	**3,208,850**
Forfeited	-	(447,103)	(134,032)
At December 31,	**2,627,715**	**2,627,715**	**3,074,818**

Upon IPO, the settlement value of the DBUs was determined. Fifty percent of the settlement value was paid subsequent to the IPO, with the remaining fifty percent payable on the first anniversary of the IPO and the unrecognized portion charged to employee expenses over the remaining vesting period.

Total expense of $14,079,368, $36,026,734 and $4,836,843 were recorded in 2014, 2013 and 2012, respectively, including mark-to-market adjustments of $3,094,832, $34,062,891 and $4,556,502, respectively.

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The corresponding liability is recorded in trade and other payables.

The Company determines the fair value of DBUs using the Black-Scholes option pricing model based on the following assumptions:

	2014	2013	2012
Weighted-average fair value ($) [1]	55.56	20.93	3.45
Weighted average of key assumptions:			
Share price ($)	-	20.93	3.45
Expected term, in years	-	0.25	1.00
Risk-free interest rates	-	0.07%	0.03%
Expected volatility	-	55%	55%
Dividend yield	-	0%	0%
Hurdle ($ in millions) (€54.7 million)	-	74.4	70.9

[1] The final DBU value was based on the enterprise value of the Company upon IPO. Fifty percent of the settlement value was paid upon IPO with the remainder payable on the first anniversary of the IPO, provided that the employee remains in employment on the relevant payment date.

The share-based payments expense included in the consolidated statements of operations is allocated as follows:

	2014	2013	2012
Cost of revenue	$ 4,461	$ 3,410	$ 635
Research and development	47,214	40,781	5,299
Sales and marketing	6,227	1,212	2,006
General and administrative	73,054	9,886	1,678
Total share-based payments	**$ 130,956**	**$ 55,289**	**$ 9,618**

21. Commitments

The Group has the following commitments for the year ended December 31:

(in thousands)	2014	2013
Operating lease commitments [1]		
Within one year	$ 12,213	$ 6,971
1 - 3 years	21,224	16,325
3 - 5 years	10,801	13,575
Later than five years	2,404	7,868
	$ 46,642	**$ 44,739**
Purchase obligations		
Within one year	$ 4,419	$ -
1 - 3 years	$ 2,530	-
	$ 6,949	**$ -**

[1] The Group leases various offices under non-cancellable operating lease agreements. The lease terms are between five months and six years and the majority are renewable at the end of the lease period.

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22. Related party transactions

All companies forming part of the Group are considered to be related parties as these companies are ultimately owned by KDE. The Group's largest shareholder is Bellaria Holding S.a.r.l, for whom Apax WW Nominees Ltd. is the sole shareholder, and advised by Apax Partners, a private equity firm affiliated with Roy Mackenzie and Andrew Sillitoe, members of the Board. The remaining shares are widely held.

The following transactions were carried out with related parties:

(a) Key management personnel remuneration

Key management personnel compensation for employee and director services during the year is shown below:

(in thousands)	2014	2013	2012
Short-term employee benefits	$ 28,996	$ 20,754	$ 1,387
Share-based payments [1]	79,476	9,393	701
Post-employment benefits	254	116	112
Total	**$ 108,726**	**$ 30,263**	**$ 2,200**

[1] Non-cash amount. Expense recognized in the statement of operations

(b) Loan Agreements

In June, 2013, the Company entered into a loan facility agreement with Stephane Kurgan, the Chief Operating Officer and Director of the Company, for $0.9 million. The interest rate was 4.0% per year and the terms of the loan facility was determined through arm's length negotiations among the parties. The loan was subsequently repaid on October 28, 2013.

(c) Repurchase of shares

On January 31, 2014, the Company repurchased 17,227,880 E ordinary shares held by Stephane Kurgan, the Chief Operating Officer and a Director of the Company, in exchange for an aggregate repurchase price of $1.2 million and 7,422,180 D1 share options, linked to D3 restricted shares. D3 restricted shares, which was a new class of shares in 2014 converted into ordinary shares based on a pre-determined formula, which considered the value of the IPO value and specified hurdles.

(d) Purchase of services and other costs

During 2014, 2013 and 2012 the Company purchased consulting services and a software license from a company affiliated with John. S. Knutsson, the Chief Creative Officer and a Director of the Company. The Company has also committed to purchase $1.6 million of services from this Company for the next 12 months.

During 2014, the Company made a bonus payment, for advisory services rendered in 2013, by a related party associated with Bellaria Holding S.a.r.l.

Upon completion of the IPO in 2014, the Company assumed some related costs on behalf of certain shareholders.

(i) The purchase of services and other costs from related parties is shown below:

(in thousands)	2014	2013	2012
Entity related to key management personnel	$ 3,733	$ 1,038	$ 367
Total	**$ 3,733**	**$ 1,038**	**$ 367**

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(ii) Balances arising from the purchase of services and other costs from related parties as of December 31, 2014, 2013 and 2012 are shown below:

(in thousands)	2014	2013	2012
Entity related to key management personnel	$ 262	$ 294	$ 21
Total	**$ 262**	**$ 294**	**$ 21**

23. Principal subsidiaries

The Company's principal subsidiaries as at the end of December 31, 2014 are as follows:

Company	Country of registration/ incorporation	Proportion of shares held by the Group	Nature of business
King Digital Malta Holding Limited *	Malta	100%	Holding Company
Midasplayer International Holding Company Limited	Malta	100%	Holding Company
Midasplayer Malta Holding Company Limited	Malta	100%	Holding Company
King.com Limited	Malta	100%	Social & Mobile Gaming
King Digital Malta Intermediate Limited	Malta	100%	Holding Company
Midasplayer Technology AB *	Sweden	100%	Research & Development
Midasplayer.com Limited	England and Wales	100%	Shared Services
Midasplayer AB	Sweden	100%	Research & Development
Midasplayer Vertriebs GmbH	Germany	100%	Sales & Marketing
King.com Inc	USA	100%	Sales & Marketing
Digital Jester Limited	England and Wales	100%	Research & Development
King Games Studio S.L.	Spain	100%	Research & Development
King Mobile AB	Sweden	100%	Dormant
Midasplayer (Skills) Limited	England and Wales	100%	Online Games
King Shared Services S.L.	Spain	100%	Shared Services
King Games Studio (Bucharest) SRL	Romania	100%	Research & Development
King Japan Co. Ltd	Japan	100%	Sales & Marketing
King.com Payments LLC	USA	100%	Dormant
Astrapia Limited *	England and Wales	100%	Sales & Marketing
NonStop Games Oy *	Finland	100%	Holding Company
GamesMadeMe PTE Ltd *	Singapore	100%	Research & Development
King Korea Ltd *	Korea	100%	Sales & Marketing
King Digital Technology (Shanghai) Co. Ltd *	China	100%	Sales & Marketing
Ludonauts Limited *	Malta	100%	Research & Development

* New entity added during 2014.

The percentage of the issued capital held by the Group is equivalent to the percentage of voting rights held. The Group holds the whole of all classes of issued share capital.

24. Dividends per share

An interim dividend of $1.050 per share, amounting to a total dividend of $286.7 million, was declared by the Board on October 21, 2013 and paid on October 24, 2013.

An interim dividend of $0.795 per share, amounting to a total dividend of $217.1 million, was declared by the Board on January 31, 2014 and paid on February 6, 2014.

A special dividend of $0.460 per ordinary share, amounting to a total dividend of $146.8 million, was declared by the Board on August 10, 2014 and paid on October 22, 2014.

25. Business combinations

Nonstop Games Oy

On August 6, 2014, the Company acquired 100% of the equity of Nonstop Games Oy, a games developer based in Singapore.

Through this acquisition, the Company will work towards broadening our game portfolio. The Nonstop Games studio will remain in Singapore.

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Consideration for this acquisition includes an upfront payment of $6.3 million and contingent consideration of up to $84.0 million.

$16.0 million of the contingent consideration can be secured in exchange for post-acquisition services from certain Nonstop Games employees regardless of meeting the contingent consideration criteria over a four year period subsequent to the acquisition date. An additional upfront payment was made to certain Nonstop Games employee shareholders of $9.7 million which is linked to post-acquisition services over a one year period subsequent to the acquisition date.

Contingent consideration is linked to amounts generated from games launched by Nonstop Games over a specified period.

The range of the potential undiscounted amount of all future payments that the Company could be required to make under the contingent consideration arrangement is between nil and $84.0 million.

The fair value of the contingent consideration arrangement of $17.0 million was estimated using the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 Fair Value Measurement refers to as Level 3 Inputs. Key assumptions include expected game launch dates and performance.

The following tables summarize the fair value of the consideration paid for Nonstop Games and the assets acquired and liabilities assumed recognized at the acquisition date.

(in thousands)	
Cash consideration	$ 6,254
Fair value of contingent consideration	17,000
Total fair value of consideration	**$23,254**

(in thousands)	
Cash and other assets	$ 1,353
Intangible assets	437
Liabilities	(1,325)
Net assets	465
Goodwill	**$22,789**

The goodwill of $22.8 million arising from the acquisition consists largely of the economies of scale, assembled workforce and synergies expected from combining the operations of the Company and Nonstop Games. None of the goodwill recognized is expected to be deductible for income tax purposes. Intangible assets include an in-process game in development. The intangible asset was valued using the replacement cost methodology. Acquisition-related costs were $1.2 million.

The amount of revenue and profit of Nonstop Games since acquisition were not material in the context of the Company. Had the business been acquired on January 1, 2014, the revenue and profit of the Company for the year would not have been materially different to those that appear in the Company's statement of operations.

As of December 31, 2014, the contingent consideration was remeasured to $13 million using the income approach.

Astrapia ("Comufy") Limited

On September 10, 2014, the Company acquired 100% of the outstanding equity of Astrapia Limited, a leading provider of dynamic social CRM software, which operated under the trade name, "Comufy".

Consideration for this acquisition included an upfront payment of $11.8 million and $5.2 million of additional payments linked to the continued employment of certain employees over a two year period, subsequent to the acquisition date. The goodwill arising on the acquisition was $8.9 million (£5.7 million).

There were no other material acquisitions during 2014, 2013 and 2012.

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26. Events after the end of the reporting period

Acquisition

On February 6, 2015, the Company signed an agreement to acquire 100% of the equity of Z2Live, Inc., a games developer based in Seattle. The acquisition of Z2Live, Inc. is subject to the satisfaction or waiver of customary conditions, including regulatory approval in the United States, and is expected to be completed no later than the first quarter of 2015.

Total consideration for the acquisition consists of a $45 million upfront cash payment and up to $75 million of contingent consideration based on future events including revenues generated from certain games developed. In addition, key employees are entitled to an employment linked contingent payment of up to $30 million based on revenues generated from certain games developed. The contingent consideration and related employment-linked payments will be paid in cash annually over a three year period subsequent to the acquisition date.

The fair value of the contingent consideration linked to revenue will be initially estimated for inclusion in the purchase price allocation and will be revalued in subsequent periods until settled, with changes in the estimated fair value of the contingent consideration recorded as a gain or loss in the consolidated statements of operations.

With the acquisition of Z2Live, Inc. we will incorporate a proven team focused on contributing to our diversification into new genres. Z2Live, Inc. game studio will be our first studio in the United States.

Special dividend

The Company’s Board of Directors declared a special dividend to shareholders of $0.94 per ordinary share, amounting to an aggregate amount of approximately $300 million to be payable to shareholders of record on March 4, 2015.

Exhibit 4.03

LEASE AGREEMENT

Between

BASSAT PARTNERS, S.L.

(the “Lessor”)

and

KING SHARED SERVICES, S.L

(the “Lessee”)

Barcelona, 11 November 2014

Barcelona, 11 November 2014

I. The Parties

Being one party hereto,

The commercial company **BASSAT PARTNERS, S.L.,** with Taxpayer Identification Number B-58.274.648 and registered office at 7th Floor, 123 Avenida Josep Tarradellas, Barcelona.

It is represented by Ms YOLANDA BASSAT ORELLANA, of age, with professional office for these purposes at the registered office of the represented company; holding ID card number 46.334.706-X, acting as the representative of BASSAT, S.L., CEO of BASSAT PARTNERS, S.L., by virtue of the resolution of the Board of Directors of the latter dated 31 March 2014 made public in the deed authorised by the Notary of Barcelona Mr Javier García Ruiz on 4 April 2014 under number 1.227 of his protocol.

It is hereinafter referred to as the **"Lessor".**

Being the other party hereto,

The commercial company KING SHARED SERVICES, S.L, with Taxpayer Identification Number B-66.036.906 and registered office at 6th Floor, 123 Avenida Josep Tarradellas, Barcelona.

It is represented by Mr Riccardo Zacconi, an Italian national, of age, with business office at 21 St. Pertersburgh Place, W2 4LA, London (United Kingdom), and the holder of a valid passport of his nationality No. YA2473200, acting as the CEO by virtue of the deed executed by the Notary of Barcelona, Mr Rafael de Córdoba Benedicto on 7 May 2014 under 1.278 of his protocol.

It is hereinafter referred to as the **"Lessee".**

Both the "Lessor" and the "Lessee" will hereinafter be referred to jointly as the **"Parties"** and any of them individually and equally as a **"Party"** .

II. Recitals

1st.- That the Lessor is the lawful owner of the parking spaces and the office described hereinbelow situated at number calle 123 Josep Tarradellas, post code 08029 (Barcelona). It is hereby confirmed that it is situated on the 2nd floor of the building and corresponds to property 2B and that it makes part of the registered entity which is described as follows:

1. "URBAN PROPERTY: NUMBER FOURTEEN - SECOND FLOOR at house number 123, 125 and 127, Avenida de Infanta Carlota Joaquina, Barcelona; it has its own entrance through an independent staircase situated in calle Rita

Bonnat; its intended use is as offices, it has a built-up surface of two thousand and one metres seventy-eight decimetres and useful surface of one thousand eight hundred and eighty-three metres thirteen decimetres. ADJOINS: in the south, in vertical projection to calle Rita Bonnat; in the east, in vertical projection to Avenida de la Infanta Carlota Joaquina; in the north, to Pablo Gaya's property, partly to Martin Vilaseca's property and partly with house number 24 and 26 in calle Loreto and partly to the Comercio y Producción, S.A. property.

Registered: Property Register number SEVEN of Barcelona, book 362, folio 248, property number 24.472.

Title: Title is held by Infanta Carlota 123 S.A. as the owner, by virtue of the sale and purchase deed signed before the Notary of Barcelona Mr Enrique Peña Belsa on 6 September 1988.

Number in the cadastre: 8232519DF2883C0060QD.

It is hereinafter referred to as the **"Property".**

2. "Two parking spaces with numbers 39 and 60, which make part of the following registered unit: "URBAN [PROPERTY]: UNIT NUMBER ONE - BASEMENT with the loft of building number 123,125 and 127 in Avenida Josep Tarradellas (formerly Infanta Carlota Joaquina), in Barcelona, with entrance and exit via calle Rita Bonnat, with intended use as a warehouse, with various appurtenances, and has a built-up surface, including the loft, of two thousand six hundred and sixty-nine square metres ninety square decimetres, and useful area of two thousand five hundred and one square metres seventy-three square decimetres. Adjoins: in the south, to the subsoil of calle Rita Bonnat, to which it has an exit through a staircase; in the north, to the subsoil of Pablo Gaya's property, partly to Martin Vilaseca's property and partly to the basement of house numbers 24 and 26 in calle Loreto and partly to the subsoil of the "Comercio y producción, S.A." property."

The parking spaces registered: Property Register number 7 of Barcelona, volume 882, folio 169, property 8.241.

Title: Title is held by virtue of the public deed issued before the Notary of Barcelona Mr José-María Costa Torres on 29 July 2003 under number one thousand nine hundred and twenty-seven of his protocol.

Number in the cadastre (common for the whole of the registered unit): 8425313DF2882E0001JL.

The above two parking places are hereinafter referred to as the **"Parking Spaces".**

2nd.- The Property is currently occupied by the Lessor.

3rd.- The Lessor is interested in vacating the Property and letting it to the Lessee in its entirety, and they are interested in receiving it.

4th.- Having stated the above, the Lessee and the Lessor have agreed the legal and economic conditions that shall govern the current

lease and that are set out in this agreement and in the other Annexes and additional documents that may be signed.

5th.- In view of the above, the Parties, mutually acknowledging that they have the legal capacity necessary for this purpose, agree to sign this LEASE AGREEMENT FOR NON-RESIDENTIAL USE for the Property and the Parking Spaces (hereinafter referred to as the **"Agreement"**), subject to Law No. 29/1994 of 24 November on urban leases (hereinafter referred to as the **"LAU"**), and pursuant to the following

III. Articles

1. Subject of Agreement

By this Agreement, the Lessor leases to the Lessee, who in turn accepts the lease, the Property and the Parking Spaces described in the First Recital hereinabove.

2. Intended Use

The Property subject to this Agreement is intended to be used only and exclusively as an office, and the parking spaces shall be used for the parking of vehicles.

3. Term of Lease and Return of the Property and the Parking Spaces

3.1 Term . Without prejudice to that which is set out in Article 3.4 below, the term of the Agreement is agreed till 31 December 2017.

3.2 Extension . The Lease Agreement shall be extended automatically for an additional three-year period, i.e. from 1 January 2018 to 31 December 2020, unless the Lessee informs the Lessor in good faith of the waiver of said extension before 14:00 hours on 30 June 2017.

3.3 Automatic Termination . Once the period set out in paragraph 3.1 above or, as the case may be, the extension provided for in paragraph 3.2 above has passed, the Lease Agreement shall be terminated automatically without the Parties having to make any prior notice whatsoever.

3.4 Compulsory Compliance . It is established as a condition precedent that the Lease Agreement shall be binding on the Lessee during its whole term set out in paragraph 3.1 above (i.e. till 31 December 2017) and equally, should the extension provided for in paragraph 3.1 above occur, during the whole duration thereof. As a result, if the Agreement is withdrawn from before the end of said initial term or extension, or if it is terminated due to a cause attributable to the Lessee, the latter shall pay the Lessor as damages and as a Penalty Clause a lump sum determined by mutual agreement without the need to certify the actual damages and without possible moderation by courts and tribunals the amount equivalent to the rent, costs and fees corresponding to the period remaining till such termination.

3.5 If the Agreement is terminated for any reason, the Lessee shall return the Property and the Parking Spaces to the Lessor in the same condition in which they are handed over, except normal wear and tear, which shall be accepted. The Lessor may authorise the performance of all the upgrades and improvements made by the Lessee and may in any case request that the latter remove all those elements and installations of their property that may have been added and/or modified by the Lessee.

3.6 The Lessee may carry out refurbishment works in the Property without modifying the structure or the stability of the building. For this purpose they may submit to the Lessor the approved design, understood to have been approved within 10 business days (with the exclusion of Saturdays and holidays). The Lessor may only object for a justified cause, which they shall explain. After 10 working days (with the exception of Saturdays and holidays) have passed without response from the Lessor, it shall be understood that they give their consent to the works. The works shall be done under appropriate optional supervision pursuant to the applicable regulations and with the relevant licence having been obtained previously.

At the time of the termination of the Lease Agreement, the Lessee shall restore the Property to its current condition. Nevertheless, the Lessor may exempt the Lessee from said obligation of restoration, in which case the performed work shall be to the exclusive benefit of the Lessor, while the Lessee may not claim any indemnification or compensation whatsoever for it.

4. Handover

4.1 The Parking Spaces shall be made available to the Lessee on the signing date of this Agreement.

4.2 The Property shall be made available to the Lessee on 1 March 2015 upon having been vacated by the Lessor.

4.3 Equally, if the handover of the Property is delayed, the term of the Agreement shall be extended by the same period.

5. Rent and Revision

5.1 The rent payable by the Lessee for the lease shall be fixed at (i) NINE THOUSAND AND TWENTY-FOUR EUROS (€ 9,024.00) per month for the Property; and THREE HUNDRED EUROS (€ 300.00) per month for the Parking Spaces, at the rate of 150 Euros per parking space. The total Rent shall comprise NINE THOUSAND THREE HUNDRED AND TWENTY-FOUR EUROS (€ 9,324.00) (the **"Rent").** The Rent shall be increased by the relevant Value Added Tax (hereinafter referred to as "VAT"), a tax that shall apply as set out in paragraph 11.1 of this Agreement.

5.2 The Lessee shall not be obliged to pay the rent as well as the costs and taxes on the Property to the Lessor until it is handed over by the Lessor.

5.3 The agreed rent shall be revised annually as of 1 January 2016 based on the increase of the Consumer Price Index. Further

revisions shall be made every 1 January counted from said date according to the increases to the Consumer Price Index (referring to the national inflation average), whether an increase or a decrease, published by the National Institute for Statistics or by the organisation that may replace it, applying to the rent corresponding to the previous annual payment the percentage change experienced by said Index in the period of twelve months immediately prior to the date of each adjustment. Should the above particular index no longer be published, the relevant index replacing it of the indices published by the National Institute for Statistics or the organisation that may replace it shall apply.

5.4 Taking into account the fact that the data of the National Institute for Statistics or the organisation that may replace it are published with a delay and as a result, if the month in which the already revised rent would have to be charged has started and the basis or coefficient corresponding to such date are not yet known, the Parties expressly agree that the corresponding increases according to the revision system agreed in this Agreement shall apply retroactively to the date on which the already revised rate must start to be charged, while the relevant additional receipts shall be issued once the necessary data of the above National Institute for Statistics or the organisation that may replace it are known, while it may not be assumed in any case that the Lessor waive their collection.

5.5 The Lessee shall pay to the Lessor's account, based on the Consumer Price Index of the latest published monthly payment, the amounts corresponding to the increases following from this Article on revision, which shall not be final, while the settlement corresponding to the retroactive effects provided for shall be carried out, when the final indices are known.

5.6 Should the Lessee fail to pay the rent within the set period they shall pay interest for the delay at the EURIBOR one year rate plus four point five (4.5) percentage points. Said interest shall accrue daily and shall be charged in the rent receipt corresponding to the month immediately prior to the one in which the delay occurred. The payment of said penalty shall not grant the right to delay the rent payments, while the Lessor may initiate relevant actions as the case may be.

5.7 If the coming into effect of this Agreement does not coincide with the start of the calendar month, the receipt for the rent corresponding to the Parking Spaces shall be issued pro rata to the days of validity of the lease in said month.

5.8 The total amount of the fees of the property owners' association to which the leased Property and Parking Spaces belong, as well as the Real Estate Tax corresponding to them shall be to the account of the Lessee. For the purposes of that which is set out in article 20 of the LAU, the Lessor hereby declares that said costs currently comprise SEVENTEEN THOUSAND FIVE HUNDRED AND SEVENTY-EIGHT EUROS FIFTY-TWO CENTS (€ 17,578.52) per annum, comprised of € 8,697.48 in property owners' association fees on the Property, € 8,189.04 in Real Estate Tax on the Property, and 692 Euros in property owners' association fees on the Parking Spaces (which comprises the Real Estate tax on same). For these purposes, given that the receipts for property owners' association fees and Real Estate Tax are issued together for the entirety of the second floor of the building, it is confirmed that only 32% of same correspond to the Property.

6. Rent Payment

The payment of the rent and the other expenses which pursuant to the Law and the Articles of this Agreement may be passed on or charged to the Lessee shall be made in advance, within the first five (5) business days of each month, and the relevant receipts shall be debited directly to the bank current account of the Lessee No. ES78 0065 0145 3800 0152 0694 for this purpose.

7. Utilities and Accounting

7.1 The Property is leased in the current condition of the existing general and branch line connections or lines corresponding to same for the utilities that the building is provided with.

7.2 The amount corresponding to the consumption of all said utilities that they may have made since the effective date of the Agreement till its termination for any reason shall be to the account of the Lessee. The utilities for consumption prior to the effective date shall be to the account of the Lessor.

7.3 The Lessee is free to agree with the relevant suppliers any or all of the utilities that the Property may or might be provided with, exempting the Lessor of any responsibility whatsoever.

8. Maintenance and Works

8.1 The Lessee declares that they are aware of the characteristics and maintenance condition of the Property and that they expressly accept them. In case of pre-existing failures or defects, the Lessee shall have a period of 15 days to inform the Lessor thereof, while the latter shall rectify them promptly and diligently. After such period has passed, the Property shall be understood to have been received satisfactorily and in good condition. As for the installation of air conditioning, the Parties agree that during the term of the Agreement, the Lessee shall become responsible for the condition and correct functioning of said climatisation equipment, for which purpose they shall bear the costs of maintenance, repair and upkeep of said equipment.

8.2 The Lessor shall only carry out the repairs that may be necessary to maintain the Property in the conditions necessary for the agreed use, except where the wear that is being repaired may be deemed to be attributable to the Lessee pursuant to that which is set out in article 30 of the LAU. The maintenance and repair works that wear and tear by normal use of the Property and its installations may require shall be to the account of the Lessee.

8.3 The Lessor shall authorise any upgrade, refurbishment and work that the Lessee may wish to perform, including installations and utilities, and shall not authorise said works if they mean a danger or damage to the structure of the building or of the Property, may weaken the materials used in the construction or may affect common elements of the building (which for this purpose shall be confirmed by the Lessee through presentation to the Lessor,

before the start of the works, of the relevant plan, design and work memorandum, qualities and finishes).

8.4. The Lessor shall hand over to the Lessee before handing over the possession of the Property a copy of the energy efficiency certificate corresponding to same.

8.5. Emergency Staircase

8.5.1. The Lessee hereby states that they know and accept that the Property Owners' Association of the building in which the Property is situated has agreed to the possibility of an emergency staircase being built, which would pass through all the floors of the building and which would occupy, in purely tentative terms, approximately 6 square metres of the surface of the Property. Enclosed as Annex 2 is a copy of the plan that shows the surface that, as the case may be, will be taken up by said emergency staircase.

8.5.2. In case construction of said staircase is carried out, the Lessee, while expressly waiving that which is set out in article 30 in conjunction with articles 22 and 26 of the LAU, agree to facilitate technicians and workers access insofar as it may be necessary and to tolerate said works, which shall be performed such that inconvenience to the Lessee is minimised as much as possible. Without prejudice to the obligations of the Property Owners' Association, the Lessor assumes before the Lessee the cost of the works, including the finishes of the affected zone of the Property, such that they remain in conditions similar to those existing before the start of the works. The Lessor shall indemnify and hold the Lessee harmless for any claims that may result from the construction of said staircase.

8.5.3. If said construction is carried out, the monthly rent for the Property and the costs (including the property owners' association fees and Real Estate Tax) shall be reduced as of the starting date of the works pro rata to the surface of the Property that may be occupied by said emergency staircase. During the works, the rent shall be reduced taking into account the harm that the Lessee may suffer as a consequence thereof.

9. Permits and Licences

9.1 The Lessor is exempt of any responsibility in case the existing opening Licences or permits are revoked or become invalid and the Property is ordered to close, except where it is caused by serious negligence or bad faith attributable to the Lessor.

10. Signs

10.1 The Lessee may install certain advertising signs and/or notices that they may deem convenient with prior consent of the Lessor, provided that said installation complies with the applicable regulation and has obtained the permits and licences necessary for their correct installation, adapting them to the applicable general rules of the property owners' association of the building to which the leased Property belongs, and, as the case may be, upon consent of said association.

The taxes, fees and permits required for said installations shall be to the Lessee's account.

10.2 If the installation of signs involves works, that which is set out in Article 8.3 above shall apply. In any case, should the Agreement be terminated for any reason, the Lessee shall remove, at their expense and with full indemnification for the Lessor, any notices they may have installed whatsoever, leaving the place where they may have been installed in the current condition.

11. Taxes and Tax Withholding

11.1 The Agreement is subject to Value Added Tax (VAT), which shall apply to the Lessee in each one of the monthly rent receipts, pursuant to that which is set out in the Law and the Regulation of said tax, i.e. for the amount that may result from the application of the rate applicable to the rent at any time and other amounts that may constitute the tax base on the date of accrual.

11.2 The Lessee shall also pay the taxes, charges, fees and generally all the contributions or levies of any type that may be charged or withheld from the Property and the Parking Spaces for the reason of their activity.

11.3 Lacking confirmation of the cases in which the withholding provided for in Royal Decree 113/1998 of 30 January should not apply, the Lessee shall proceed with withholding an appropriate amount for its depositing in the Tax Office.

12. Transfer and Sublease

12.1 The Lessee may not transfer or assign this Lease Agreement without prior written consent of the Lessor.

12.2 The Parties agree that the Property and the Parking Spaces subject to this Agreement may not be subleased by the Lessee without express prior written consent of the Lessor.

12.3 An exception from that which is set out in Articles 12.1 and 12.2 above is made for transfer or sublease in favour of the business group of the Lessee, which shall not require the consent of the Lessor, which hereby authorises it and consents insofar as necessary, also expressly waiving any increase of the rent in case of said transfer or sublease.

13. Security and Guarantee

13.1 Security : On the day following the signing of this Agreement, the Lessee shall hand over to the Lessor the security, which shall comprise EIGHTEEN THOUSAND SIX HUNDRED AND FORTY-EIGHT EUROS (€ 18,648.00), equivalent to two (2) monthly rent payments (including rent for the Property and for the Parking Spaces) by transferring it into the Lessor's current account 2100 2903 68 0200096180.

The above amount shall correspond, insofar as it is sufficient, to the performance of the obligations assumed by the Lessee by virtue of the Agreement, pursuant to that which is set out in article 36 of the LAU.

The amount of the security shall be deposited by the Lessor with the competent organisation and within the set legal period, while it shall not be subject to any adjustment whatsoever during the entire term of the present lease. The Lessor shall hand over to the Lessee a copy of the supporting documentation of said deposit.

13.2 Bank Guarantee : Furthermore, in order to guarantee the performance of all the obligations following from this Agreement, the Lessee hereby undertakes to hand over, at the time of the handover of possession of the entire Property, a first demand bank guarantee, while waiving the benefits of division, exclusion and priority, in the amount of SIXTY-FOUR THOUSAND SEVEN HUNDRED AND THIRTY-THREE EUROS TWENTY-SIX CENTS (€ 64,733.26) equivalent to six (6) monthly rent payments (including the rent for the Property and the Parking Spaces) and costs (property owners' association fees and Real Estate Tax).

13.3 Should these guarantees be executed fully or partly, the Lessee shall replace them for the relevant guarantee amount set out in the previous paragraphs.

14. Expiry of the Agreement

The Agreement shall expire in the following cases:

(a) Upon the passing of the term of the Agreement or notice of termination of same on the terms of Article 3.

(b) Upon mutual agreement between the Parties made in writing.

(c) Due to substantial failure by any one of the Parties to meet any of the obligations set out in the Agreement, except where such failure to meet obligations is rectifiable and is rectified within thirty (30) business days following the date on which notice is made requiring the non-complying Party to rectify it. After said period has passed without the non-compliance having been rectified, the notifying Party may declare the Agreement terminated by written notice to the non-complying Party and claim the damages that may correspond to it.

(d) For legal or contractually stipulated reasons.

On the expiry date of the Agreement, the Lessee shall return the Property and the Parking Spaces pursuant to that which is set out in Article 3, and Lessor shall return the guarantee referred to in Article 13, provided that at the time of expiry of the Agreement, the Lessee is up to date with rent payments or, if not, the amount of the outstanding rent payments exceeds the amount of the security and that, after the condition of the Property and the Parking Spaces has been inspected, no damage is observed that may exceed the amount of the security. The Lessor may keep the security until the Lessee has paid the amounts owed for utilities or outstanding rent payments, upon which the Lessor shall return the security within ten (10) business days of such payment.

Equally, the Lessee waives the pre-emptive right, right of first refusal and right to repurchase in respect of the Property and the Parking Spaces provided for in Article 31 of the LAU, while in any case the Lessee shall notify the Lessor of their intention to sell at least thirty days in advance of the date the sale and purchase is formalised, on the terms of article 25.8 of the LAU.

15. The Lessee's Declarations and Obligations

15.1.1 The Lessee assumes direct and exclusive responsibility and exempts the Lessor of any liability for the damages that may be caused to persons or things and may follow from the possession of and the activity carried out in the Property and the Parking Spaces and from the functioning of its installations, while exempting the owner/lessor of all liability.

15.1.2 The Lessee hereby undertakes to pay the agreed monthly rent, increases and similar amounts

15.1.3 The Lessee hereby undertakes to maintain an insurance policy that is sufficient and adequate in order to take responsibility for damages that may be caused to the contents of the Property, as well as to third parties or to the customers and employees of the enterprise both due to the activities carried out in the Property as well as due to possession of same and due to the functioning of its installations, exempting the owner/lessor of all liability.

16. The Lessor's Declarations and Obligations

16.1 The Lessor hereby undertakes to meet all the obligations that correspond to them by virtue of this Agreement.

16.2 The Lessor hereby undertakes that a sufficient and adequate insurance policy will exist and be maintained in force, contracted by the Lessor themselves or by the property owners' association, to take responsibility for damages that may be caused to the container (building) of the Property and the Parking Spaces as a result of disasters whose cause may be the container (such as problems of air tightness, pipes, coverings, general-use installation etc.).

16.3 The Lessor hereby hands over to the Lessee the Energy Efficiency Certificate of the Property pursuant to that which is set out in Royal Decree 235/2013 of 5 April, which approves the basic procedure for energy efficiency certification of buildings.

17. Rules of Interpretation

17.1 Headings

The headings and the table of contents used in the Agreement are only included for reference purposes and do not affect its interpretation.

17.2 Prevalence

Should there be contradictions between the contents of an additional document or an annex and the contents of the Articles of the Agreement, preference shall always be given to the letter, spirit and purpose of the latter, except where expressly set out otherwise.

17.3 Severalty and Supplementation of the Articles

The unlawfulness, invalidity or ineffectiveness of any of the Articles of the Agreement shall not affect the effectiveness of the rest, provided that the rights and obligations of the Parties following from the Agreement are not affected in a substantial manner. Substantial shall be understood as any situation that may gravely damage the interests of either of the Parties or that may affect the actual subject of Agreement stipulated in Article 1. Said Articles shall be replaced and supplemented with others, which, being compliant with the law, may meet the purpose of those replaced.

17.4 Prevalence and Modifications of the Agreement

The Agreement constitutes the whole agreement reached between the Parties until its signing date in respect of the subject matter contained in same and replaces and revokes all prior agreements in relation to its subject.

The modifications that may be made to the Agreement shall be written up in a document signed by the Parties.

17.5 Waiver

It shall not be understood that the Parties have waived any of the rights resulting from the Agreement or derived from failure to comply with same, except where such waiver is made expressly and in writing pursuant to this Agreement.

If either of the Parties waives any of its rights following from the Agreement or from any failure by the other Party to comply pursuant to the previous paragraph, such waiver shall not be interpreted in any way as the waiver of any other right resulting from the Agreement or from any non-compliance by the other Party, even if they are similar.

18. Notices

18.1 Form

All the communications and notices that the Parties are to make to each other by virtue of the Agreement or that may be associated with same shall be made in writing and by way of:

(a) hand delivery with written confirmation of receipt by the other Party;

(b) notary public;

(c) certified fax with confirmation of receipt and certification of the contents; or

18.2 Address and addressees

The communications and notices between the Parties shall be sent to the addresses and for the attention of the persons shown below.

For the Lessor:

BASSAT PARTNERS, S.L.
Av. Josep Tarradellas 123, 7°
08029 Barcelona

For the Lessee:

KING SHARED SERVICES, S.L
Av. Josep Tarradellas número 123, 6 ª planta
08029 Barcelona

18.3 Changes

Any change to the addresses or persons for the purposes of notifications shall be communicated to the other Party forthwith pursuant to the rules set out in this Article. Insofar as a Party has not received notice of such changes, the notices made by it pursuant to said rules according to the original details shall be understood to be made correctly.

19 Applicable Law

19.1 This Agreement shall be governed by that which is provided for in same, failing that by that which is set out in Title III of the effective LAU and, failing that, by that which is set out in the Civil Code.

20 Data Protection

20.1 Pursuant to Law 15/1999 on Personal Data Protection, the representatives of both Parties acknowledge that they are informed and agree for the personal details reflected in this Agreement to be included in the respective files of each Party at the address stipulated in the heading of the Agreement with the main objectives of complying with the development of same, of sending documentation relating to it and maintaining the historical data.

In the case of providing information on third parties for the performance of the Agreement, each Party shall have previously informed them and asked for their consent for the ends set out herein.

20.2 Each Party hereby undertakes to make known to the other Party any variation of the personal details that may be provided for the performance of the Agreement so that they may be updated; otherwise, it shall be understood that the details have not been modified and are accurate and current.

If it is desired to exercise the rights of access, rectification, cancelation and objection, please send a letter with a copy of the ID card to the address shown

in the heading of this Agreement, marking the envelope “Data Protection”.

21 Jurisdiction

21.1 The Parties agree to subject any litigation resulting from the performance or interpretation of the Agreement to the courts and tribunals of the city of Barcelona while expressly waiving their own jurisdiction if covered by a different one.

22 Notarisation of the Agreement and Its Registration in the Property Register

The Parties hereby undertake to notarise this Agreement and to have it registered in the Property Register whenever any one of the Parties may request it. The cost of such notarisation and registration shall be paid by the Party that has requested it.

The Parties sign this Agreement as proof of approval of that which is set out hereabove in duplicate and for a single purpose in the place and on the date shown in the heading.

/s/ YOLANDA BASSAT ORELLANA

The Lessor
Ms YOLANDA BASSAT ORELLANA, **BASSAT PARTNERS, S.L**

/s/ RICCARDO ZACCONI

The Lessee
Mr RICCARDO ZACCONI, **KING SHARED SERVICES, S.L**

DIRECT DEBIT MANDATE

Creditor/Issuer

Name:	Bassat Partners S.L.
Address:	Av. Josep Tarradellas, 123 7°
Post code:	08029
Place:	Barcelona
Taxpayer Identification Number:	B-58.274.648

Debtor

Name:	KING SHARED SERVICES S.L.
Address:	Avenida Josep Tarradellas, 123, 6 ª planta
Post code:	08029
Place:	Barcelona
Taxpayer Identification Number:	B-66.036.906

By signing this Direct Debit Mandate the Debtor authorises the Creditor/Issuer to send repeat instructions to the Debtor's financial institution in order to debit to the account of the debtor himself repeatedly the relevant amounts, according to the instructions of the Creditor/Issuer.

BIC of the Debtor's financial institution (8 digits):

B	A	R	C	E	S	M	M

Number of the Debtor's account (IBAN) (24 digits):

E	S	7	8	0	0	6	5	0	1	4	5	3	8	0	0	0	1	5	2	0	6	9	4

Barcelona, 11 November 2014Boc

Signature _____

Name and surnames _____

PLAN OF THE EMERGENCY STAIRCASE

[figure]

Carrer de RITA BONNAT

/s/ Carrer de RITA BONNAT

Av. de JOSEP TARRADELLAS

LEASE AGREEMENT

Between

BASSAT PARTNERS, S.L.

(the “Lessor”)

and

KING SHARED SERVICES, S.L

(the “Lessee”)

Barcelona, 11 November 2014

Barcelona, 10 November 2014

I. The Parties

Being one party hereto,

The commercial company **BASSAT PARTNERS, S.L.,** with Taxpayer Identification Number B-58.274.648 and registered office at 7th Floor, 123 Avenida Josep Tarradellas, Barcelona.

It is represented by Ms YOLANDA BASSAT ORELLANA, of age, with professional office for these purposes at the registered office of the represented company; holding ID card number 46.334.706-X, acting as the representative of BASSAT, S.L., BASSAT PARTNERS, S.L. CEO, by virtue of the resolution of the Board of Directors of the latter dated 31 March 2014 made public in the deed authorised by the Notary of Barcelona, Mr Javier García Ruiz, on 4 April 2014 under number 1.227 of his protocol.

It is hereinafter referred to as the **"Lessor".**

Being the other party hereto ,

The commercial company **KING SHARED SERVICES, S.L,** with Taxpayer Identification Number B-66.036.906 and registered office at 6th Floor, 123 Avenida Josep Tarradellas, Barcelona.

It is represented by Mr Riccardo Zacconi, an Italian national, of age, with business office at 21 St. Pertersburgh Place, W2 4LA, London (United Kingdom), and the holder of a valid passport of his nationality No. YA2473200, acting as the CEO by virtue of the deed executed by the Notary of Barcelona, Mr Rafael de Córdoba Benedicto on 7 May 2014 under 1.278 of his protocol.

It is hereinafter referred to as the **"Lessee".**

Both the "Lessor" and the "Lessee" will hereinafter be referred to jointly as the **"Parties"** and either of them individually and equally as a **"Party"** .

II. Recitals

1st.- That the Lessor is the lawful owner of the parking spaces and the office described hereinbelow situated at number 123 calle Josep Tarradellas, post code 08029 (Barcelona). As for the office, it is hereby confirmed that it is situated on the 7th floor of the building, and is described as follows:

1. "URBAN PROPERTY - UNIT NUMBER EIGHT A property situated on the SEVENTH floor of building Nos. 123-127 Avenida Infanta Carlota Joaquina, currently Josep Tarradellas, in Barcelona, intended for office use and which occupies the part of said floor facing said Avenue, on the corner of calle Rita Bonnat, with

useful area of one thousand and seventy-eight square metres forty-three square decimetres. ADJACENT: in the North, partly to Pablo Gayá's property and partly with the light shaft and partly with the stairwell and general-use lifts of the building; in the East, to the vertical projection to the Avda. Infanta Carlota Joaquina; in the South, partly with the stairwell and the lift shaft and partly to the vertical projection to calle Rita Bonnat; in the West, to the stairwell and the general-use lifts of the building, partly to the interior block courtyard above the storehouse of the first property and partly to the existing terrace above property number 7; above, to properties numbers 9 and 10; and below, with number 6 on the floor below. A coefficient of six point one zero eight four per cent. (6.1084%) corresponds to it in the horizontal property plan."

Registered: Property Register number 7 of Barcelona, volume 983 of book 983, folio 72, property number 8255, 4th entry.

Title: Title is held by Infanta Carlota 123 S.L. as the owner, by virtue of the sale and purchase deed signed before the Notary of Barcelona Mr Javier García Ruiz on 29 July 1999.

Number in the cadastre: 8425313DF2882E0016YI.

It is hereinafter referred to as the **"Property".**

The Property is currently divided into two parts: (i) **"Property A"**) and (ii) **"Property B".** Enclosed as Annex 1 is the plan of the Property that shows its division and the surface of Property A and Property B.

2. "Three parking spaces with numbers 56, 57 and 58, which form part of the following registered unit: "URBAN [PROPERTY]: UNIT NUMBER ONE - BASEMENT with the loft of building number 123,125 and 127 on Avenida Josep Tarradellas (formerly Infanta Carlota Joaquina), in Barcelona, with entrance and exit via calle Rita Bonnat, with intended use as a warehouse, with various dependencies, and has a built-up surface area, including the loft, of two thousand six hundred and sixty-nine square metres ninety square decimetres, and useful area of two thousand five hundred and one square metres seventy-three square decimetres. Adjoins: in the south, to the subsoil of calle Rita Bonnat, to which it has an exit through a staircase; in the north, to the subsoil of Pablo Gayá's property, partly to Martin Vilaseca's property and partly to the basement of house numbers 24 and 26 in Loreto street and partly to the subsoil of the Comercio y Producción, S.A. property."

The parking spaces registered: Property Register number 7 of Barcelona, volume 882, folio 169, property 8.241.

Title: Title is held by virtue of the public deed issued before the Notary of Barcelona Mr José-María Costa Torres on 29 July 2003 under number one thousand nine hundred and twenty-seven of his protocol.

Number in the cadastre (common for the whole of the registered unit): 8425313DF2882E0001JL.

The above three parking places are hereinafter referred to as the **"Parking Spaces".**

2nd.- That Property A is currently vacant and available.

3rd.- Property B is currently occupied by the Lessor.

4th.- Having stated the above, the Lessee and the Lessor have agreed the legal and economic conditions that shall govern the lease relationship between both Parties in respect of the Property and the Parking Spaces, and that are set out in this agreement and in the other Annexes and additional documents that may be signed.

5th.- In view of the above, the Parties, mutually acknowledging that they have the legal capacity necessary for this purpose, agree to sign this LEASE AGREEMENT FOR NON-RESIDENTIAL USE for the Property and the Parking Spaces (hereinafter referred to as the **"Agreement"**), subject to Law No. 29/1994 of 24 November on urban leases (hereinafter referred to as the **"LAU"**), and pursuant to the following

III. Articles

1. Subject of Agreement

By this Agreement, the Lessor leases to the Lessee, who in turn accepts the lease, the Property and the Parking Spaces described in the First Recital hereinabove.

2. Intended Use

The Property subject to this Agreement shall be used only and exclusively as an office, and the parking spaces shall be used for the parking of vehicles.

3. Term of Lease and Return of the Property and the Parking Spaces

3.1 Term . Without prejudice to that which is set out in Article 3.4 below, the term of the Agreement is agreed till 31 December 2017.

3.2 Extension . The Lease Agreement shall be extended automatically for an additional three-year period, i.e. from 1 January 2018 to 31 December 2020, unless the Lessee informs the Lessor in good faith of the waiver of said extension before 14:00 hours on 30 June 2017.

3.3 Automatic Termination . Once the period set out in paragraph 3.1 above or, as the case may be, the extension provided for in paragraph 3.2 above has passed, the Lease Agreement shall be terminated automatically without the Parties having to make any prior notice whatsoever.

3.4 Compulsory Compliance . It is established as a condition precedent that the Lease Agreement shall be binding on the Lessee during its whole term set out in paragraph 3.1 above (i.e. till 31 December 2017) and equally, should the extension provided for in paragraph 3.2 above occur, during the whole duration thereof. Consequently, if the

Agreement is withdrawn from before the end of said initial term or extension, or if it is terminated due to a cause attributable to the Lessee, the latter shall pay the Lessor as damages and as a penalty clause a lump sum determined by mutual agreement without the need to certify the actual damages and without possible moderation by courts and tribunals in the amount equivalent to the rent, costs and fees corresponding to the period remaining in such term.

3.5 If the Agreement is terminated for any reason, the Lessee shall return the Property and the Parking Spaces to the Lessor in the same condition in which they are handed over, except normal wear and tear, which shall be accepted. The Lessor may authorise the maintenance of all the upgrades and improvements made by the Lessee but may in any case request that the latter remove all those elements and installations of their property that may have been added and/or modified by the Lessee.

3.6 The Lessee may carry out refurbishment works in the Property without modifying the structure or the stability of the building. For this purpose they may submit to the Lessor the approved design, understood to have been approved within 10 business days (with the exclusion of Saturdays and holidays). The Lessor may only object for a justified cause, which they shall explain. After 10 working days (with the exception of Saturdays and holidays) have passed without response from the Lessor, it shall be understood that they give their consent to the works. The works shall be done under appropriate optional supervision pursuant to the applicable regulations and with the relevant licence having been obtained previously.

At the time of the termination of the Lease Agreement or of the lease agreement for the eighth floor, the Lessee shall restore the Property to its current condition. Nevertheless, the Lessor may exempt the Lessee from said obligation of restoration, in which case the performed works shall be to the exclusive benefit of the Lessor, while the Lessee may not claim any indemnification or compensation whatsoever for it.

4. Handover

4.1 The Parking Spaces shall be made available to the Lessee on the signing date of this Agreement.

4.2 Property A shall be made available to the Lessee herewith.

4.3 Equally, Property B shall be made available to the Lessee on 5 December 2014 having previously been vacated by the Lessor.

4.4 If on 5 December 2014 the entire Property has not been handed over to the Lessee, the latter may demand that the Lessor hand it over.

4.5 If by 6 February 2015 the Property (i.e. Property B) has not been handed over to the Lessee, the latter may withdraw from the Agreement insofar as said Property B, while it shall survive in respect of Property A.

4.6 The Lessee shall not be obliged to pay rent to the Lessor until 5 December 2014, provided the Property has been handed over by that date.

4.7 Equally, if the handover of Property B is delayed, the term of the Agreement shall be extended for the entire Property by the same period.

5. Rent and Revision

5.1 The rent payable by the Lessee for the lease shall be fixed at (i) SEVENTEEN THOUSAND EIGHT HUNDRED AND NINETY-TWO EUROS (€ 17,892.00) per month for the Property; and FIVE HUNDRED AND FIFTY EUROS (€ 550.00) per month for the Parking Spaces, at the rate of 250 Euros for space No. 56 and 150 Euros for spaces Nos. 57 and 58. The total Rent shall comprise EIGHTEEN THOUSAND FOUR HUNDRED AND FORTY-TWO EUROS (€ 18,442.00) (the **"Rent").** The Rent shall be increased by the relevant Value Added Tax (hereinafter referred to as "VAT"), a tax that shall apply as set out in paragraph 11.1 of this Agreement.

5.2 Subject to the Lessee receiving the Property in the current condition and subject to the actual refurbishment works to be performed by the Lessee in the Property, the Parties agree, provided Property B is handed over by the Lessor on 5 December 2014, a grace period for the payment of the relevant rent for the Property till the Property is handed over, such that the first rent is accrued on 5 December 2014, always provided the Property has been made available to the Lessee.

The receipt for the first rent shall be issued, as the case may be, for the amount pro rata to the days passed since the end of the grace period and the start of the next following month.

As of the start of the month following the end of the grace period, the rent shall accrue for its total amount set out in paragraph 5.1 above (not including VAT).

5.3 The agreed rent shall be revised annually as of 1 January 2016 based on the increase of the Consumer Price Index. Further revisions shall be made every 1 January counted from said date according to the changes to the Consumer Price Index (referring to the national inflation average), whether an increase or a decrease, published by the National Institute for Statistics or by the organisation that may replace it, applying to the rent corresponding to the previous annual payment the percentage change experienced by said Index in the period of twelve months immediately prior to the date of each adjustment. Should the above particular index no longer be published, the relevant index replacing it of the indices published by the National Institute for Statistics or the organisation that may replace it shall apply.

5.4 Taking into account the fact that the data of the National Institute for Statistics or the organisation that may replace it are published with a delay and as a result, if the month in which the already revised rent would have to be charged has started and the basis or coefficient corresponding to such date are not yet known, the Parties expressly agree that the corresponding increases according to the revision system agreed in this Agreement

shall apply retroactively to the date on which the already revised rate must start to be charged, while the relevant additional receipts shall be issued once the necessary data of the above National Institute for Statistics or the organisation that may replace it are known, while it may not be assumed in any case that the Lessor shall waive their collection.

5.5 The Lessee shall pay to the Lessor's account, based on the Consumer Price Index of the latest published monthly payment, the amounts corresponding to the increases following from this Article on revision, which shall not be final, while the settlement corresponding to the retroactive effects provided for shall be carried out, when the final indices are known.

5.6 Should the Lessee fail to pay the rent within the set period, they shall pay interest for the delay at the EURIBOR one year rate plus four point five (4.5) percentage points. Said interest shall accrue daily and shall be charged in the receipt for the rent corresponding to the month immediately prior to the one in which the delay occurred. The payment of said penalty shall not grant the right to delay the rent payments, while the Lessor may initiate relevant actions as the case may be.

5.7 If the coming into effect of this Agreement does not coincide with the start of the calendar month, a receipt for the rent corresponding to the Parking Spaces shall be issued pro rata to the days of validity of the lease in said month.

5.8 The total amount of fees for the property owners' association to which the leased Property and Parking Spaces belong, as well as the Real Estate Tax corresponding to them shall be to the account of the Lessee. For the purposes of that which is set out in article 20 of the LAU, the Lessor hereby declares that said costs currently comprise THIRTY-ONE THOUSAND THREE HUNDRED AND SEVENTY-NINE EUROS FOUR CENTS (€ 31,379.04) per annum, comprised of € 13,740 in property owners' association fees on the Property, € 16,479.04 in Real Estate Tax on the Property, and 1,160.00 Euros in property owners' association fees on the Parking Spaces (which comprises the Real Estate tax on same).

6. Rent Payment

The payment of the rent and the other expenses which pursuant to the Law and the Articles of this Agreement may be passed on or charged to the Lessee shall be made in advance, within the first five (5) business days of each month, and the relevant receipts shall be debited directly to the bank current account of the Lessee No. ES78 0065 0145 3800 0152 0694 for this purpose.

7. Utilities and Accounting

7.1 The Property is leased in the current condition of the existing general and branch line connections or lines corresponding to same for the utilities that the real estate is provided with.

7.2 The amount corresponding to the consumption of all said utilities that they may have made since the effective date of the

Agreement till its termination for any reason shall be to the Lessee's account. The utilities for consumption prior to the effective date shall be to the account of the Lessor.

7.3 The Lessee is free to agree with the relevant suppliers any or all of the utilities that the Property may or might be provided with, exempting the Lessor of any responsibility whatsoever.

8. Maintenance and Works

8.1 The Lessee declares that they are aware of the characteristics and maintenance condition of the Property and that they expressly accept them. In case of pre-existing failures or defects, the Lessee shall have a period of 15 days to inform the Lessor thereof, while the latter shall rectify them promptly and diligently. After such period has passed, the Property shall be understood to have been received satisfactorily and in good condition. As for the installation of air conditioning, the Parties agree that during the term of the Agreement the Lessee shall become responsible for the condition and correct functioning of said climatisation equipment, for which purpose they shall bear the costs of maintenance, repair and upkeep of said equipment.

8.2 The Lessor shall only carry out the repairs that may be necessary to maintain the Property in the conditions necessary for the agreed use, except where the repair concerns wear that may be deemed to be attributable to the Lessee pursuant to that which is set out in article 30 of the LAU. The maintenance and repair works that wear and tear by normal use of the Property and its installations may require shall be to the account of the Lessee.

8.3 The Lessor shall authorise any upgrade, refurbishment and work that the Lessee may wish to perform in the Property, including installations and utilities, and shall not authorise said works if they mean a danger or damage to the structure of the real estate or of the Property, weaken the materials used in the construction or affect common elements of the building (which for this purpose shall be confirmed by the Lessee through presentation to the Lessor before the start of the works of the relevant plan, design and work memorandum, qualities and finishes).

8.4. The Lessor shall hand over to the Lessee before handing over the possession of the Property a copy of the energy efficiency certificate corresponding to same.

8.5. Emergency Staircase

8.5.1. The Lessee hereby states that they know and accept that the Property Owners' Association of the building in which the Property is situated has agreed to the possibility of an emergency staircase being built, which would pass through all the floors of the building and which would occupy, in purely tentative terms, approximately 6 square metres of the surface of the Property. Enclosed as Annex 2 is a copy of the plan that shows the surface that, as the case may be, will be taken up by said emergency staircase.

8.5.2. In case construction of said staircase is carried out, the Lessee, while expressly waiving that which is set out in article 30 in conjunction with articles 22 and 26 of the LAU, agree to facilitate technicians and workers access insofar as it may be necessary and to tolerate said works, which shall be performed such that inconvenience to the Lessee is minimised as much as possible. Without prejudice to the obligations of

the Property Owners' Association, the Lessor assumes before the Lessee the cost of the works, including the finishes of the affected zone of the Property, such that they remain in conditions similar to those existing before the start of the works. The Lessor shall indemnify and hold the Lessee harmless for any claims that may result from the construction of said staircase.

8.5.3. If said construction is carried out, the monthly rent for the Property and the costs (including the property owners' association fees and Real Estate Tax) shall be reduced as of the starting date of the works pro rata to the surface of the Property that may be occupied by said emergency staircase. During the works, the rent shall be reduced taking into account the harm that the Lessee may suffer as a consequence thereof.

9. Permits and Licences

9.1 The Lessor is exempt of any responsibility in case the existing opening Licences or permits are revoked or become invalid and the Property is ordered to close, except where it is caused by serious negligence or bad faith attributable to the Lessor.

10. Signs

10.1 The Lessee may install certain advertising signs and/or notices that they may deem convenient with prior consent of the Lessor, provided that said installation complies with the applicable regulation and has obtained the permits and licences necessary for its correct installation, adapting them to the applicable general rules of the property owners' association of the real estate to which the leased Property belongs, and, as the case may be, upon prior consent of said association. The taxes, fees and permits required for said installations shall be to the Lessee's account.

10.2 If the installation of signs involves works, that which is set out in Article 8.3 above shall apply. In any case, should the Agreement be terminated for any reason, the Lessee shall remove, at their expense and with full indemnification for the Lessor, any notices they may have installed whatsoever, leaving the place where they may have been installed in the current condition.

11. Taxes and Tax Withholding

11.1 The Agreement is subject to Value Added Tax (VAT), which shall be passed on to the Lessee in each one of the monthly rent receipts, pursuant to that which is set out in the Law and the Regulation of said tax, i.e. for the amount that may result from the application of the rate applicable to the rent at any time and other amounts that may constitute the tax base on the date of accrual.

11.2 The Lessee shall also pay the taxes, charges, fees and generally all the contributions or levies of any type that may be charged or withheld from the Property and the Parking Spaces for the reason of their activity.

11.3 Lacking confirmation of the cases in which the withholding provided for in Royal Decree 113/1998 of 30 January should not apply, the Lessee shall proceed with withholding an appropriate amount for its depositing in the Tax Office.

12. Transfer and Sublease

12.1 The Lessee may not transfer or assign this Lease Agreement without prior written consent of the Lessor.

12.2 The Parties agree that the Property and the Parking Spaces subject to this Agreement may not be subleased by the Lessee without express prior written consent of the Lessor.

12.3 An exception is made from that which is set out in Articles 12.1 and 12.2 above for transfer or sublease in favour of the business group of the Lessee, which shall not require the consent of the Lessor, which hereby authorises it and consents insofar as necessary, also expressly waiving any increase of the rent in case of said transfer or sublease.

13. Security and Guarantee

13.1 Security : On the day following the signing of this Agreement, the Lessee shall hand over to the Lessor the security, which shall comprise THIRTY-SIX THOUSAND EIGHT HUNDRED AND EIGHTY-FOUR EUROS (€ 36,884.00), equivalent to two (2) monthly rent payments (including rent for the Property and for the Parking Spaces) by transferring it into the Lessor's current account 2100 2903 68 0200096180.

The above amount shall correspond, insofar as it is sufficient, to the performance of the obligations assumed by the Lessee by virtue of the Agreement, pursuant to that which is set out in article 36 of the LAU.

The amount of the security shall be deposited by the Lessor with the competent organisation and within the set legal period, while it shall not be subject to any adjustment whatsoever during the entire term of the present lease. The Lessor shall hand over to the Lessee a copy of the supporting documentation of said deposit.

13.2 Bank Guarantee : Furthermore, in order to guarantee the performance of all the obligations following from this Agreement, the Lessee hereby undertakes to hand over, at time of the handover of possession of the entire Property, a first demand bank guarantee, while waiving the benefits of division, exlcusion and priority, in the amount of ONE HUNDRED AND TWENTY-SIX THOUSAND THREE HUNDRED AND FORTY-ONE EUROS FIFTY-TWO CENTS (€ 126,341.52) equivalent to six (6) monthly rent payments (including the rent for the Property and the Parking Spaces) and costs (property owners' association fees and Real Estate Tax).

13.3 Should these guarantees be executed fully or partly, the Lessee shall replace them for the relevant guarantee amount set out in the previous paragraphs.

14. Expiry of the Agreement

The Agreement shall expire in the following cases:

(a) Upon the passing of the term of the Agreement or notice of termination of same on the terms of Article 3.

(b) Upon mutual agreement between the Parties made in writing.

(c) Due to substantial failure by either of the Parties to meet any of the obligations set out in the Agreement, except where such failure to meet obligations is rectifiable and is rectified within thirty (30) business days following the date on which notice is made to the non-complying Party requiring it to rectify it. After said period has passed without the non-compliance having been rectified, the notifying Party may declare the Agreement terminated by written notice to the non-complying Party and claim the damages that may correspond to it.

(d) For legal or contractually stipulated reasons.

On the expiry date of the Agreement, the Lessee shall return the Property and the Parking Spaces pursuant to that which is set out in Article 3, and Lessor shall return the guarantee referred to in Article 13, provided that at the time of expiry of the Agreement the Lessee is up to date with rent payments or, if not, the amount of the outstanding rent payments exceeds the amount of the security and that, after the condition of the Property and the Parking Spaces has been inspected, no damage is observed that may exceed the amount of the security. The Lessor may keep the security until the Lessee has paid the amounts owed for utilities or outstanding rent payments, after which the Lessor shall return the security within ten (10) business days of such payment.

Equally, the Lessee waives the pre-emptive right, right of first refusal and right to repurchase in respect of the Property and the Parking Spaces provided for in Article 31 of the LAU, while in any case the Lessee shall notify the Lessor of their intention to sell at least thirty days in advance of the date the sale and purchase is formalised, on the terms of article 25.8 of the LAU.

15. The Lessee’s Declarations and Obligations

15.1.1 The Lessee assumes direct and exclusive responsibility and exempts the Lessor of any liability for the damages that may be caused to persons or things and that may follow from the possession of and the activity carried out in the Property and the Parking Spaces and from the functioning of its installations, while exempting the owner/lessor of all liability.

15.1.2 The Lessee hereby undertakes to pay the agreed monthly rent, increases and similar amounts

15.1.3 The Lessee hereby undertakes to maintain an insurance policy that is sufficient and adequate in order to take responsibility for the damages and harm that may be caused to the contents of the Property, as well as to third parties or to the customers and employees of the enterprise both due to the activities carried out in the Property as well as due to possession of same and due to

the functioning of its installations, while exempting the owner/lessor of all liability.

16. The Lessor's Declarations and Obligations

16.1 The Lessor hereby undertakes to meet all the obligations that correspond to them by virtue of this Agreement.

16.2 The Lessor hereby undertakes that a sufficient and adequate insurance policy will exist and be maintained in force, contracted by the Lessor themselves or by the property owners' association, in order to take responsibility for the damages and harm that may be caused to the container (building) of the Property and the Parking Spaces as a result of disasters whose cause may be the container (such as problems of air tightness, pipes, coverings, general-use installation etc.).

16.3 The Lessor hereby hands over to the Lessee the Energy Efficiency Certificate of the Property pursuant to that which is set out in Royal Decree 235/2013 of 5 April, which approves the basic procedure for energy efficiency certification of buildings.

17. Rules of Interpretation

17.1 Headings

The headings and the table of contents used in the Agreement are only included for reference purposes and do not affect its interpretation.

17.2 Prevalence

Should there be contradictions between the contents of an additional document or an annex and the contents of the Articles of the Agreement, preference shall always be given to the letter, spirit and purpose of the latter, except where expressly set out otherwise.

17.3 Severalty and Supplementation of the Articles

The unlawfulness, invalidity or ineffectiveness of any of the Articles of the Agreement shall not affect the effectiveness of the rest, provided that the rights and obligations of the Parties following from the Agreement are not affected in a substantial manner. Substantial shall be understood as any situation that may gravely damage the interests of either of the Parties or that may affect the actual subject of Agreement stipulated in Article 1. Said Articles shall be replaced by and supplemented with others, which, being compliant with the law, may meet the purpose of those replaced.

17.4 Prevalence and Modifications of the Agreement

The Agreement constitutes the whole agreement reached between the Parties until its signing date in respect of the subject matter contained in same and replaces and revokes any prior agreements in relation to its subject.

The modifications that may be made to the Agreement shall be written up in a document signed by the Parties.

17.5 Waiver

It shall not be understood that the Parties have waived any of the rights resulting from the Agreement or derived from failure to comply with same, except where such waiver is made expressly and in writing pursuant to this Agreement.

If either of the Parties waives any of its rights following from the Agreement or from any failure by the other Party to comply pursuant to the previous paragraph, such waiver shall not be interpreted in any way as the waiver of any other right resulting from the Agreement or from any non-compliance by the other Party, even if they are similar.

18. Notices

18.1 Form

All the communications and notices that the Parties are to make to each other by virtue of the Agreement or that may be associated with same shall be made in writing and by way of:

(a) hand delivery with written confirmation of receipt by the other Party;

(b) notary public;

(c) certified fax with confirmation of receipt and certification of the contents; or

18.2 Address and addressees

The communications and notices between the Parties shall be sent to the addresses and for the attention of the persons shown below.

For the Lessor:

BASSAT PARTNERS, S.L.
Av. Josep Tarradellas 123, 7°
08029 Barcelona

For the Lessee:

KING SHARED SERVICES, S.L
Av. Josep Tarradellas número 123, 6 ª planta
8029 Barcelona

18.3 Changes

Any change to the addresses or persons for the purposes of notifications shall be communicated to the other Party forthwith pursuant to the rules

set out in this Article. Insofar as a Party has not received notice of such changes, the notices made by it pursuant to said rules according to the original details shall be understood to be made correctly.

19 Applicable Law

19.1 This Agreement shall be governed by that which is provided for in same, failing that by that which is set out in Title III of the effective LAU and, failing that, by that which is set out in the Civil Code.

20 Data Protection

20.1 Pursuant to Law 15/1999 on Personal Data Protection, the representatives of both Parties acknowledge that they are informed and agree for the personal details reflected in this Agreement to be included in the respective files of each Party at the address stipulated in the heading of the Agreement with the main objectives of complying with the development of same, of sending documentation relating to it and maintaining the historical data.

In the case of providing information on third parties for the performance of the Agreement, each Party shall have previously informed them and asked for their consent for the ends set out herein.

20.2 Each Party hereby undertakes to make known to the other Party any variation of the personal details that may be provided for the performance of the Agreement so that they may be updated; otherwise, it shall be understood that the details have not been modified and are accurate and current.

If it is desired to exercise the rights of access, rectification, cancelation and objection, please send a letter with a copy of the ID card to the address shown in the heading of this Agreement, marking the envelope “Data Protection”.

21 Jurisdiction

21.1 The Parties agree to subject any litigation resulting from the performance or interpretation of the Agreement to the courts and tribunals of the city of Barcelona while expressly waiving their own jurisdiction if covered by a different one.

22 Notarisation of the Agreement and Its Registration in the Property Register

The Parties hereby undertake to notarise this Agreement and to have it registered in the Property Register whenever any one of the Parties may request it. The cost of such notarisation and registration shall be paid by the Party that has requested it.

The Parties sign this Agreement as proof of approval of that which is set out hereinabove in duplicate and for a single purpose in the place and on the date shown in the heading.

/s/ YOLANDA BASSAT ORELLANA

The Lessor
Ms YOLANDA BASSAT ORELLANA, **BASSAT PARTNERS, S.L**

/s/ RICCARDO ZACCONI

The Lessee
Mr RICCARDO ZACCONI, **KING SHARED SERVICES, S.L**

DIRECT DEBIT MANDATE

Creditor/Issuer

Name:	Bassat Partners S.L.
Address:	Av. Josep Tarradellas, 123 7°
Post code:	08029
Place:	Barcelona
Taxpayer Identification Number:	B-58.274.648

Debtor

Name:	KING SHARED SERVICES S.L.
Address:	Avenida Josep Tarradellas, 123, 6 ª planta
Post code:	08029
Place:	Barcelona
Taxpayer Identification Number:	B-66.036.906

By signing this Direct Debit Mandate, the Debtor authorises the Creditor/Issuer to send repeat instructions to the Debtor's financial institution in order to debit to the account of the debtor himself repeatedly the relevant amounts, according to the instructions of the Creditor/Issuer.

BIC of the Debtor's financial institution (8 digits):

B	A	R	C	E	S	M	M

Number of the Debtor's account (IBAN) (24 digits):

E	S	7	8	0	0	6	5	0	1	4	5	3	8	0	0	0	1	5	2	0	6	9	4

Barcelona, 10 November 2014

Signature _____

Name and surnames _____

ANNEX 1 - PLAN OF THE PROPERTY

[figure] /s/ Carrer de RITA BONNAT

Carrer de RITA BONNAT

Mechanical Room

Av. de JOSEP TARRADELLAS

7th FLOOR
Scale 1/200

Annex 2
PLAN OF THE EMERGENCY STAIRCASE

/s/ Carrer de RITA BONNAT

Carrer de RITA BONNAT

[illegible] Room

Private property 5.1

Staircase 2

[illegible]

Room

[illegible]

Staircase 1

[illegible]

Private property 5.2

Private property 5.3

Independent lobby

Staircase 3

Av. de JOSEP TARRADELLAS

Exhibit 4.04

Underlease

Relating to Ground and Mezzanine Floors, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA

(1) Expedia.com Limited

(2) Facebook UK Ltd

Dated 11 November 2011

Osborne Clarke

One London Wall
London
EC2Y 5EB
Tel +44 (0) 20 7105 7000
Fax +44 (0) 20 7105 7005

Contents

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1. Definitions and interpretation 2
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4. Same terms as Headlease 4
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6. Landlord’s covenants 5
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Annexure 10

Prescribed clauses under Schedule 1A of the Land Registration Rules 2003

LR1. Date of lease	11 November 2011
LR2. Title number(s)	**LR2.1 Landlord's title number** **LR2.2 Other title numbers** 87123
LR3. Parties to this lease	**Landlord: Expedia.com Limited** (Company Number 03847519) whose registered office is at 42 Earlham Street London WC2H 9LA **Tenant: Facebook UK Ltd** (Company Number 06331310) whose registered office is at Gladstone House, 77/79 High Street, Egham, Surrey TW20 9HY
LR4. Property	**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.** The Premises as defined in clause 1.1
LR5. Prescribed statements etc.	***LR5.1*** Not applicable ***LR5.2*** Not applicable
LR6. Term for which the Property is leased	The term as specified in the definition of Contractual Term in the Underlease Particulars
LR7. Premium	None
LR8. Prohibitions or restrictions on disposing of this lease	This Underlease contains a provision that prohibits or restricts dispositions.
LR9. Rights of acquisition etc	***LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land*** None ***LR9.2 Tenant's covenant to (or offer to) surrender this lease*** None ***LR9.3 Landlord's contractual rights to acquire this lease*** None

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	None
LR11. Easements	***LR11.1 Easements granted by this lease for the benefit of the Property*** None ***LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property*** None
LR12. Estate rent charge burdening the Property	None
LR13. Application for standard form of restriction	None
LR14. Declaration of trust where there is more than one person comprising the Tenant	Not applicable

Underlease Particulars

Date:	11 November 2011
Landlord:	**Expedia.com Limited**
Company Number:	03847519
Registered Office:	42 Earlham Street London WC2H 9LA
Tenant:	**Facebook UK Limited**
Company Number:	06331310
Registered Office:	Gladstone House, 77/79 High Street, Egham, Surrey TW20 9HY
Premises:	Ground and Mezzanine floors, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA (more particularly shown edged in red on the Plan)
Contractual Term:	Term of years starting on the Term Start Date and ending on 15 February 2018
Term Start Date:	11 November 2011
Rent:	£307,750 per year
Rent Start Date:	11 July 2013
Review Date:	2 January 2017
Contracted out:	The Underlease is excluded from the security of tenure provisions of Part II of the 1954 Act.

This Underlease is made on the date stated and between the parties specified in the Underlease Particulars.

It is agreed as follows:

1. **Definitions and interpretation**

1.1 In this Underlease, unless the context otherwise requires, the following definitions shall apply:

"1954 Act" means the Landlord and Tenant Act 1954 (as amended).

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995.

"2003 Order" means the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

"Authorised Guarantee Agreement" means as defined by section 28(1) of the 1995 Act.

"Business Day" means a day (other than a Saturday or Sunday) on which clearing banks are open for business in the City of London.

"Consent for Alterations" means the written consent of the Superior Landlord in such form as is required by the Headlease to the Tenant's proposed works to the Premises.

"Guarantor" means any person from time to time who guarantees the obligations of the Tenant in this Underlease.

"Headlease" means the lease under which the Landlord holds the Premises dated 7 July 2009 made between (1) Seven Dials S.A.R.L. (2) Expedia.com Limited and (3) Expedia, Inc a copy of which is annexed to this Underlease.

"Included Rights" means the rights granted by, and set out in schedule 2 of the Headlease and as set out in Schedule 1 to this Underlease.

"Landlord" means the party so named in the Underlease Particulars and any person from time to time entitled to the right to possession of the Premises when the Underlease ends.

"Payment Days" means 25 March, 24 June, 29 September and 25 December in each year.

"Plan" means the plan annexed to this Underlease.

"Premises" means the premises demised by and more particularly described in the Headlease.

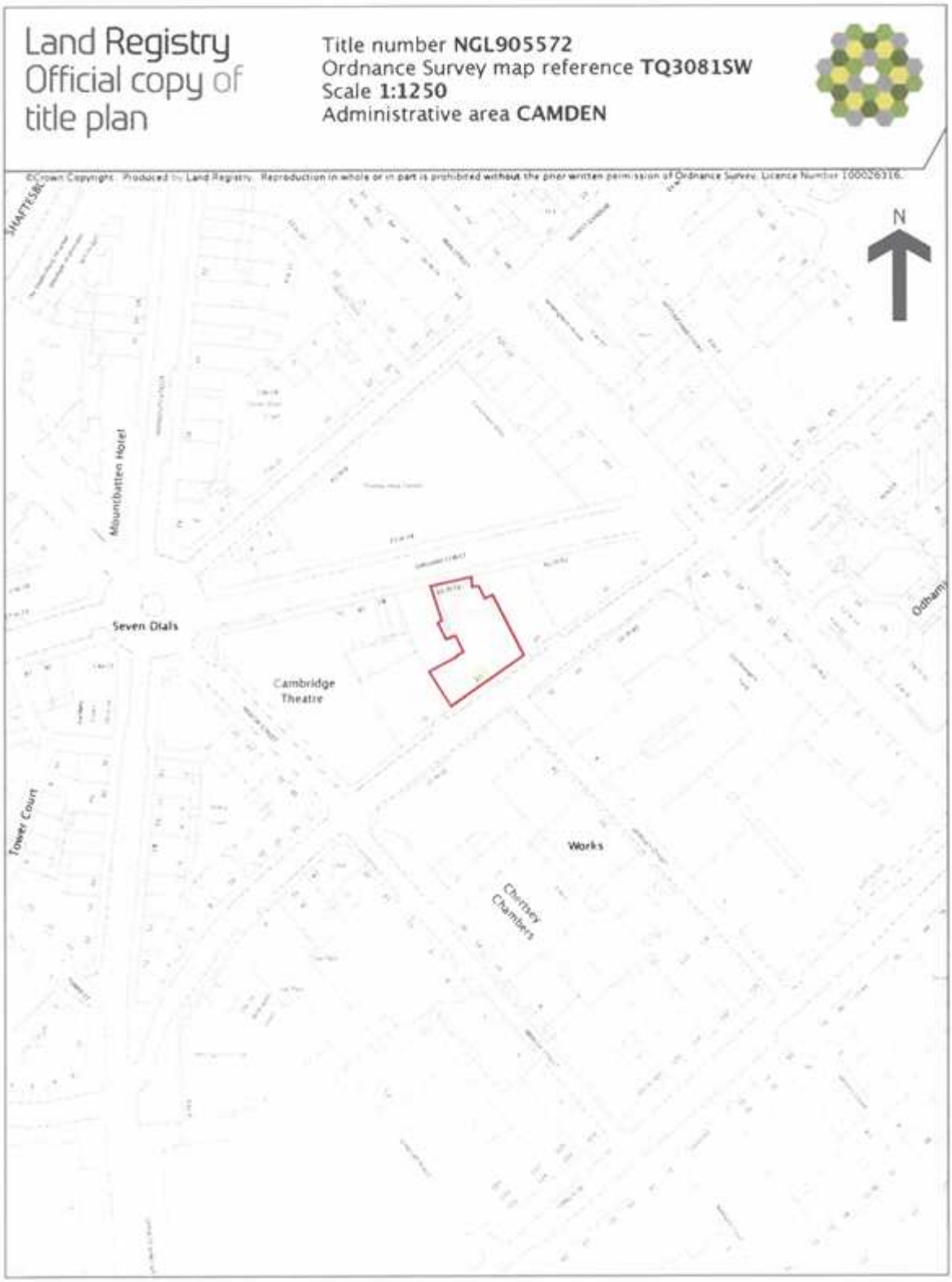
"Reserved Rights" means the rights excepted and reserved by and set out in schedule 3 of the Headlease.

"Underlease" means this Underlease as supplemented or varied in writing from time to time whether by deed, licence or otherwise.

"Superior Landlord" means the person for the time being entitled to the reversion immediately expectant upon the expiry or sooner determination of the Headlease.

"Tenant" means the party so named in the Underlease Particulars and any person in whom this Underlease is vested from time to time.

"Term" means the Contractual Term.



This official copy is incomplete without the preceding notes page.

"VAT" means value added tax as provided under the VATA.

"VATA" means Value Added Tax Act 1994 and references to the VATA shall include all statutes, laws, regulations, notices, directions or similar provisions, relating to value added tax and any value added, turnover, sales, purchase or similar tax of the United Kingdom or of any other jurisdiction and references to value added tax or to VAT shall be construed accordingly.

1.2 In this Underlease, unless the context otherwise requires:

(a) where at any time a party to this Underlease comprises more than one person all obligations and liabilities of or with that party are joint and several and references to that party include references to each such person;

(b) words denoting persons include any individual, firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality);

(c) words in the singular include the plural and vice versa and words in one gender include any other gender;

(d) references to clauses are to clauses of this Underlease;

(e) the Underlease Particulars form part of this Underlease but the table of contents and the headings are for convenience only and will not affect the construction or interpretation of this Underlease;

(f) unless the context shall otherwise so require words and expressions defined in the Headlease shall bear the same meaning where such words and expressions appear in this Underlease;

(g) any obligation by the Tenant not to do or omit to do something includes an obligation not to permit or to suffer that thing to be done or omitted;

(h) where there is an obligation to obtain the consent or approval of the Landlord under this Underlease such consent or approval must be contained in a formal deed or licence;

(i) where under the terms of this Underlease the consent of the Landlord is required for any act or matter the consent of the Superior Landlord under the terms of the Headlease is also to be required wherever requisite provided that nothing in this Underlease is to be construed as imposing on the Superior Landlord any obligation not to refuse his consent unreasonably;

(j) reference to any right exercisable by the Landlord or any right exercisable by the Tenant in common with the Landlord is to be construed as including where appropriate reference to the exercise of the right by the Superior Landlord and all persons authorised by him in common with all other persons having a like right;

(k) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it whether such statute or statutory provision comes into force before or after the date of this Agreement;

(l) the word **"assignment"** includes equitable assignment and the words **"assign"** and **"assignee"** shall be construed accordingly; and

(m) references to any statute or legislation include any legislation of the European Union directly applicable in the United Kingdom.

2. **Demise**

The Landlord, demises the Premises to the Tenant for the Term subject to:

2.1 together with (so far as the Landlord can grant the same) the Included Rights;

2.2 except and reserved to the Landlord and the Superior Landlord the Reserved Rights; and

2.3 subject to all rights, restrictions, covenants and liabilities affecting the Premises from time to time including for the avoidance of doubt the exceptions reservations restrictions rights and other matters contained in the Headlease.

3. **Rent**

3.1 The Tenant will pay the Rent to the Landlord without deduction or set off (except where lawfully provided by statute) by equal quarterly payments in advance on the Payment Days, the first payment for the period beginning on the Rent Start Date and ending on the day before the Payment Day following the Rent Start Date to be paid on the Rent Start Date.

3.2 If required by the Landlord the Rent shall be paid by standing order or credit transfer to the Landlord's bank account.

3.3 The Rent shall be reviewed on the Review Date in accordance with the terms of the Headlease save for the purposes of clause 4.1 (c)(i) the rent payable shall be the Rent specified in the particulars to this Underlease.

4. **Same terms as Headlease**

Except as to the term of years granted the rents reserved and reviewed and where the specific terms of this Underlease state otherwise this Underlease is made upon the same terms and subject to the same covenants provisos (including without limitation the proviso for re-entry) and conditions as are contained in the Headlease as if the same were set out in this Underlease in full with such modifications as are necessary to make the same applicable to the present demise, and the parties hereto as if the names of the parties hereto had been respectively substituted for those of the Landlord and the Tenant in the Headlease and in the case of any conflict between the provisions of this Underlease and the Headlease the provisions of this Underlease shall prevail.

5. **Tenant's covenants**

The Tenant covenants with the Landlord:

5.1 ***Tenants Covenants in the Headlease***

To observe and perform the covenants and conditions on the part of the Tenant contained in the Headlease (excepting the covenants to pay the rents or other payments) as if the same were repeated in full in this Underlease except insofar as the Landlord expressly covenants in this Underlease to observe and perform them and to indemnify the Landlord from and against any actions proceedings claims damages liabilities costs charges expenses or losses arising from any breach non-observance or non-performance of those covenants and conditions.

5.2 ***Service Charges and Insurance***

To pay as rent to the Landlord on demand sums equal to the service charge and insurance premiums (as defined in the Headlease) payable from time to time by the Landlord under the Headlease.

5.3 ***Restrictions in Headlease***

Unless to do so would conflict with the terms of this Underlease, not do omit suffer or permit in relation to the Premises any act or thing that would or might cause the Landlord to be in breach of the Headlease or that if done omitted suffered or permitted by the Landlord would or might constitute a breach of the covenants on the part of the Lessee and the conditions contained in the Headlease.

5.4 ***Indemnity***

To indemnify and keep the Landlord indemnified against all actions proceedings claims damages liabilities costs charges expenses and losses in respect of or incurred in connection with the Premises or any injury incurred by any party upon the Premises or any damage to any item upon the Premises or otherwise (howsoever arising) or arising from any breach of the Tenant's covenants contained in this Underlease but not in respect of any breach by the Landlord of the Landlord's covenants contained in this Underlease.

5.5 ***VAT***

To pay to the Landlord VAT on any payments due under this Underlease so far as such tax is properly chargeable on the same and in every case where the Tenant has agreed to reimburse or indemnify the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Underlease to reimburse any VAT paid by the Landlord on such payment unless the VAT is recoverable by the Landlord.

5.6 ***Costs***

To pay to the Landlord on a full indemnity basis all proper costs fees charges disbursements and expenses properly incurred by the Landlord (both during and after the end of the term) in relation or incidental to:

(a) every application made by the Tenant for consent or licence required by the provisions of this Underlease whether or not it is granted refused or offered subject to any lawful qualification or condition or the application is withdrawn;

(b) the recovery or attempted recovery of arrears of Rent or other sums due under this Underlease;

(c) any steps taken in connection with the preparation and service of a schedule of dilapidations during or within three months after the end of the Term; and

(d) any breach by the Tenant of the Tenant's covenants on its part contained in this Underlease.

5.7 ***Access by Landlord***

To permit the Landlord upon reasonable notice (except in emergency) to enter the Premises for the purpose that is in the opinion of the Landlord necessary to enable it to comply with the covenants on the part of the lessee and the conditions contained in the Headlease.

5.8 ***Access by Superior Landlord***

To permit the Superior Landlord and all persons authorised by the Superior Landlord to enter the Premises for the purposes specified and upon the terms contained in the Headlease or in any lease superior to it as if the provisions in such documents dealing with the lessor's access to the Premises were incorporated into this Underlease.

6. **Landlord's covenants**

The Landlord covenants with the Tenant:

6.1 ***Quiet enjoyment***

That the Tenant will peaceably and quietly hold and enjoy the Premises during the Term without any interruption by the Landlord or by any person lawfully claiming through, under or in trust for the Landlord.

6.2 ***Rent***

To pay the rents reserved by the Headlease.

6.3 ***Superior Landlord's Covenants***

To use reasonable endeavours to procure that the Superior Landlord shall comply promptly with the covenants on its part contained in the Headlease.

6.4 ***Superior Landlord Consent***

At the request of the Tenant to take all reasonable steps at the cost of the Tenant to obtain the consent of the Superior Landlord where it is required under the terms of the Headlease

6.5 ***No Variation***

Not at any time without the prior written consent of the Tenant to vary the Headlease.

7. **Other Provisions**

7.1 ***Insurance***

The Landlord will use its reasonable endeavours to enforce the Superior Landlord's insurance obligations contained in Clause 9.1 of the Headlease and it is agreed that the provisions of Clauses 9.13, 9.14, 9.15 ,9.16 and 9.17 of the Headlease shall apply to this Underlease.

7.2 ***Liability***

To the extent permitted by law the Landlord is not liable:

(a) to the Tenant or any occupier of the Premises for any accident, injury, damage or loss however arising; or

(b) to the Tenant for any failure to perform any of its obligations under this Underlease,

unless and until the Tenant has notified the Landlord in writing of the facts constituting such default and the Landlord fails to remedy the default within a reasonable time.

7.3 ***Landlord and Tenant (Covenants) Act 1995***

(a) The clauses of this Underlease will only take effect insofar as they do not contravene the provisions of the 1995 Act.

(b) Insofar as any provisions of this Underlease contravene the provisions of the 1995 Act the relevant provisions (or if applicable, the relevant parts of them) are deemed to be deleted so far as necessary to ensure such compliance.

(c) Any such deemed deletion does not affect the remaining provisions of this Underlease.

7.4 ***Exclusion of third party rights***

Unless expressly provided in this Underlease, no express term of this Underlease or any term implied under it is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

7.5 ***Governing law and jurisdiction***

(a) This Underlease and any dispute, claim or obligation (whether contractual or noncontractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

(b) The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Underlease, its subject matter or formation.

7.6 ***Agreement for Lease***

There is an agreement for lease made between (1) the Landlord and (2) the Tenant dated 6 July 2011 to which this Underlease gives effect.

8. **Security of tenure**

8.1 Pursuant to section 38A(1) of the 1954 Act the Landlord and Tenant agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act shall be excluded in relation to the tenancy created by this Underlease.

8.2 The Landlord and Tenant agree and declare that before the date of this Underlease:

(a) a notice in the form set out in Schedule 1 to the 2003 Order which applies to this Underlease was served by the Landlord on the Tenant on 27 June 2011 (the **"Notice"**); and

(b) a statutory declaration was made by the Tenant on 1 July 2011 in the form set out in Paragraph 8 of Schedule 2 to the 2003 Order (the **"Declaration"**).

8.3 Where the Declaration was made by a person other than the Tenant the Tenant confirms that the declarant was duly authorised by it to make the Declaration on its behalf.

8.4 The Landlord and the Tenant further agree and declare that the form of this Underlease is in all material respects the same as that which was in their contemplation at the time of the service of the Notice.

In witness this Underlease is executed and delivered on the date appearing at the head of page 1.

Schedule 1

Included Rights

1. The right to continue to use the plant and other equipment and to connect to the chillers constructed on the roof to the Building referred to in Schedule 2 of the Headlease.

2. The rights granted pursuant to the terms of a Consent for Alterations dated 2011 made between (1) the Superior Landlord (2) the Landlord and (3) the Tenant.

Executed as a **Deed**	)
by **Expedia.com Limited**	)
acting by	) /s/ ND Pocklington
a director, in the presence of:	) ND Pocklington
	Director
Signature of witness:	/s/ MATTHEW WALLS
Name:	MATTHEW WALLS
Address:	42 Earlham St. LONDON WC2H 9LA
Occupation:	VP MARKETING

Executed as a **Deed**	)
by **Facebook UK Ltd**	)
acting by	)
a director, in the presence of:	)
	Director
Signature of witness:	
Name:	
Address:	
Occupation:	

Dated **7 July** **2009**

(1) **SEVEN DIALS S.A.R.L.**

(2) **EXPEDIA.COM LIMITED**

(3) **EXPEDIA, INC.**

Ground and Mezzanine floors
Seven Dials Warehouse
42/50 Earlham Street
London WC2H 9LA

CMS Cameron McKenna LLP
Mitre House
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LR1. Date of lease	7th July 2009
LR2. Title number(s)	**LR2.1 Landlord's title number(s)** *Title number(s) out of which this lease is granted. Leave blank if not registered* NGL422086 **LR2.2 Other title numbers** *Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made* None
LR3. Parties to this lease	**Landlord** **SEVEN DIALS S.A.R.L.** a company incorporated under the laws of Luxembourg under number B137218 whose registered office is at L-1855 Luxembourg 46A Avenue JF Kennedy Luxembourg **Tenant** **EXPEDIA.COM LIMITED** (a company incorporated under company number 03847519) whose registered office is at 42 Earlham Street London WC2H 9LA **Other parties** *Specify capacity of each party, for example "management company", "guarantor", etc.* **Guarantor** **EXPEDIA, INC.** (company number 3956616) a company incorporated in the State of Delaware USA whose principal office is at 3150 139th Avenue SE Bellevue, WA 98005
LR4. Property	**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.** The Property known as ground and mezzanine floors Seven Dials Warehouse 42/50 Earlham Street London WC2H 9LA and ancillary Property as further described in Part 2 of Schedule 1 and every part of it and all alterations to it
LR5. Prescribed statements etc.	***LR5.1 Statements' prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.*** None

LR6. Term for which the Property is leased	From and including 7th July 2009 To and including 19 February 2018
LR7. Premium	None
LR8. Prohibitions or restrictions on disposing of this lease	This lease contains a provision that prohibits or restricts dispositions.
LR9. Rights of acquisition etc.	**LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land** None **LR9.2 Tenant's covenant to (or offer to) surrender this lease** None **LR9.3 Landlord's contractual rights to acquire this lease** None
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	None
LR11. Easements	**LR11.1 Easements granted by this lease for the benefit of the Property** See Schedule 2 **LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other Property** See Schedule 3
LR12. Estate rentcharge burdening the Property	None
LR13. Application for standard form of restriction	
LR14. Declaration of trust where there is more than one person comprising the Tenant	

THIS DEED WITNESSES as follows:

1. Definitions

In this Lease the terms defined in the Land Registry prescribed clauses and the further particulars set out at the beginning of this Lease and in Schedule 1 shall have effect and:

"Asset Rating" : has the meaning given in the EPB Regulations

"assign" : includes entering into any form of equitable assignment of the Property including a registerable transfer where the Tenant's title to the Property is registered or registerable but does not include entering into a contract for the assignment or transfer of the Property and assignment is similarly construed

"authorised guarantee agreement" : has the meaning given to it by the LTC Act 1995

"Building" : the Property described in Part 1 of Schedule 1 and every part of it and all additions and alterations to it and includes (without limitation):

(a) roadways footpaths service roads service areas car parks loading bays and landscaped and open areas

(b) boundary walls and fences

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

"CAW Regulations" : the Control of Asbestos at Work Regulations 2002

"Clearing Bank" : a corporate member of CHAPS Clearing Company Limited

"Common Parts" : the walkways service areas loading bays landscaped and open areas entrances staircases passages landings passenger and goods lifts and other areas (whether or not in the nature of the foregoing) from time to time during the Term provided by the Landlord for common use by the tenants of the Building but for the avoidance of doubt not including any part of the Property

"Conduits" : includes those for sewage water gas electricity telecommunications and data processing

"DEC" : a Display Energy Certificate and Advisory Report as defined in the EPB Regulations

"Default Interest Rate" : means three per cent, per annum above the Interest Rate

"End of the Term" : includes the expiry of the Term by effluxion of time or the determination of the Term by forfeiture surrender merger notice or in any other way

"EPB Regulations" : the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007

"EPC" : an Energy Performance Certificate and Recommendation Report as defined in the EPB Regulations

"Existing Lease" : the lease of the Reception and Floors 3, 4 and 5 of the Building dated 28 April 2008 and made between (1) The Royal Bank of Scotland plc (as trustee of the Schroder Exempt Property Unit Trust) (2) Expedia.com Limited and (3) Expedia, Inc

"Guarantor" : the surety referred to in clause LR3 or any surety or sureties of the Tenant's obligations under this Lease from time to time and where the Guarantor is an individual includes the Guarantor's personal representatives

"Head Landlord" : any person for the time being entitled to possession of the Property at the end of any term of years granted by any Head Lease

"Head Lease" : any lease under which the Landlord is for the time being entitled to possession of the Property at the End of the Term and every lease (whether immediate or otherwise) out of which that lease was created all deeds varying any of those leases and all licences and consents granted under any of those leases or under any deed of variation

"Initial Rent" : two hundred and ninety two thousand three hundred and sixty two pounds and fifty pence (£292,362.50)

"Insured Risks" : loss or damage by fire lightning explosion earthquake aircraft and other aerial devices and articles dropped from them escape of oil impact by vehicles or animals riot civil commotion strikes and labour disturbances storm flood bursting and overflowing of water tanks apparatus or pipes subsidence and heave and terrorism and such other risks against which the Landlord from time to time (acting reasonably) decides to insure subject to such exclusions limitations and excesses as are imposed by its insurers and to the extent to which the risks mentioned in this definition are insurable with the Landlord's insurers

"Interest Rate" : the base rate for the time being of The Royal Bank of Scotland plc or of another Clearing Bank designated from time to time by the Landlord or if there is no such base rate the rate from time to time prescribed under section 32 of the Land Compensation Act 1961

"Landlord" : the Landlord referred to in clause LR3 and the person for the time being entitled to possession of the Property at the End of the Term

"Lease" ; this lease every deed varying or supplemental to this lease every licence and consent granted under this lease or under any deed of variation or supplemental deed and every collateral agreement (as defined in the LTC Act 1995)

"Lettable Areas" : all parts of the Building designed and intended to be let for commercial use

"LTC Act 1995" : the Landlord and Tenant (Covenants) Act 1995

"Major Damage" : damage or destruction to the Property or the Building where the cost of rebuilding or reinstatement exceeds the greater of the annual rent then payable under this Lease (or which would be payable but for any abatement or suspension of the rent under this Lease) and the open market rent of the Property estimated by the Landlord acting reasonably at the time of the damage or destruction

"Operational Rating" : has the meaning given in the EPB Regulations

"Permitted Use" : offices being a use within subparagraph (a) of Class B1 Business in the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order is in force at the date of this Lease

"Plans" : the plans annexed to this Lease

"Planning Acts" : the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 the Planning (Consequential Provisions) Act 1990 the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004

"Quarter Days" : 25th March 24th June 29th September and 25th December in every year

"Rent" : includes all sums reserved as rent by this Lease and any interim rent determined under the Landlord and Tenant Act 1954

"Rent Commencement Date" : 7th June 2011

"Retained Area" : the whole of the Building other than the Lettable Areas

"Review Date" : 7th July 2014

"Review Period" : the period starting with any Review Date up to the next Review Date or starting with the last Review Date for a period of five years after the Review Date

"Section 106 Agreement" : the agreement under Section 106 of the Town and Country Planning Act 1990 dated 17 April 2002 between The Royal Bank of Scotland plc (as trustee of the Schroder Exempt Property Unit Trust) and The Mayor and Burgesses of the London Borough of Camden

"Service Charge Commencement Date" : 7th July 2009

"Tenant" : the tenant referred to in clause LR3 and its successors in title and where the Tenant is an individual includes the Tenant's personal representatives

"Term" : the term as set out in clause LR6 and any statutory or other period of continuance holding over or extension of it

"Term Commencement Date" : 7th July 2009

"Underlease EID application" : an application to the Registrar to designate an underlease or derivative underlease an exempt information document so as to exclude from the edited copy of the underlease or derivative underlease as appropriate to be held by HM Land Registry such information as is excluded from any edited copy of this Lease held at HM Land Registry and such other information as the Landlord shall require

"Uninsured Risk" : a risk or some aspect thereof which would be an Insured Risk but for the fact that insurance is not available or is available but only on terms or at rates which are not commercially acceptable to the Landlord (acting reasonably) in the London insurance market at the date of destruction or damage

"VAT" : value added tax and any imposition or levy of a like nature

"VAT Act 1994" : the Value Added Tax Act 1994 and

"VAT group" ; two or more bodies corporate registered as a group for VAT purposes under section 43 VAT Act 1994.

2. Interpretation

2.1 Where there are two or more persons included in the expressions **"Landlord" "Tenant"** or **"Guarantor"** each reference to the Landlord the Tenant or the Guarantor includes a separate reference to each of those persons

2.2 Any reference express or implied to an enactment includes references to:

(a) that enactment as amended extended or applied by or under any other enactment (before or after the execution of this Lease)

(b) any enactment which that enactment re-enacts (with or without modification)

(c) any subordinate legislation made (before or after the execution of this Lease) under that enactment as amended extended or applied as described in clause 2.2(a) above or under any enactment referred to in clause 2.2(b) above and

(d) any consents licences and permissions given (before or after the execution of this Lease) under that enactment as amended extended or applied as described in clause 2.2(a) above or under any enactment referred to in clause 2.2(b) above or under that subordinate legislation and any conditions contained in those consents licences and permissions.

2.3 Any reference express or implied to enactments generally includes subordinate legislation and any legislation of the European Union that is directly applicable in the United Kingdom and includes existing enactments and those that come into effect during the Term

2.4 Clauses 2.1 to 2.3 apply unless the contrary intention appears

2.5 The headings in this Lease do not affect its interpretation

2.6 Any covenant given by more than one person will be joint and several

2.7 Every obligation of any party to this Lease not to do an act or thing includes an obligation not to allow it to be done

2.8 Where there is an obligation to obtain the consent or approval of the Landlord under this Lease such consent or approval must be in writing and such obligation includes where necessary an obligation to obtain the consent or approval in writing of any chargee or superior landlord from time to time

2.9 Any consent or approval must be obtained before the act or event to which it applies is carried out or done and will be effective only if in the form the party giving it reasonably and properly requires

2.10 Where the Landlord has a right to enter the Property such right will also be exercisable by the Landlord's agents any chargee from time to time and all persons authorised by them with or without workmen and equipment

2.11 Words denoting persons include firms companies and corporations and vice versa

2.12 The singular includes the plural and vice versa and one gender includes any other

2.13 Any reference to the Landlord's surveyor includes any surveyor employed by the Landlord or by any company associated with the Landlord

2.14 References to clauses paragraphs and schedules are to clauses and paragraphs of and schedules to this deed

2.15 The words **"include" "includes"** and **"including"** are deemed to be followed by the words **"without limitation"**

2.16 References to any act or omission of the Tenant extend to any act or omission of any sub-tenant or licensee of the Tenant or any person at the Property or the Building with the consent of the Tenant any sub-tenant or any licensee

3. Lease

3.1 Lease

The Landlord lets the Property to the Tenant with full title guarantee together with (in common with all other persons from time to time entitled to them) the rights set out in Schedule 2 but except and reserving to the Landlord the rights set out in Schedule 3 for the Term set out in Land Registry prescribed clause LR6 subject to all rights and covenants affecting the Property contained or referred to in Schedule 4 at a yearly rent ascertained in accordance with clause 4

3.2 Ancillary rights

The rights granted to the Tenant are granted in common with the Landlord any person authorised by the Landlord and everyone else having the like or similar rights

3.3 Exclusion of implied rights

This Lease does not include any rights other than those set out in Schedule 2

3.4 Reserved rights

The rights excepted and reserved to the Landlord are also excepted and reserved to those authorised by the Landlord and everyone else entitled to them

4. Rent and Rent Review

4.1 Rent

The yearly rent is:

(a) until but excluding the Rent Commencement Date the rent of one peppercorn (if demanded)

(b) from and including the Rent Commencement Date until but excluding the first Review Date the Initial Rent and

(c) during each successive Review Period the greater of:

(i) a rent equal to the rent previously payable under this Lease (or the rent which would be payable but for any abatement or suspension of rent under this Lease) or

(ii) the revised rent ascertained in accordance with this clause 4 on the assumption that the willing tenant will use the Property as offices within Class B1 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order is in force at the date of this Lease; or

(iii) the revised rent ascertained in accordance with this clause 4 on the assumption that the willing tenant will use the Property as a retail shop within Class A1 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order is in force at the date of this Lease

4.2 Rent payment dates

The yearly rent is payable without any deduction withholding or set-off by equal quarterly payments in advance on the Quarter Days. The first payment (which is an apportioned sum) is to be made on the Rent Commencement Date in respect of the period commencing on the Rent Commencement Date and ending on the day before the next following Quarter Day

4.3 Rent review - method

The revised rent for any Review Period may be agreed in writing at any time between the Landlord and the Tenant or (in the absence of agreement) determined not earlier than the relevant Review Date by an independent valuer of recognised standing and having experience in letting and valuing property of a like kind and character to the Property and such valuer will act as an arbitrator and in accordance with the Arbitration Act 1996

4.4 Nomination

In the absence of agreement the independent valuer may be nominated by or on behalf of the president for the time being of the Royal Institution of Chartered Surveyors on the application of either the Landlord or the Tenant made not earlier than three months before the relevant Review Date

4.5 Rent review - amount

In the case of valuation the revised rent to be determined by the valuer will be such as he decides is the full yearly rent at which the Property might reasonably be expected to be let in the open market at the relevant Review Date:

(a) after the expiry of a rent free period or a concessionary rent period given for fitting-out purposes only of such length and the giving of such other inducements (including without limitation any rental concession capital payment or contribution to fitting out costs) given for fitting out purposes only as in either case would be negotiated in the open market between a willing landlord and a willing tenant so that the yearly rent is that payable after the expiry of any such rent free period or concessionary rent period and after the giving of any such inducement and

(b) on the assumptions set out in clause 4.6 but disregarding the matters set out in clause 4.7

4.6 Assumptions

The assumptions are that at the relevant Review Date:

(a) the Property:

(i) is available to let on the open market by a willing landlord to a willing tenant by one lease without a premium or other payment from either party and with vacant possession for a term equal to the residue then unexpired of the Term commencing on the relevant Review Date with the rent payable from then

(ii) is to be let as a whole on a lease which is to contain the same terms as this Lease other than the amount of the rent referred to in clauses 4.1 (a) and 4.1(b) and any rent free or reduced period allowed to the Tenant

(iii) is fit and available for immediate occupation and use by the willing tenant and is fitted out for the willing tenant's immediate use as authorised by this Lease in accordance with the willing tenant's requirements whether that is as offices pursuant to clause 4.1(c)(ii) or as a retail shop pursuant to clause 4.1(c)(iii) and

(iv) the "Permitted Use" pursuant to the lease is use for any of the purposes within Class A1 and Class B1 in the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order is in force at the date of this Lease and the Property may be lawfully used for any of those purposes

(b) all the covenants in this Lease by the Tenant have been performed and observed

(c) no work has been carried out to the Property by the Tenant or other lawful occupier which has diminished the rental value and in case the Building has been destroyed or damaged it has been fully restored and

(d) if the Property or any means of access or egress or any Conduits or any parts of the Building have been destroyed or damaged or are being repaired they have been fully rebuilt reinstated and repaired

4.7 Disregards

The matters to be disregarded are:

(a) any effect on rent of the fact that the Tenant its subtenants or their respective predecessors in title or any lawful occupier have been in occupation of the Property or any part of it

(b) any goodwill attached to the Property by reason of the carrying on at it of the business of the Tenant its subtenants or their predecessors in title or any lawful occupier in their respective businesses

(c) any increase in rental value of the Property attributable to the existence at the relevant Review Date of any voluntary improvement to the Property carried out by and at the cost of the Tenant its subtenants or their respective predecessors in title or any lawful occupier during the Term or during any earlier period of occupation arising out of an agreement to grant the Term or completed during the term of any prior lease of the Property of which this is a renewal save to the extent that the Landlord has contributed to the cost of such improvement

(d) so far as may be permitted by law any statutory prohibition or restriction relating to the assessment and recovery of rent and

(e) any work carried on at the Property during or prior to the Term under an agreement for the grant of the Term by the Tenant or any undertenant or other permitted occupier or their respective predecessors in title which has diminished the rental value of the Property

In this clause a **voluntary improvement** is one carried out with the consent of the Landlord (where required) but not under an obligation to the Landlord or its predecessors in title (and any works carried out in order to comply with statute or required or directed by any public body or in accordance with a licence permitting alterations are not to be construed as pursuant to an obligation to the Landlord)

4.8 Valuer

In the case of determination by a valuer:

(a) the fees and expenses of the valuer including the cost of his appointment must be borne as he decides or in the absence of any decision equally by the Landlord and the Tenant who must otherwise each bear their own costs

(b) the valuer must afford the Landlord and the Tenant an opportunity to make representations to him and

(c) if the valuer dies delays or becomes unwilling or incapable of acting or if for any other reason the president for the time being of the Royal Institution of Chartered Surveyors or the person acting on his behalf thinks fit he may discharge the valuer and appoint another in his place

4.9 Memorandum

When the revised rent has been ascertained memoranda of it must be signed by or on behalf of the Landlord and the Tenant and annexed to this Lease and the counterpart of it and the Landlord and the Tenant must bear their own costs in respect of the memoranda

4.10 Interest

If the revised rent payable with effect from any Review Date has not been agreed by that Review Date rent will continue to be payable at the rate previously payable. Forthwith on the revised rent being ascertained the Tenant must pay to the Landlord any shortfall between the rent and the revised rent payable up to and on the preceding Quarter Day together with interest at the Interest Rate on each part of the shortfall from the date or respective dates on which each part would have been due for payment had the revised rent been ascertained before the relevant Review Date until the date of payment

For the purpose of this clause the revised rent will be deemed to have been ascertained on the date when it has been agreed between the Landlord and the Tenant or the date of the determination by the valuer

4.11 Costs

If either the Landlord or the Tenant fails to pay the relevant part of the fees and expenses of the valuer under clause 4.8 within 15 Business Days of the same being demanded by the valuer other may pay the same and the amount so paid must be repaid on demand by the party chargeable and is recoverable from that party as a debt due. If the valuer requires payment of

his fees and expenses before releasing his determination either the Landlord or the Tenant may pay them and recover the other's share of them from the other

4.12 Time not of the essence

Time is not of the essence for the purposes of this clause

4.13 Statutory restrictions

If at the Review Date the Landlord is obliged to comply with any statute which restricts or modifies the Landlord's right to revise the yearly rent in accordance with the terms of this Lease or which restricts the right of the Landlord to demand or accept payment of the full amount of the yearly rent for the time being payable under this Lease then in each case respectively:

(a) the operation of the provisions for such revision of the yearly rent on the Review Date will be postponed until the first day on which such operation may lawfully occur

(b) the collection of any increase in the yearly rent will be postponed until the first date or dates upon which any such increase or any part of it may lawfully be collected

5. Service Charge

5.1 Payment

The Tenant must pay to the Landlord the Provisional Service Charge without any deduction, withholding or set-off by equal quarterly payments in advance on the Quarter Days. The first payment (which is an apportioned sum) is to be made on the Service Charge Commencement Date in respect of the period commencing on the Service Charge Commencement Date and ending on the next following Quarter Day

5.2 Account

As soon as possible after (and in any event within six months of) every Accounting Date the Landlord must prepare and supply to the Tenant an account:

(a) showing the Gross Expenses, the Income and the Net Expenses for the Financial Year referred to in the account

(b) containing a fair summary of the items referred to in it and

(c) certified by the Landlord or its agents acting in accordance with the principles of good estate management (who may be the managing agents for the Building)

The account will be conclusive evidence of all matters of fact referred to it in it save in the case of manifest error. The Landlord must afford the Tenant on request reasonable facilities at reasonable times for inspecting and taking copies of the accounts and receipts and other documents supporting the account

5.3 First balancing payment

In the case of the first Accounting Date after the Service Charge Commencement Date, if the proportion of the Tenant's Share of the Net Expenses shown in the account apportioned on a daily basis for the period from that date to the Accounting Date:

(a) exceeds the amount already paid as Provisional Service Charge before the first Accounting Date the Tenant must pay the excess to the Landlord within 14 days of written demand or

(b) is less than the amount already paid as Provisional Service Charge before the first Accounting Date the Landlord must credit the excess to the Tenant against the next quarterly payment of Provisional Service Charge

5.4 Subsequent balancing payments

In the case of every subsequent Accounting Date, if the Tenant's Share of the Net Expenses shown in the account for the period beginning on the day after the previous Accounting Date and ending on that Accounting Date:

(a) exceeds the amount paid as Provisional Service Charge during that period, the Tenant must pay the excess to the Landlord within 14 days of written demand or

(b) is less than the amount paid as Provisional Service Charge during that period, the Landlord must credit the excess to the Tenant against the next quarterly payment of Provisional Service Charge or repay the excess in respect of the last year of the Term within 14 days of the account being prepared and supplied to the Tenant

5.5 Past costs

If the Landlord fails to include in any account for a Financial Year a sum expended or liability incurred in that year the Landlord may include such sum or the amount of such liability in an account for the next Financial Year

5.6 Variation of Tenant's Share

If the Landlord considers that having regard to the nature and degree of use by the Tenant or the other tenants in the Building of any of the facilities referred to in the definition of Gross Expenses or any other factor which the Landlord reasonably considers relevant some proportion other than that referred to in the definition of the Tenant's Share ought properly to be payable by the Tenant the Landlord may substitute that other proportion in the case of that facility. But the Tenant's Share of the Net Expenses must not be increased by reason solely of any of the Lettable Areas being vacant or unlet

5.7 Reserved as rent

All sums payable under this clause are reserved as rent.

5.8 Definitions

In this clause:

"Accounting Date" : 31st December or such other date as the Landlord may reasonably nominate from time to time

"Financial Year" : a year ending on an Accounting Date

"Gross Expenses" : all the expenses reasonably and properly incurred by the Landlord in connection with the matters referred to in Schedule 6 and Gross Expenses shall not include

(a) any repair made necessary as a result of damage or destruction by any Insured Risk or an Uninsured Risk

(b) the initial refurbishment reconstruction and equipping of the Building and

(c) collecting rent service charge or licence fees or arranging for the review of rent and letting of any other parts of the Building.

"Income" : means:

(a) any insurance money received under an insurance policy which the Landlord was obliged to effect under this Lease where the Landlord (acting reasonably) has incurred expenses in making good the insured loss itself in pursuance of its obligations at clauses 7.3, 7.4 and 9.5

(b) any money received from any person (other than the service charge paid by the tenants in the Building) who was liable to contribute to the cost of compliance with the Landlord's obligations under this Lease where the Landlord has itself incurred the expense towards which that person contributed

"Net Expenses" : the amount by which Gross Expenses exceeds Income

"Net Internal Area" : has the meaning given to that expression in the Code of Measuring Practice published by the Royal Institution of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers (Sixth Edition)

"Provisional Service Charge" :

(a) in respect of the period from the Service Charge Commencement Date to the next following Accounting Date the annual sum of £1,895.04 and

(b) in respect of each subsequent Financial Year the sum reasonably fixed from time to time by the Landlord or its agents (who may be the managing agents for the Building) acting in accordance with the principles of good estate management as being a reasonable estimate of the Tenant's Share of the Net Expenses for the relevant Financial Year

"Tenant's Share" : subject to clause 5.6 the same proportion of the Net Expenses as the Net Internal Area of the Property from time to time bears to the Net Internal Area of the Lettable Areas from time to time

6. Tenant's Covenants

6.1 Introduction

The Tenant covenants with the Landlord to comply with its obligations set out in this clause and in clauses 5, 8 and 9

6.2 Rent

The Tenant must:

(a) pay the yearly rent to the Landlord at the times and in the manner referred to in clause 4 without any deduction and (if reasonably required by the Landlord) by banker's standing order or direct debit and

(b) not exercise or seek to exercise any right or claim to withhold rent or any right or claim to legal or equitable set-off

6.3 Outgoings and rates

The Tenant must:

(a) pay all present and future Outgoings assessed charged or imposed on or payable in respect of the Property or assessed charged or imposed on or payable by the owner or occupier of the Property

(b) pay the proportion properly and reasonably attributable to the Property of all Outgoings assessed charged or imposed on or payable in respect of the Property and other properties assessed charged or imposed on or payable by the owner or occupier of the Property and other properties

(c) pay all charges for the supply to and consumption at the Property of water gas and electricity and all charges for telecommunications (including equipment rents) and observe and perform all regulations of the supply authorities and

(d) where such charges as are referred to in clause 6.3(c) are made in relation to the Property and other properties or upon the owner or occupier of the Property and other properties pay the suppliers and indemnify the Landlord against the proportion of those charges properly and reasonably attributable to the Property or its owner or occupier

(e) make good any rating relief loss suffered by the Landlord due to the Landlord losing rating relief because it has been allowed to the Tenant or any subtenant or lawful occupier at the Property

In this clause **Outgoings** means rates taxes duties charges assessments impositions and outgoings whether parliamentary parochial local or of any other description and whether of the nature of capital or revenue and even though of a wholly novel character except for any payable by the Landlord in respect of its receipt of all rents receivable from the letting of the Building other than VAT or as a result of any dealing with its reversionary interest in the Building. The proportion referred to in clauses 6.3(b) and 6.3(d) will be determined by the Landlord (acting reasonably) whose determination will be conclusive save as to questions of law

6.4 Repair

The Tenant must:

(a) put and keep the Property but excluding the windows and window frames) in good and substantial repair and condition but subject to clause 6.4(b) is not obliged to repair damage caused by an Insured Risk or an Uninsured Risk

(b) if directed to do so by the Landlord repair damage caused by an Insured Risk where the insurance monies are irrecoverable because of the act default or omission of the Tenant any person deriving title under the Tenant or anyone at the Property with the express or implied authority of any of them

(c) replace all the Landlord's fixtures and fittings in the Property which become beyond repair during the Term with others of no lesser quality

(d) keep all windows and other glass in the Property (both inside and outside) clean cleaning them at least once a month and more frequently where necessary

(e) enter into and maintain throughout the Term fully comprehensive maintenance contracts in respect of all plant equipment and machinery forming part of the Property with a reputable company or companies first approved by and in forms approved by the Landlord (such approval not to be unreasonably withheld or delayed) and produce the contracts to the Landlord on demand with evidence that any payments due under them are paid up to date

(f) produce to the Landlord on demand a certificate issued by an electrical contractor first approved by the Landlord (such approval not to be unreasonably withheld or delayed) that the electrical circuits within and forming part of the Property comply with the then current regulations of the Institute of Electrical Engineers or other amended standards or recommended current codes of practice in each case as approved by the Landlord (such approval not to be unreasonably withheld or delayed) and

(g) notify the Landlord of all defects in the Property which may give rise to a liability or duty on the Landlord under common law or statute

6.5 Redecoration

The Tenant must redecorate the interior of the Property in every fifth year and in the last year of the Term in colours and patterns which must be first approved by the Landlord in the last year of the Term (such approval not to be unreasonably withheld or delayed). The Tenant must also have all parts of the Property requiring treatment for their preservation and protection treated in accordance with a reasonably approved manner for preserving and protecting them (such approval not to be unreasonably withheld or delayed). All works under this clause must be carried out in a good and workmanlike manner and with suitable, good quality materials

In this clause the **last year of the Term** means the period of 12 months ending at the End of the Term

6.6 Party matters

The Tenant must pay a fair and reasonable proportion of all costs and expenses payable in respect of repairing, lighting, cleansing and maintaining anything used in common by the Property and any other property to the extent that those costs and expenses are not recoverable under clause 5. The proportion must be determined by the Landlord (acting reasonably and fairly) whose determination will be conclusive save as to questions of law

6.7 Entry by the Landlord

The Tenant must:

(a) permit the Landlord to enter the Property to examine its condition and take inventories

(b) permit the Landlord to enter the Property to exercise any of the rights reserved to the Landlord by this Lease and for any other reasonable purpose connected with the management of the Building subject to the Landlord making good to the Tenant all damage to the Property but not being obliged to compensate the Tenant for any loss

suffered by the Tenant or for any nuisance, annoyance, inconvenience, noise or vibration

(c) permit the Landlord to enter the Property to carry out any assessment or inspection necessary to prepare an EPC

(d) permit the Landlord and any person acting as valuer under clause 4 to enter the Property and inspect and measure the Property for all purposes connected with insurance of the Building or any part of it any action under the Landlord and Tenant Act 1954 Part II or the implementation of clause 4 and

(e) furnish all information relevant for those purposes as the Landlord or anyone having a right of entry under this clause may reasonably request

Except in case of emergency the Landlord must give the Tenant reasonable prior written notice of at least 48 hours before exercising the right of entry which must be exercised at reasonable times. After notice or in case of emergency the Landlord may break into the Property. The right of entry must be exercised in a reasonable manner and in such a way as not to prevent the Tenant's beneficial user and enjoyment of the Property so far as reasonably practicable

6.8 Remedy breaches

The Tenant must remedy all breaches of covenant notified by the Landlord to the Tenant which the Tenant is liable to remedy under this Lease as soon as possible and in any event within two months after service of the notice. If the Tenant fails to do so, the Landlord may (without prejudice to the right of re-entry contained in this Lease) enter the Property and remedy the breach. All costs and expenses incurred by the Landlord must be paid by the Tenant and will be recoverable by the Landlord as a debt on demand

6.9 Alterations

The Tenant must:

(a) not make any alteration or addition to the Property or to any other part of the Building (other than the erection alteration or removal of internal non-structural demountable partitioning within the Property none of which requires consent) save as permitted by clause 6.9(b)

(b) not make any non-structural alteration to the Property (other than in relation to demountable partitioning as mentioned in clause 6.9(a)) without the prior consent of the Landlord which may not be unreasonably withheld or delayed

(c) not to make any alteration or addition to the Property which in the Landlord's reasonable opinion materially adversely affects the energy efficiency or Asset Rating or (where applicable) the Operational Rating of the Property or the Building

PROVIDED ALWAYS THAT before giving consent under this clause 6.9 the Landlord may require the submission by the Tenant to the Landlord of sufficient information to enable the Landlord to assess the impact of the proposed alteration on the energy efficiency or Asset Rating or (where applicable) the Operational Rating of the Property or the Building

(d) before the End of the Term if required to do so by the Landlord at least six months before the End of the Term where the Term expires by effluxion of time but not otherwise remove any alteration or addition (including any made before the beginning

of the Term by the Tenant) and make good all physical damage caused by the removal to the reasonable satisfaction of the Landlord

(e) not enter into any agreement with any operator conferring on the operator any right to do on the Property anything referred to in paragraphs 2(1)(a)(b) or (c) of the telecommunications code or agree to be bound by any such right granted by another person

(f) procure that no occupier of the Property or any part of it enters into any such agreement

(g) forthwith notify the Landlord in writing if any operator requests the Tenant or to the knowledge of the Tenant any other person to grant the operator any such right or if any operator does anything referred to in those paragraphs without having obtained the agreement of all persons having an interest in the Property and

(h) on completion of any alterations and if required by the EPB Regulations obtain a valid EPC for the Property and deliver a copy to the Landlord within 7 days of its receipt together with details of the reference number of such EPC (if not apparent from the copy)

In this clause a **non-structural alteration** is one which does not affect the roof foundations or exterior of the Building or any load-bearing part of it and **operator** has the meaning given to that expression by paragraph 1 of the telecommunications code and **telecommunications code** means the code in schedule 2 of the Telecommunications Act 1984

6.10 Signs

The Tenant must:

(a) not display on the Property any signs visible from outside the Property except those which in the Landlord's opinion (acting reasonably) are reasonably necessary in connection with the business carried on at the Property and which are in a form approved by the Landlord and are affixed in positions approved by the Landlord (such approval not to be unreasonably withheld or delayed)

(b) at the End of the Term remove all signs (including any erected before the beginning of the Term by the Tenant) and make good all damage caused by their removal and

(c) not affix any signs to any part of the Building other than the Property and not without the consent of the Landlord not to be unreasonably withheld or delayed to affix to the roof of the Building any external radio television or other aerial or satellite dish or any pole mast flag or wire except as permitted under Schedule 2

In this clause **signs** includes signs hoardings posters placards advertisements bills inscriptions and letters

6.11 Use

The Property must not be used for any purpose other than the Permitted Use

6.12 Use obligations

The Tenant must:

(a) not leave the Property unoccupied for more than a month without notifying the Landlord and providing the security arrangements required by the Landlord and its insurers

(b) not do anything on the Property which maybe a nuisance damage danger annoyance or inconvenience to the Landlord or any nearby owner or occupier

(c) not allow to pass into the Conduits serving the Property anything that may obstruct them or cause damage danger or pollution or anything poisonous or radioactive

(d) not bring onto or keep in the Property anything dangerous inflammable explosive noxious or offensive

(e) not use the Property for any illegal or immoral purpose or for any dangerous noxious noisy or offensive occupation or in any manner so as to be offensive to the occupiers of any nearby property

(f) not use the Property for the holding of public meetings or auction sales or as a residence or sleep at the Property or keep any animal on it

(g) not overload the Building or its Conduits or interfere with the ventilation heating or air-conditioning systems in the Building and operate those systems in accordance with the Landlord's instructions

(h) remove all refuse daily keep the Property clean tidy and in good order and not cause the Common Parts or any other area abutting the Property to be untidy

(i) not obstruct the Common Parts and not do anything as a result of which reasonable use of the Common Parts by others may be impeded

(j) ensure that at all times both the Landlord and (if reasonably required by the Landlord) the police know the names home addresses and home telephone numbers of at least two keyholders of the Property

6.13 Statutory requirements

The Tenant must:

(a) comply with every enactment and with the requirements and recommendations of every authority relating to or affecting the Property or its use or occupation or the employment of anyone at the Property or any equipment or chattels in the Property and whether applicable to the owner landlord tenant or occupier of the Property except where such compliance is within the ambit of the Landlord's obligations in this lease

(b) in particular comply with the CAW Regulations insofar as they relate to the Property unless the Landlord gives the Tenant notice that the Landlord elects to do so

(c) if the Landlord gives notice under clause 6.13(b) pay to the Landlord on demand:

(i) the cost reasonably and properly incurred by the Landlord in complying with the CAW Regulations in relation to the Property and

(ii) a fair and reasonable proportion of the cost incurred by the Landlord in complying with the CAW Regulations in relation to the Building as a whole or in relation to the Retained Area and

(d) comply with all requirements and recommendations of the appropriate authority and the Landlord's insurers and all reasonable requirements of the Landlord as to means of escape from the Property in case of fire or other emergency and as to the provision and maintenance of fire detection equipment fire alarm equipment and fire fighting equipment

(e) pay to the Landlord a due proportion (to be determined by the Landlord acting reasonably) of all expenses in relation to compliance with such requirements referred to at clause 6.13(a) where they relate to both the Property and other land

In this clause **authority** includes every government department local or other authority and court of competent jurisdiction and the proportion referred to in clause 6.13(c)(ii) will be determined by the Landlord (acting reasonably) whose determination will be conclusive save as to questions of law

6.14 Notices

The Tenant must:

(a) give the Landlord a copy of every notice or order and of every proposal for a notice or order issued to the Tenant its sub-tenants or any occupier of the Property or left at the Property within five Business Days of its service

(b) take all steps necessary to comply with every notice or order without delay and

(c) at the request and cost of the Landlord make or join with the Landlord in making such objections or representations in respect of the notice order or proposal as the Landlord thinks fit except where the Tenant reasonably considers any such objections are against its best interests or those of any other lawful occupier of the Property

6.15 Planning Acts

The Tenant must:

(a) comply with the Planning Acts in relation to the Property any operations carried out at the Property and its use and not commit any breach of planning control

(b) obtain from the local planning authority planning permission for the carrying out of any operation on the Property or the institution or continuance of any use which may constitute development within the meaning of the Planning Acts

(c) not make any application for planning permission without the prior consent of the Landlord to the making of the application (such application not to be unreasonably withheld or delayed) indemnify the Landlord against all charges payable in respect of the application and repay to the Landlord all professional fees and expenses properly and reasonably incurred by the Landlord in connection with the application

(d) forthwith after the grant or refusal of any application give the Landlord a copy of the permission or the refusal

(e) not make any alteration or addition to or change of use of the Property (being an alteration or addition or change of use which is prohibited by this Lease or for which the consent of the Landlord must be obtained under this Lease and for which a planning permission must be obtained) before planning permission for it has been produced to the Landlord and acknowledged by the Landlord as satisfactory to it (such acknowledgement not to be unreasonably withheld or delayed) but so that the Landlord may refuse to express satisfaction with the planning permission on the grounds that anything contained in it or omitted from it in the opinion of the Landlord would be or be likely to be prejudicial to the Landlord's interest in the Property during the Term or after the End of the Term

(f) pay any charge imposed under the Planning Acts in respect of the carrying out of any operation or the institution or continuance of any use at the Property by the Tenant or any other lawful occupier

(g) unless the Landlord directs otherwise carry out before the End of the Term all works required to be carried out as a condition of any planning permission which may have been implemented during the Term whether or not the date by which the planning permission requires those works to be carried out falls within the Term

(h) pay to the Landlord on demand a fair and reasonable proportion of any compensation received by the Tenant because of a restriction on the use of the Property under the Planning Acts any dispute as to the proportion to be referred to arbitration

(i) produce to the Landlord all drawings documents and other evidence required by the Landlord to satisfy itself that this clause has been complied with

(j) not implement any planning permission without providing security required by the Landlord for compliance with the conditions imposed by that permission

(k) not serve any purchase notice under the Planning Acts requiring any authority to purchase the Tenant's interest in the Property without first offering to surrender this Lease at the price which might reasonably be expected to be obtained from the authority under the purchase notice any dispute as to the amount of the price to be referred to arbitration

(l) not make any objection or adverse representation in respect of any planning application made by or with the consent of the Landlord unless the Tenant reasonably considers that such application is against its best interests or those of any other lawful occupier of the Property

In this clause **operation** and **development** each includes works to any listed building which are prohibited by the Planning Acts unless authorised by them and **planning permission** includes listed building consent

6.16 Obstruction

The Tenant must not:

(a) stop up darken or obstruct any window or any opening belonging to the Property or the remainder of the Building or

(b) give to any third party any acknowledgement that the Tenant enjoys the access of light or air to any of the windows or openings in the Property or in the remainder of the Building by the consent of a third party or

(c) pay to any third party any sum of money or enter into any agreement with any third party for the purpose of inducing or binding him to abstain from obstructing the access of light or air to any window or opening

6.17 Obstruction proceedings

If any of the owners or occupiers of nearby land or buildings do or threaten to do anything which obstructs or may obstruct the access of light or air to any of the windows or openings in the Property the Tenant must:

(a) notify the same forthwith to the Landlord and

(b) permit the Landlord to bring proceedings in the name of the Tenant but at the cost of the Landlord against any of the owners or occupiers of the nearby land or buildings in respect of the obstruction

6.18 Acquisition of rights

The Tenant must not allow any easement to be acquired over the Property or the remainder of the Building. If any easement is acquired or attempted to be acquired the Tenant must give immediate notice of it to the Landlord and at the request of the Landlord and at the cost of the Tenant insofar as the easement is over the Property but at the cost of the Landlord insofar as the easement is over the remainder of the Building adopt the course required by the Landlord for preventing the acquisition of the easement

6.19 Costs

The Tenant must pay on an indemnity basis all costs and expenses properly incurred by the Landlord:

(a) in or in contemplation of any proceedings relating to the Property under the Law of Property Act 1925 sections 146 and 147 or the Leasehold Property (Repairs) Act 1938 the preparation and service of any notice under those sections or the taking of steps subsequent to such notice notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court

(b) in the preparation and service of any notice to re pair or any schedule of dilapidations at any time during the Term or within three months after the End of the Term

(c) in connection with the recovery of arrears of Rent or other sums due to the Landlord under this Lease including the levy or attempted levy of any distress and

(d) in respect of any application for consent required by this Lease whether or not the consent is granted unless such consent is unlawfully withheld (including any inspection of works authorised by the consent and of any re-instatement of those works)

Where the Landlord could recover the cost of services or advice under the first part of this clause if they were undertaken by a third party but those services or that advice are provided by the Landlord or by a company which is a member of the same group as the Landlord (within the

meaning of section 42 of the Landlord and Tenant Act 1954) the Tenant must pay to the Landlord or to that company a reasonable sum (plus VAT if payable) for such services or advice but not more than the amount payable by the Tenant if those services or that advice had been provided by a third party

6.20 Indemnity

The Tenant must:

(a) pay and make good to the Landlord every loss and damage incurred or sustained by the Landlord as a consequence of every breach or non-observance of the covenants by the Tenant in this Lease and indemnify the Landlord against all actions claims liabilities costs and expenses arising by reason of the breach and

(b) indemnify and keep the Landlord indemnified from liability in respect of all loss damage actions proceedings claims demands costs damages and expenses in respect of any injury to or the death of any person or damage to any property or in respect of the infringement disturbance or destruction of any right by reason of or arising in any way directly or indirectly out of:

(i) the act omission or default of the Tenant any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them and

(ii) any breach by the Tenant or by any person deriving title under the Tenant of any covenant by the Tenant or any condition contained in this Lease

6.21 Notices for sale and re-letting

The Tenant must:

(a) permit the Landlord during the six months before the End of the Term to affix to the Property a notice for re-letting it

(b) permit the Landlord at any time during the Term to affix to the Property a notice for dealing with the Landlord's interest in the Property or the Building in such position as does not prevent access to or obscure the windows of the Property and

(c) permit all persons with written authority from the Landlord or the Landlord's agent to view the Property at all reasonable times and upon at least 48 hours prior written notice

6.22 Regulations

The Tenant must observe all reasonable regulations made by the Landlord for the proper management of the Building

6.23 New Guarantor

If a Guarantor's event of default occurs the Tenant must notify the Landlord of the event within ten Business Days of its occurrence. If the Landlord serves notice on the Tenant under this clause within 30 Business Days of service of the Tenant's notice the Tenant must procure that guarantors acceptable to the Landlord covenant by deed with the Landlord in the form set out in Schedule 5

In this clause a **Guarantor's event of default** is any of the following:

(a) in the case of a Guarantor who is an individual:

(i) the death of the individual

(ii) the individual being regarded as a patient under the Mental Health Act 1983 section 94

(iii) an application being made for an interim order in respect of the individual or an interim order being made under the Insolvency Act 1986

(iv) the making by the individual of a proposal for a voluntary arrangement

(v) a petition being presented for a bankruptcy order to be made against the individual or a bankruptcy order being made

(b) in the case of a Guarantor which is a company:

(i) a proposal being made to the company and to its creditors for a voluntary arrangement

(ii) a petition being presented for an administration order in respect of the company or an administration order being made or documents being filed with the court for the appointment of an administrator of the company or the directors of the company giving notice of their intention to appoint an administrator of the company

(iii) the company having an administrative or other receiver or a manager appointed of the whole or any part of its property

(iv) the company passing a resolution for winding up or a petition being presented for the winding up of the company or a winding up being made or the company being dissolved other than (in any such case) a voluntary winding up of a solvent company for the purposes of amalgamation or reconstruction

(c) in the case of a Guarantor who is an individual or which is a company:

(i) the individual or the company entering into any kind of composition scheme of arrangement compromise or arrangement for the benefit of creditors or any class of creditors or permitting or suffering any distress or execution to be levied on his goods at the Property

(ii) there occurring in relation to the individual or the company in any country or territory in which he carries on business or to the jurisdiction of whose courts he or any of his property is subject any event which corresponds in that country or territory with any of those mentioned in clauses 6.23(a)(ii) to 6.23(a)(v) or 6.23 (b) above or the individual or the company otherwise becoming subject in any such country or territory to any law relating to insolvency bankruptcy or winding up

6.24 Freehold covenants

The Tenant must not do anything or omit to do anything which would lead to the Landlord being in breach of the covenants contained in or referred to in the documents specified in Schedule 4 so far as they relate to the Property and are still subsisting and capable of taking effect (and save for financial charges)

6.25 Yield up

The Tenant must:

(a) yield up the Property (except tenant's or trade fixtures) to the Landlord at the End of the Term with vacant possession in accordance with the Tenant's covenants in this Lease

(b) make good to the reasonable satisfaction of the Landlord all damage occasioned by the removal of any tenant's or trade fixtures and

(c) deliver to the Landlord all records made by the Tenant under the CAW Regulations either during the Term or during any earlier period of occupation arising out of an agreement to grant the Term

(d) hand over to the Landlord (or if requested provide copies of) any:

(i) files registers or management plans (including any relating to asbestos) required to be maintained by the Tenant in connection with its covenants hereunder under health and safety legislation in relation to the Property

(ii) EPC for the Property together with details of the reference number of such EPC (if not apparent from the copy)

(iii) air-conditioning inspection report relating to any air-conditioning system serving the Property and obtained by the Tenant as the relevant person under the EPB Regulations

(iv) records in relation to the Property (including any underlet part of the Property) made for the purposes of complying with the Regulatory Reform (Fire Safety) Order 2005 including any records of findings following a fire risk assessment of the Property (or any underlet part)

6.26 Land Registry

The Tenant must:

(a) if an application for registration of this Lease is made to HM Land Registry provide to the Landlord official copies of the registers of title relating to this Lease and the Landlord's title to the Property within one month after the registration has been completed and

(b) procure forthwith at the end of the Term the cancellation of any registration at the Land Registry relating to this Lease or the matters contained in this Lease

6.27 Refuse Storage

The Tenant must not store refuse emanating from the Property otherwise than in the refuse storage area provided by the Landlord and strictly comply at all times with the Refuse Storage and Management Plan as defined in the Section 106 Agreement

6.28 Section 106 Agreement

The Tenant must strictly comply with the Green Travel Plan and the Servicing Management Plan (each as defined in the Section 106 Agreement) insofar as they are related to the use and occupation of the Property

6.29 Energy Performance Certificates

The Tenant must:

(a) allow the Landlord and/or any person authorised by it to have access to all documentation data and information in the Tenant's possession or under its control reasonably required in order to:

(i) prepare an EPC for the Building

(ii) prepare a DEC for the Building (where appropriate)

(iii) comply with any duty imposed upon the Landlord under the EPB Regulations

(b) co-operate with the Landlord and any persons so authorised so far as is reasonably necessary to enable them to carry out such functions

(c) where the Tenant wishes or is required by the EPB Regulations to obtain an EPC for the Property (save where the provisions of clause 6.9(h) apply):

(i) notify the Landlord in writing before obtaining an EPC and if in response to such notice the Landlord confirms that it holds a valid EPC for the Property or the Building the Tenant must use such EPC for so long as it remains valid under the EPB Regulations and must reimburse the Landlord the reasonable cost of providing a copy of such EPC to the Tenant

(ii) if the Tenant obtains an EPC that invalidates or materially adversely affects any valid EPC for the Property or the Building held by the Landlord of which the Tenant has notice the Tenant must indemnify the Landlord in respect of any loss suffered as a consequence of the Tenant's action including (at the Landlord's discretion) the cost of obtaining a replacement EPC

(iii) provide the Landlord with a copy of any EPC or DEC within 7 days of its receipt together with details of the reference number of such EPC or DEC (if not apparent from the copy)

6.30 Information about the Property

The Tenant must:

(a) from time to time on demand provide the Landlord with full particulars of all interests in the Property

(b) disclose such information as the Landlord may from time to time require in relation to any application or request made or particulars produced to the Landlord

(c) within 7 days of its receipt provide the Landlord with a copy of any air-conditioning inspection report relating to any air-conditioning system serving the Property and obtained by the Tenant as the relevant person under the EPB Regulations

7. Landlord's Covenants

7.1 Introduction

Subject to clause 12.10 the Landlord covenants with the Tenant to comply with its obligations set out in this clause and in clauses 5 and 9

7.2 Quiet enjoyment

The Tenant may peaceably and quietly hold and enjoy the Property during the Term without any lawful interruption by the Landlord or any person claiming under or in trust for the Landlord

7.3 Repair of structure

Subject to the payment by the Tenant of the sums due under clause 5 the Landlord must in accordance with the principles of good estate management put in and keep in good and substantial repair and condition and when the Landlord considers necessary decorate maintain and clean:

(a) the roofs and foundations of the Building the floors and ceilings of the Building (but not suspended ceilings lighting floor screed and floor covering in the Lettable Areas) all load-bearing walls columns and other load-bearing parts of the Building (other than the plaster and surface finish of those within the Lettable Areas) and all external walls including doors doorframes windows (but not cleaning of windows) and window frames (but not the plaster and surface finish of the internal faces of those walls within the Lettable Areas)

(b) the Common Parts including any walls separating them from the Lettable Areas other than the plaster and surface finish of those walls on the side next to the Lettable Areas and

(c) the boundary walls and fences of the Building

7.4 Repair of conduits

Subject to the payment by the Tenant of the sums due under clause 5 the Landlord must maintain in good working order and repair all Conduits in the Building excluding those the maintenance of which is the exclusive responsibility of the Tenant or of some other tenant in the Building or would be the exclusive responsibility of a tenant if the whole of the Lettable Areas were let on similar terms to those in this Lease

7.5 Section 106 Agreement

By way of indemnity only the Landlord covenants to comply with the obligations contained in the Section 106 Agreement insofar as compliance is not the responsibility of the Tenant under this Lease and shall indemnify and keep the Tenant indemnified against any liability arising from any breach non-compliance or non-observance of any of the obligations contained in the Section 106 Agreement other than those obligations which are the responsibility of the Tenant under this Lease

8. Alienation

8.1 Restrictions on alienation

Save to the extent permitted by the following clauses of this clause the Tenant must not part with possession of the whole or any part of the Property or part with or share occupation of the whole or any part of the Property or permit occupation by a licensee of the whole or any part of the Property or hold on any trust the whole or any part of the Property

8.2 Assignment

The Tenant must not:

(a) assign part of the Property nor

(b) assign the whole of the Property without the prior consent of the Landlord which subject to clauses 8.3 and 8.4 may not be unreasonably withheld or delayed

8.3 Agreement as to circumstances

The Landlord and the Tenant agree that the Landlord may withhold its consent to an assignment if any one or more of the following circumstances (which are specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927) exist:

(a) the Landlord determines acting reasonably that the proposed assignee is not a person who is likely to be able both to comply with the tenant's covenants in this Lease and to continue to be such a person following the assignment

(b) the Landlord determines acting reasonably that the proposed assignment may have a materially adverse effect on the value of the Landlord's reversionary interest in the Property

(c) the proposed assignee or any proposed guarantor for it (other than any guarantor under an authorised guarantee agreement) has the benefit of state or diplomatic immunity or the Landlord determines acting reasonably that it is likely to acquire that immunity

(d) the proposed assignee is a company which is a member of the same group (within the meaning of section 42 of the Landlord and Tenant Act 1954) as the Tenant except for a company registered in England and Wales whose pre tax profits for its last financial year prior to the proposed assignment are no less than the pre tax profits of the assignor Tenant for the same period and are in any event no less than £2,250,000

(e) the proposed assignee or any proposed guarantor for it (other than any guarantor under an authorised guarantee agreement) is a corporation registered in or an individual resident in a jurisdiction in which a judgment obtained in the courts of England and

Wales will not necessarily be enforced without any re-examination of the merits of the case

8.4 Agreement as to conditions

The Landlord and the Tenant agree that the Landlord may grant consent to an assignment subject to any one or more of the following conditions (which are specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927):

(a) that before the assignment the Tenant enters into and unconditionally delivers to the Landlord an authorised guarantee agreement such agreement to be a deed and to contain the provisions in Schedule 5 (with the necessary changes) or (at the Landlord's absolute discretion) such other provisions as the Landlord reasonably prescribes and (in either case) such ancillary provisions as the Landlord reasonably prescribes

(b) that before the assignment any person (other than a former Tenant) who at the time of the application for the consent is guaranteeing the obligations and liabilities of the Tenant under this Lease or a body of equal or greater covenant strength covenants by deed with the Landlord that the Tenant will perform its obligations under the authorised guarantee agreement required under clause 8.4(a) the deed to contain the provisions in paragraphs 1 to 4 and 9 of Schedule 5 (with the necessary changes) and an obligation on the part of the covenantor (in the event of default on the part of the Tenant) to perform any obligation entered into by the Tenant in the authorised guarantee agreement to take up a new lease and otherwise to be in such form as the Landlord reasonably requires

(c) that before the assignment if the Landlord acting reasonably determines it to be necessary one or more guarantors acceptable to the Landlord acting reasonably covenant by deed with the Landlord in the form set out in Schedule 5 (with the necessary changes and with such other provisions as the Landlord reasonably requires) in respect of the period ending on the date on which the assignee assigns this Lease in accordance with its terms

(d) that all Rent due from the Tenant under this Lease as at the date of the assignment has been paid

(e) that if the consent of any Head Landlord is required to the assignment that consent has been obtained before the assignment and

(f) that the assignment is completed and registered with the Landlord in accordance with clause 8.14 within three months after the date of the consent and that if it is not then at the Landlord's discretion the consent will be voidable

8.5 Further agreement

The Landlord and the Tenant agree that the Landlord may withhold consent to an assignment in circumstances which are not referred to in clause 8.3 if it is reasonable to do so and may grant consent subject to conditions which are not specified in clause 8.4 if the conditions are reasonable

8.6 Underletting

The Tenant must not:

(a) underlet part only of the Property

(b) underlet the whole of the Property

(i) without complying with the provisions of clauses 8.7 to 8.11 and

(ii) without the prior consent of the Landlord which may not be unreasonably withheld or delayed or

8.7 Exclusion agreement

The Tenant must not underlet the whole of the Property without a valid agreement between the Tenant and the intended undertenant under section 38A of the Landlord and Tenant Act 1954 excluding the provisions of sections 24 to 28 of that Act in relation to the intended underlease

8.8 Covenants on underletting

The Tenant must procure that any intended undertenant covenants by deed with the Landlord:

(a) to pay the rent to be reserved by and the other sums to be payable under the underlease and to perform and observe first the tenant's covenants and the conditions to be contained in the underlease and secondly the tenant's covenants and the conditions in this Lease (except the covenant to pay rent and any covenant in this Lease which is inconsistent with the covenants in the underlease as authorised under clause 8.10) in respect of the period ending on the date on which the undertenant is released by virtue of the LTC Act 1995

(b) without prejudice to clause 8.8(a) not to assign the underlet property without:

(i) first obtaining a deed of covenant from the intended assignee in favour of the Landlord in the same form (with the necessary changes) as the deed referred to in this clause including (without limitation) the covenants in this clause 8.8(b) and

(ii) if the Landlord reasonably requires first obtaining a deed from one or more guarantors acceptable to the Landlord acting reasonably in favour of the Landlord guaranteeing the due and punctual payment and performance of all the obligations and liabilities of the intended assignee under the deed referred to in clause 8.8(b)(i) the deed to contain the provisions in paragraphs 1 to 4 and 9 of Schedule 5 (with the necessary changes) and otherwise to be in such form as the Landlord reasonably requires

(c) (if the liability of the Tenant is disclaimed by or on behalf of the Tenant and if so required by the Landlord by written notice to the undertenant within four months after such disclaimer) to take from the Landlord and execute and deliver to the Landlord a counterpart of a new lease of the Property or the Property underlet as the case may be for the residue of the term of the underlease unexpired at the date of such disclaimer at the same rents as are reserved from time to time by and subject to the same covenants and provisions as are contained in the relevant underlease and the undertenant will on

demand pay the Landlord's reasonable and proper expenses in connection with such new lease

8.9 Guarantee on underletting

If the Landlord reasonably requires the Tenant must procure that before the underlease is granted one or more guarantors acceptable to the Landlord acting reasonably guarantee (by way of deed) to the Landlord in respect of the period ending on the date on which the undertenant assigns the underlease in accordance with its terms and is released by virtue of the LTC Act 1995 the due and punctual payment and performance of all the obligations and liabilities of the intended undertenant the guarantee to contain the provisions in paragraphs 1 to 4 and 9 of Schedule 5 (with the necessary changes) and otherwise to be in such form as the Landlord reasonably requires

8.10 Form of underlease

The Tenant must procure that every underlease:

(a) contains the same tenant's covenants and other terms and conditions as arc contained in this Lease subject only to:

(i) such amendments as may be provided for in clauses 8.10(b) and 8.10(d) and

(ii) such amendments as may reasonably be required by the Tenant having regard only to the duration of the proposed underlease and as may be approved by the Landlord such approval not to be unreasonably withheld

(b) does not permit any assignment underlease or other dealing or disposal of the Property save in accordance with the terms of this Lease

(c) provides that where the underlease requires the undertenant to obtain the landlord's consent the undertenant must obtain also the consent of the Landlord

(d) contains provisions that require a review of the rent payable under the underlease to open market rent in accordance with the provisions of this Lease at the Review Date but this paragraph does not prohibit an underlease of the Property upon terms that require review of the rent payable under the underlease at dates additional to the Review Date under this Lease

8.11 Underlease requirements

The Tenant must:

(a) not grant any underlease at a fine or premium

(b) not grant any underlease at a rent which at the time of the grant of the underlease is less than the open market rent of the Property

(c) not accept the surrender of or vary the terms of any underlease or release the undertenant from any covenant or condition in the underlease without the prior consent of the Landlord which in the case only of a surrender may not be unreasonably withheld or delayed

(d) not waive any breach of any of the covenants on the part of the undertenant and the conditions contained in any underlease but take all such steps as are lawfully available to the Tenant (including re-entry) to enforce those covenants and conditions

(e) procure that the rent reserved by any underlease is reviewed in accordance with the provisions of the underlease but not agree any revised rent with the undertenant without the prior consent of the Landlord (such consent not to be unreasonably withheld)

(f) if on any rent review under any underlease the revised rent is to be determined by an independent third party procure that subject in the case of an expert witness to his primary duty to that third party any representations which the Landlord wishes to make concerning the revised rent are put forward to the third party at the same time as the representations of the Tenant and as though they were representations made by the Tenant subject to their being representations with which the Tenant or its expert witness agree

(g) procure that on any assignment of any underlease the outgoing undertenant enters into an authorised guarantee agreement and where appropriate guarantors enter into a contractual guarantee in each case with the landlord under the underlease in accordance with the provisions of the underlease

In clauses 8.11(c) to 8.11(g) an underlease includes any lease where by virtue of the grant of this Lease the Tenant under this Lease becomes the holder of the immediate reversion to that lease

8.12 Associated companies

The Tenant may share the occupation of the whole or any part of the Property with a company which is a member of the same group as the Tenant (within the meaning of section 42 of the Landlord and Tenant Act 1954) for so long as both companies remain members of that group and provided that:

(a) no relationship of landlord and tenant is created between the two companies and no security of tenure is conferred upon the occupier and

(b) within 15 Business Days of the commencement of the sharing the Tenant gives to the Landlord notice of the company sharing occupation and the address of its registered office

8.13 Charging

The Tenant must not:

(a) charge part of the Property or

(b) charge the whole of the Property without the prior consent of the Landlord which may not be unreasonably withheld or delayed

8.14 Registration of dealings

Within 10 Business Days of every assignment transfer underlease or charge of the Property or the creation or transfer of any interest derived out of the Term or any devolution of the interest of the Tenant or any person deriving title under the Tenant the Tenant must produce a certified

copy of the assignment transfer underlease or charge or (in the case of a devolution) the document evidencing the devolution or under which it arises and in the case of an underlease in respect of which the provisions of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954 have been excluded a certified copy of the notice served by the landlord and the tenant's declaration or statutory declaration in response pursuant to Section 38A of that Act

9. Insurance

9.1 Landlord's insurance obligations

Unless the insurance is vitiated by any act default or omission of the Tenant any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them the Landlord must keep the Building (other than plate glass and tenant's or trade fixtures which the Tenant or the tenants of other parts of the Lettable Areas are entitled to remove) insured with substantial and reputable insurers or underwriters selected by the Landlord (acting reasonably) in accordance with the provisions of this clause to the extent to which the Building is insurable and subject to all usual and commercial exclusions limitations and excesses imposed by the insurers

9.2 Sum and risks insured

The Building must be insured in a sum not less than its full reinstatement cost (as determined from time to time by the Landlord acting reasonably) against loss or damage by the Insured Risks

9.3 Fees and loss of Rent

The insurance must extend to;

(a) architects' and other professional fees in relation to the reinstatement of the Building for a minimum sum of 15 per cent, of the amount insured in respect of the Building;

(b) VAT the costs of demolition temporary support and protection and removal of debris and

(c) loss of rent for such period as the Landlord may decide (but for a period of at least three years) in an amount which takes into account the Landlord's reasonable estimate of potential increases in rent

9.4 Production of policy

Whenever reasonably required to do so by the Tenant but not more often than once a year the Landlord must produce to the Tenant at the Landlord's office a copy of the insurance policy or other evidence of it and evidence of payment of the last premium

9.5 Reinstatement

Subject to clause 9.14 if the Properly or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks the Landlord must use all reasonable endeavours to:

(a) obtain all consents and permissions necessary for reinstatement as soon as reasonably possible (but the Landlord will not be obliged to institute or pursue any appeal)

(b) subject to

(i) obtaining those consents and permissions

(ii) the necessary labour and materials being available and

(iii) the payment by the Tenant to the Landlord of any money payable by it under clause 9.9 lay out as soon as practicable all insurance monies received by the Landlord (other than for fees and loss of rent) in reinstating the Property (other than plate glass and tenant's or trade fixtures which the Tenant is entitled to remove) or the means of access to it within the Building and

(c) subject to the Tenant complying with its obligations in clauses 9.6 to 9.10 inclusive make good out of the Landlord's own monies any deficiency (other than one arising from an exclusion limitation or excess imposed by the insurers)

In reinstating the Property the Landlord may make such variations to its design as the Landlord decides (acting reasonably) so long as the Tenant is provided with accommodation reasonably equivalent to that previously comprised in the Property

9.6 Tenant's insurance obligations

The Tenant must:

(a) (pay to the Landlord within 14 days of written demand a fair and reasonable proportion of:

(i) every premium payable by the Landlord (including any part of it which the Landlord is entitled to retain by way of commission) for insuring the Building in accordance with its obligations in clause 9.1 and for effecting insurance in respect of liability to third parties including members of the public and such other insurances as the Landlord considers desirable (acting reasonably)

(ii) where the policy includes the Building and other properties the proportion properly and reasonably attributable to the Building of every premium payable by the Landlord (including any part of it which the Landlord is entitled to retain by way of commission) for insuring the Building and the other properties in accordance with its obligations in clause 9.1 and for effecting (in relation to the Building and the other properties) the other insurances referred to in clause 9.6(a)(i) the proportion to be determined by the Landlord (acting reasonably) whose determination will be conclusive save as to questions of law

(iii) in the case of any Insured Risk any sum arising from an exclusion limitation or excess and deducted or deductible by the insurers on any claim made by the Landlord

(iv) all costs and expenses reasonably and properly incurred by the Landlord in obtaining annual desktop and three yearly formal insurance valuations

(b) insure all plate glass in the Property against all risks with an insurance company approved by the Landlord in the joint names of the Landlord and the Tenant and on

demand produce a copy of the insurance policy and evidence of payment of the last premium to the Landlord

(c) give the Landlord written notice of the estimated reinstatement cost of any fixtures and fittings installed from time to time by the Tenant which may become landlord's fixtures and fittings

All sums payable by the Tenant under clause 9.6(a) are reserved as rent

9.7 Vitiation

The Tenant must:

(a) not use the Property or carry on any business at the Property or do or omit to do at the Property anything which may make void or voidable any policy for the insurance of the Building or any nearby property of the Landlord and

(b) comply with all requirements of the Landlord's insurers

9.8 Increased premium

The Tenant must:

(a) without the prior consent of the Landlord not use the Property or carry on any business at the Property or do or omit to do at the Property anything which may increase the premium payable for the insurance of the Building and

(b) if consent is given repay within 14 days of written demand to the Landlord any increased insurance premium payable by the Landlord

9.9 Irrecoverable reinstatement cost

If the Building is destroyed or damaged by any of the Insured Risks and the insurance money under any insurance effected by the Landlord is wholly or partly irrecoverable because of any act default or omission of the Tenant any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them the Tenant must:

(a) pay to the Landlord on demand the whole or the appropriate proportion of the cost of reinstating the Building rendered so irrecoverable and

(b) if required by the Landlord provide security acceptable to the Landlord acting reasonably for the amount referred to in clause 9.9(a) before the Landlord starts reinstatement

Any dispute as to the amount of such proportion must be referred to arbitration

9.10 Notice of damage

If the Property or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks the Tenant must give notice to the Landlord as soon as the destruction or damage comes to the notice of the Tenant

9.11 Double insurance

The Tenant must not effect any insurance relating to the Property against any of the Insured Risks. If the Tenant is entitled to the benefit of any insurance in respect of the Property the Tenant must pay to the Landlord ail monies received by virtue of the insurance to enable the Landlord to apply them in making good the loss or damage in respect of which they have been received

9.12 Relevant matters

The Tenant:

(a) must forthwith notify the Landlord in writing of any relevant matter and

(b) warrants that all relevant matters existing or arising as regards Expedia.com Limited on or before today's date or existing or arising as regards any subsequent person becoming the Tenant on or before the date of assignment or other devolution of title have been notified to the Landlord in writing prior to today's date or prior to execution of the assignment or the date of the devolution as the case may be

In this clause relevant matter means any matter that a prudent insurer or underwriter might treat as material in deciding whether or on what terms to insure or to continue to insure the Building including (without limitation) the conviction judgment or finding of any court or tribunal relating to the Tenant or any director other officer or major shareholder of the Tenant of such a nature that a prudent insurer or underwriter might treat as so material

9.13 Cesser of rent

If the Property or any part of it or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks or there is Major Damage caused by an Uninsured Risk so as to render the Property unfit for occupation or use or inaccessible the rent referred to in clause 4.1 and the sums payable under clause 5 or a fair proportion of them according to the nature and extent of the damage sustained will be suspended until the Property has been reinstated and made fit for occupation and use and accessible or (in the case of damage by an Insured Risk) until the end of the period for which the Landlord has insured against loss of rent, whichever first occurs. Any dispute as to the amount of the proportion must be referred to arbitration. This clause does not apply if and to the extent that the insurance monies in respect of loss of rent arc wholly or partially irrecoverable solely or partly because of the act, default or omission of the Tenant or any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them

9.14 Suspension of reinstatement obligation

The Landlord is not obliged to reinstate the Building in accordance with clause 9.5

(a) if the insurance is vitiated by any act default or omission of the Tenant any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them or

(b) while prevented by a supervening event

9.15 Supervening event

In clause 9.14 a supervening event means any of the following:

(a) inability of the Landlord to obtain the consents and permissions referred to in clause 9.5 despite using a!) reasonable endeavours to do so

(b) grant of any of the consents or permissions subject to a lawful condition with which it would be unreasonable to expect the Landlord to comply or the Landlord being requested as a precondition to obtaining any of the consents or permissions to enter into an agreement with the planning authority or any other authority containing conditions with which it would be unreasonable to expect the Landlord to comply

(c) inability of the Landlord to obtain access to the site to reinstate

(d) prevention of reinstatement by any cause beyond the reasonable control of the Landlord

9.16 Termination

(a) If:

(i) the insurance is vitiated by any act default or omission of the Tenant any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them or

(ii) the Landlord cannot commence reinstatement within twelve months from the date of destruction or damage because of a supervening event

and in either case the Property or a substantial part of it is unfit for occupation or use or inaccessible the Landlord may determine the Term by serving notice on the Tenant at any time within six months of the end of the twelve month period. On service of the notice the Term will cease but without prejudice to any rights that the Landlord may have against the Tenant or vice versa or any Guarantor for breach of any of the covenants by the Tenant or the Landlord or any Guarantor or the conditions in this Lease and all insurance monies will belong to the Landlord

(b) If the Property or any part of it or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks or any Uninsured Risks and the destruction or damage is not made good to make the Property fit for occupation and use and accessible within three years of such destruction (or such longer period covered by the Landlord's loss of rent insurance policy) either party may determine the Term by serving notice on the other at any time after the end of the three years or such longer period as aforesaid. On service of the notice the Term will cease but without prejudice to any rights any party may have against the other and all insurance monies will belong to the Landlord

9.17 Uninsured Risk

If the Property or any part of it or the means of access to it within the Building is destroyed or damaged by an Uninsured Risk then if:

(a) the damage does not constitute Major Damage the Landlord will be obliged to make good the damage to the Property and the access thereto at its own cost and as expeditiously as possible and there will be no cesser of rent pursuant to clause 9.13 but

(b) if the damage constitutes Major Damage then:

(i) the Landlord may elect to (but is not obliged to) re-instate the damage to the Property and the access thereto

(ii) if it does not so elect within 12 months of the date of damage then either the Landlord or the Tenant may determine the Term by serving written notice on the other at any time after the end of the 12 month period

(iii) if the Landlord does elect to re-instate then the Landlord shall be obliged to reinstate the Property and the access thereto at its own cost as if the damage were caused by an Insured Risk and

(iv) Clause 9.13 will apply from the date of damage as if the destruction or damage was caused by an Insured Risk

9.18 Landlord's Obligations

The Landlord will use all reasonable endeavours in relation to the insurance of the Building to:

(a) procure that the Tenant's interest is noted or endorsed on the policy and

(b) provide to the Tenant on demand written confirmation from its insurers that they have agreed to waive all rights of subrogation against the Tenant

10. Re-entry

10.1 Re-entry

If an Event of Default occurs then notwithstanding the waiver of any previous right of re-entry the Landlord may re-enter the Property or any part of it when the Term will cease but without prejudice to any rights or remedies which may then have accrued to the Landlord against the Tenant or vice versa or any Guarantor in respect of any antecedent breach of any of the covenants or obligations of the Tenant or the Landlord or any Guarantor contained in this Lease (including the breach in respect of which re-entry is made)

10.2 Event of Default

In this clause an Event of Default is any one of the following;

(a) the Rent or any part of it being in arrear and unpaid for 21 Business Days after becoming payable (whether formally demanded or not) or

(b) a breach by the Tenant of any of the covenants by the Tenant in this Lease or

(c) the Tenant or any Guarantor (being a company) being deemed unable to pay its debts under section 123 of the Insolvency Act 1986 or the Tenant or any Guarantor (being a company) passing a resolution for winding-up or the directors of any of them presenting a petition for winding-up or an order for the winding-up of the Tenant or any Guarantor being made (other than (in any such case) a voluntary winding-up of a solvent company for the purposes of amalgamation or reconstruction) or the Tenant or any Guarantor being dissolved or

(d) the Tenant or any Guarantor (being a company) having an administrative or other receiver or a manager appointed of the whole or any part of its property or a petition being presented for an administration order or an administration order being made in

respect of the Tenant or any Guarantor or documents being filed with the court for the appointment of an administrator of the Tenant or any Guarantor or the directors of the Tenant or any Guarantor giving notice of their intention to appoint an administrator of the Tenant or any Guarantor or

(e) the Tenant or any Guarantor (being an individual) presenting a petition for a bankruptcy order to be made against him or a bankruptcy order being made against the Tenant or any Guarantor or

(f) in relation to the Tenant or any Guarantor (whether an individual or a company) a proposal being made or the Tenant or any Guarantor (whether a company or an individual) entering into any kind of composition scheme of arrangement compromise or arrangement for the benefit of creditors or any class of creditors or permitting or suffering any distress or execution to be levied on his goods or

(g) there occurring in relation to the Tenant or any Guarantor in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any of them or any of the property of any of them is subject any event which corresponds in that country or territory with any of those mentioned in clauses 10.2(c) to 10.2(f) above or the Tenant or any Guarantor otherwise becoming subject in any such country or territory to any law relating to insolvency bankruptcy or winding up

11. Value Added Tax

11.1 Payment

If any VAT is chargeable on any supply under or pursuant to this Lease the Tenant must pay the amount of that VAT in addition to the consideration for the supply

11.2 VAT exclusive

Without limiting clause 11.1 each sum reserved or payable by the Tenant under this Lease is exclusive of VAT (if any) and is accordingly to be construed as a reference to that sum plus any VAT in respect of it and where any sum is reserved as rent the VAT is also reserved as rent

11.3 Other supplies

If VAT is chargeable on any supply made by the Landlord to the Tenant for which a sum is not reserved or payable under this Lease the Tenant must pay that VAT to the Landlord against issue of a VAT invoice

11.4 Third party payments

Where under this Lease the Tenant must:

(a) make any payment to the Landlord or any other person (including without limitation by way of service charge indemnity or reimbursement) by reference to any amount incurred or which will or may be incurred by the Landlord or any other person or

(b) otherwise pay all or part of the consideration for any supply made to the Landlord or any other person

then without prejudice to clauses 11.1 to 11.3 the Tenant must pay an amount equivalent to any VAT in respect of the amount or consideration except to the extent that the VAT is recoverable by the Landlord or any other person as appropriate

11.5 Recoverability

For the purposes of clause 11.4 VAT is recoverable by a person if that person (or any company treated as a member of the same VAT group as that person) is entitled to credit for it as input tax under sections 25 and 26 VAT Act 1994. For the avoidance of doubt VAT is not recoverable by a person only because he could elect to waive exemption but has not done so

11.6 Estimates

Where for the purposes of this Lease it is necessary to calculate or estimate the cost or value of anything including any building structure work item act or service the cost or value must be calculated or estimated so as to include any VAT which will or may be incurred

11.7 Outgoings

This clause does not affect the generality of clause 6.3 (*Outgoings*) of this Lease

11.8 VAT invoice

The Landlord must issue the Tenant with a proper VAT invoice in respect of any supply by the Landlord to the Tenant and the Tenant must issue the Landlord with a proper VAT invoice in respect of any taxable supply by the Tenant to the Landlord

11.9 The Tenant must not take any action or permit any action to be taken which would result in the disapplication of the Landlord's option to tax

12. General

12.1 Interest and powers of recovery

If any Rent or other sum payable under this Lease is not paid on the day on which it is due it will bear interest from that day until the date of payment at the Default Interest Rate compounded quarterly. Every amount payable under this Lease is reserved as rent and is recoverable as rent in arrear

12.2 Interest on breach

Without prejudice to clause 12.1 if:

(a) there is any breach by the Tenant of its obligations under this Lease and

(b) the Landlord serves notice on the Tenant that by reason of that breach the Landlord will not for the time being accept any sums (including the Rent) payable by the Tenant under this Lease

the Tenant must pay to the Landlord on demand interest at the Default Interest Rate on the sums due to the Landlord under this Lease in respect of the period from the date of service of the notice or from the date when the particular sum fell due (whichever is the later) until whichever is the earlier of the date of the acceptance by the Landlord of the sum due and the date on which the breach is remedied

12.3 Disputes

In relation to disputes:

(a) any statement in this Lease that a dispute must be referred to arbitration means that the dispute must be determined by a single arbitrator agreed by the Landlord and the Tenant or failing agreement by a single arbitrator appointed by the president or his deputy for the time being of the Royal Institution of Chartered Surveyors in accordance with the Arbitration Act 1996 and

(b) any dispute between the Tenant and any tenant or occupier of any other property owned or leased by the Landlord about any right in connection with the use of the Property and the other property or about any boundary structure separating the Property from the other property may be determined by the Landlord whose determination will be conclusive save as to questions of law

12.4 Compensation

Subject to the provisions of section 38(2) of the Landlord and Tenant Act 1954 neither the Tenant nor any person deriving title under the Tenant will be entitled on quitting the Property to any compensation under section 37 of that Act

12.5 Joint and several liability

Where the Tenant or any Guarantor is more than one person:

(a) those persons are jointly and severally responsible in respect of every obligation undertaken by them under this Lease and

(b) the Landlord may release or compromise the liability of any of those persons under this Lease or grant any time or other indulgence without affecting the liability of any other of them

12.6 Whole agreement

This Lease contains the whole agreement between the parties relating to the transaction contemplated by this Lease and supersedes all previous agreements between the parties relating to the transaction

12.7 Representations

The Tenant acknowledges that in agreeing to enter into this Lease the Tenant has not relied on any representation warranty collateral contract or other assurance save for written replies to written enquiries raised by the Tenant’s solicitors

12.8 Rights of entry

All rights of entry exercisable by the Landlord extend to include (without limitation) its employees agents surveyors contractors and licensees with or without plant equipment appliances and materials

12.9 Interpretation of covenants

Any covenant by the Tenant not to do or omit anything must be construed as though the covenant were in addition a covenant not to permit or suffer that thing to be done or omitted to be done

12.10 Landlord's covenants

The Landlord will not be liable to the Tenant for any breach of its obligations in Clauses 7.3 and 7.4:

(a) unless the Tenant has given the Landlord notice of the breach or the Landlord is aware or should reasonably be aware of the breach and has failed to remedy the breach within a reasonable time or

(b) where the breach was caused by something beyond the control of the Landlord provided that the Landlord uses all reasonable endeavours to remedy the breach except to the extent that:

(i) the breach could have been prevented or

(ii) the consequences of the breach could have been lessened or

(iii) the time during which the consequences of the breach were experienced could have been shortened

by the exercise of reasonable skill by the Landlord or those undertaking the obligation on its behalf

12.11 Head Lease and Charge

Where there is a Head Lease or where the interest of the Landlord or any Head Landlord is charged:

(a) any right exercisable by the Landlord is exercisable by every Head Landlord and every Chargee

(b) where the Tenant must obtain consent from the Landlord the Tenant must obtain consent from every Head Landlord and every Chargee where the Head Lease or the Charge so provide and nothing contained in this Lease will be construed as imposing on any Head Landlord or any Chargee an obligation not to refuse consent unreasonably or indicating that such an obligation is imposed on any Head Landlord or any Chargee by virtue of the terms of the Head Lease or the Charge

(c) where the Tenant must repay to the Landlord any expenses incurred by the Landlord then if any expenses are incurred by any Head Landlord or any Chargee the Tenant must repay those expenses also

(d) any indemnities in favour of the Landlord are deemed to incorporate indemnities in favour of every Head Landlord and every Chargee

In this clause Charge means any mortgage or charge (fixed or floating legal or equitable) affecting the interest of the Landlord or any Head Landlord in the Property and Chargee must be construed accordingly

12.12 Tenant's possessions

If after the Tenant has vacated the Property at the End of the Term any of the Tenant's possessions remain on the Property and the Tenant fails to remove them within ten Business Days after being requested to do so by the Landlord then:

(a) the Landlord may dispose of the possessions as agent for the Tenant

(b) (if disposal is by sale) then subject to clause 12.12(c) the landlord must hold the proceeds of sale after deducting the costs and expenses of removal storage and sale incurred by it to the order of the Tenant

(c) if the Tenant fails to claim the proceeds of sale within 60 Business Days of the date of the sale the Landlord may keep them

(d) the Tenant indemnifies the Landlord against:

(i) any liability incurred by the Landlord to any third party whose possessions have been sold by the Landlord in the mistaken belief (which must be presumed) that the possessions belonged to the Tenant

(ii) any damage caused to the Property by the possessions and

(iii) all loss damage actions proceedings claims demands costs damages and expenses incurred or suffered by or brought or awarded against the Landlord as a result of the presence of the possessions on the Property after the Tenant has left it at the End of Term

12.13 Other land

Nothing contained in or implied by this Lease:

(a) imposes or is deemed to impose any restriction on the use of any property not comprised in this Lease or

(b) gives the Tenant:

(i) the benefit of or the right to enforce or to have enforced or to prevent the release or modification of any covenant lease condition or stipulation entered into by any purchaser or tenant from the Landlord or any Head Landlord in respect of any property not comprised in this Lease or

(ii) the right to prevent or restrict in any way the development of any land not comprised in this Lease or

release the Tenant from the covenants by the Tenant in this Lease notwithstanding that the Landlord has waived or released temporarily or permanently revocably or irrevocably or in any other way a similar covenant or similar covenants affecting any property not comprised in this Lease

12.14 Perpetuity period

The perpetuity period applicable to this Lease is 80 years beginning on the date of this Lease and whenever in this Lease either the Landlord or the Tenant is granted a future interest it must vest within that period and if it has not it will be void for remoteness

12.15 Severance

To the extent that any provision of this Lease is rendered void by section 25 of the LTC Act 1995 that provision must be severed from the remainder of this Lease which remains in full force and effect. In this clause provision includes a clause or a schedule or any part of any of them

12.16 Notices in writing

Every notice consent approval or direction given under this Lease must be in writing

12.17 Counterparts

This Lease may be executed in any number of counterparts all of which taken together constitute one and the same lease and any party may enter into this Lease by executing a counterpart

12.18 Exclusion of third party rights

A person who is not a party to this lease may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999

12.19 No warranty

The Landlord gives no express or implied warranty as to the condition of the Building or that the Property are suitable for the Tenant's purposes or that the Permitted Use will be or remain a lawful or authorised use under the Planning Acts or otherwise

12.20 Common Parts

The Landlord acting reasonably may from time to time change the location area or arrangements for use by the Tenant of any part of the Common Parts or Conduits so long as there remains available for the benefit of the Property rights reasonably commensurate and no less commodious (albeit temporary) with those granted by this Lease

12.21 Data Protection Act consent

For the purposes of the Data Protection Act 1998 or otherwise the Tenant and any Guarantor agree that information held by the Landlord relating to this Lease may be disclosed to third parties in connection with the management of and/or any disposal or other dealing with the whole or any part or parts of the Landlord's interest in the Building

13. Notices

Any notice or other document served under this Lease may be served in any way in which a notice required or authorised to be served under section 196 of the Law of Property Act 1925 may be served

14. Guarantor

The Guarantor covenants with the Landlord in the terms set out in Schedule 5 in respect of the period from the Term Commencement Date until the date on which Expedia.com Limited is released by virtue of the LTC Act 1995

15. Governing Law

This Lease is governed by and must be construed in accordance with English law

16. Jurisdiction

16.1 The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Lease and the parties submit to the exclusive jurisdiction of the English courts

16.2 The Landlord's address in England for service of all notices and proceedings is care of Draco Management Office The Manor Pilton Somerset BA4 4BE and the Landlord agrees that this will remain the address for service of proceedings and notices unless and until the Tenant has received written notice from the Landlord nominating an alternative address for service which must be in England

17. Process Agent

The Guarantor irrevocably appoints Expedia.com Limited as its agent in England for service of process

18. Waiver

The parties waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any such dispute

IN WITNESS of which this Lease has been executed as a deed and has been delivered on the date which first appears on page 1

Schedule 1

THE BUILDING AND THE PROPERTY

PART 1

THE BUILDING

The building known as Seven Dials Warehouse 42/50 Earlham Street London WC2H 9LA as the same is registered at HM Land Registry under title number NGL422086

PART 2

THE PROPERTY

The Property shown edged red on the Plans being on the ground and mezzanine floors of the Building including:

(a) all walls (other than load-bearing walls) within the Property

(b) one half (severed vertically) of all walls (other than load-bearing walls) separating the Property from other parts of the Building

(c) the plaster and surface finish of the external and load-bearing walls and columns bounding or within the Property and the plaster and surface finish of all load-bearing walls separating the Property from the Retained Area but not any other part of those walls and columns

(d) the floor finishes but nothing below them

(e) the ceiling finishes (including suspended ceilings and lighting) but nothing above them

(f) the doors and their frames and the windows and their frames

(g) all fixtures and all landlord's fittings

(h) all Conduits serving solely the Property

(i) the lifts and staircases within the Property and

(j) all plant solely serving the Property whether forming Landlord's plant or Tenant's plant and whether within the Property or on the roof of the Building

but excluding the external and load-bearing walls and columns bounding or within the Property and all walls separating the Property from the Retained Area (other than the parts of those walls and columns referred to in paragraph (c) above)

Schedule 2

RIGHTS GRANTED TO THE TENANT

1. The right at all times to use the Common Parts for all proper purposes connected with the use and enjoyment of the Property under this Lease (subject to temporary interruption for repair and maintenance the Landlord acting with all due expediency)

2. The right to use the Conduits in the Building which serve the Property (subject to temporary interruption for repair, alteration or replacement the Landlord acting with all due expediency)

3. The right of support and protection from the other parts of the Building as now enjoyed by the Property

4. The right to display in an appropriate manner immediately outside the main entrance of the Property a notice indicating the name and business of the Tenant and of all authorised undertenants and companies sharing occupation under clause 8.12 in a form and manner approved by the Landlord such approval not to be unreasonably withheld or delayed

5. Subject to obtaining any necessary statutory consents and subject to the Landlord's approval which will not be unreasonably withheld or delayed the right to install one satellite dish on the roof of the Building

6. The right to use the refuse storage area provided by the Landlord

7. Subject to the Landlord's approval which will not be unreasonably withheld or delayed the right to install any reasonable security apparatus in the Building

8. Subject to obtaining any necessary consents and subject to the Landlord's consent which will not be unreasonably withheld or delayed the right to name the Property but, for the avoidance of doubt, not the Building of which the Property forms part

9. To enter into such parts of the Building as is reasonably necessary at reasonable times for the purpose of inspecting connecting into or carrying out repairs to Conduits forming part of or serving the Property subject to the Tenant:

   (a) giving to the Landlord and any relevant occupier reasonable prior notice and

   (b) making good all physical damage caused as a consequence of the exercise of such rights to the reasonable satisfaction of the Landlord and the relevant occupier

10. The right to use the staircase at the ground floor level shown on the Ground Floor Plan for escape from the Property in the case of fire or other emergency only

11. The rights to install plant within the area hatched grey and marked Future Tenant Space Allocation on drawing number SA2537 M/015 RD and in the area marked Tenants AC Unit 5 th on plan A633 GA 1000 and to connect the Property through conducting media in the Building to such plant for the purpose of providing air conditioning to the Property only subject to the Tenant:

(a) obtaining any necessary statutory consents for all such works;

(b) obtaining the Landlord's approval to the detail of all such works (which approval will not be unreasonably withheld or delayed and will given by deed unless the requirement for a deed is

expressly waived by the Landlord in writing);

(c) completing all such works in a good and workmanlike manner and to the reasonable satisfaction of the Landlord;

(d) minimising the space it utilises so far as reasonably practicable

and further provided that the Landlord acting reasonably may from time to time change the location or the areas referred to in this paragraph 11 subject to the Tenant's approval of such areas which must not be unreasonably withheld or delayed

12. Subject to the Tenant:

12.1 obtaining the consent of the tenant from time to time pursuant to the Existing Lease;

12.2 obtaining any necessary statutory consents for all such works; and

12.3 obtaining the Landlord's approval to the detail of all such works (which will not be unreasonably withheld or delayed and will be given by deed unless the requirement for a deed is expressly waived by the Landlord in writing)

12.4 completing all such works in a good and workmanlike manner and to the reasonable satisfaction of the Landlord; and

12.5 minimising the space it utilises so far as reasonably practicable

the right to connect the chillers constructed on the plant deck on the roof of the Building within the area shaded green as drawing number 1392/SK/702131 attached subject to the Tenant affording the Landlord reasonable access at all times in order to maintain the toilet extract duct and fan and any other Landlord's plant situated below such plant deck

Schedule 3

RIGHTS RESERVED TO THE LANDLORD

1. The right to use the Conduits in the Property which serve other parts of the Building, the right to install new Conduits for the benefit of the remainder of the Building and the right to repair, maintain and renew existing and new Conduits (including for the avoidance of doubt the chiller kitchen extract and fresh air riser provided by the Landlord for the benefit of the tenant or occupier of the basement and ground floor of the building)

2. The right to enter the Property to exercise any of the rights referred to in this schedule or for the purposes set out in clause 6.7 or to comply with any enactment all such rights and right of entry to be subject to the provisions and exemption to clause 6.7

3. The right in an emergency to pass through the Property in accordance with any regulation or requirement of the Fire Officer or any court or other authority

4. The right to build, re-build or carry out any works of any description on any other land or buildings (including other parts of the Building) provided it does not materially or substantially interfere with the passage of light or air to the Property or cause substantial or material nuisance, damage, annoyance or inconvenience to the Tenant or occupiers of the Property by noise, dust, vibration or otherwise and provided that it does not materially affect the ability of the Tenant or the occupier to use the Property for any purpose permitted by tin's Lease

5. The right to build, alter and install and afterwards to maintain buildings, structures and fixtures on, into or projecting over or under or taking support from the Property (but those buildings, structures and fixtures will not become part of the Property) provided the work is carried out at times and in a way convenient to the reasonable requirements of the Tenant

6. The right to erect and use scaffolding outside the Property even if the scaffolding temporarily restricts access to or the use and enjoyment of the Property by the Tenant or the occupier of the Property but provided this does not materially obstruct or interfere with such use and enjoyment

7. All rights of light or air or other easements or rights over or belonging to any other land or buildings (including other parts of the Building)

8. The support and protection from the Property enjoyed by other parts of the Building

Schedule 4

THE MATTERS AND THE DOCUMENTS (IF ANY) CONTAINING INCUMBRANCES TO WHICH THE PREMISES ARE SUBJECT

The Premises are let subject to:-

1.1 all matters discoverable by inspection of the Premises and the Building before the grant of this Lease

1.2 all matters that the Landlord did not and could not reasonably know about as at the date of this Lease

1.3 all matters (except charges to secure the repayment of money) disclosed or which would have been disclosed by the searches and enquiries which a prudent tenant would have made before entering into this Lease

1.4 all notices orders or proposals given or made (whether before or after the date of this Lease) by any body acting on statutory authority

1.5 any unregistered interests which fall within any of the paragraphs of Schedule 3 to the Land Registration Act 2002

1.6 such unregistered interests as may affect the Premises to the extent and for so long as they are preserved by the transitional provisions of Schedule 12 to the Land Registration Act 2002

1.7 all notices served by the owner or occupier of any adjoining or neighbouring property

2. The incumbrances contained in the documents set out below:-

	Date	**Description of Document**	**Parties**
2.1	17 April 2002	Section 106 Agreement	(1) The Royal Bank of Scotland plc (as trustee of the Schroder Exempt Property Unit Trust) and (2) The Mayor and Burgesses of the London Borough of Camden

3. The entries in the property and charges registers of the title number set out in clause LR2.1 (except charges to secure the repayment of money)

Schedule 5

GUARANTEE PROVISION

1. The Guarantor guarantees to the Landlord the due and punctual payment and performance by the Tenant of all the tenant's obligations and liabilities under this Lease and indemnifies the Landlord against all losses damages costs and expenses arising or incurred by the Landlord as a result of the non-payment or non-performance of those obligations or liabilities

2. The obligations of the Guarantor under this Lease:

   (a) constitute a direct primary and unconditional liability to pay on demand to the Landlord any sum which the Tenant is liable to pay under this Lease and to perform on demand by the Landlord any obligation of the Tenant under this Lease without the need for any recourse on the part of the Landlord against the Tenant

   (b) will not be affected by:

      (i) any time or indulgence granted to the Tenant by the Landlord

      (ii) any legal limitation disability or other circumstances relating to the Tenant or any irregularity unenforceability or invalidity of any obligations of the Tenant under this Lease

      (iii) any licence or consent granted to the Tenant or any variation in the terms of this Lease save as provided in section 18 of the LTC Act 1995

      (iv) the release of one or more of the parties defined as the Guarantor (if more than one)

      (v) any refusal by the Landlord to accept rents tendered at a time when the Landlord was entitled (or would after service of the appropriate statutory notice have been entitled) to re-enter the Property

      (vi) any surrender by the Tenant of part of the Property in which event the liability of the Guarantor will continue in respect of the part of the Property not so surrendered after making any necessary apportionments under section 140 of the Law of Property Act 1925 or

      (vii) any other act omission matter event or thing whereby (but for this provision) the Guarantor would be exonerated in whole or in part from the guarantee other than a release by deed given by the Landlord

3. So long as this guarantee remains in force the Guarantor:

   (a) must not claim or prove as creditor in competition with the Landlord in the event of any bankruptcy liquidation rehabilitation moratorium or other insolvency proceedings relating to the Tenant

   (b) is not entitled to claim or participate in any security held by the Landlord in respect of the obligations of the Tenant under this Lease

   (c) must not exercise any right of set-off against the Tenant

4. If the Landlord brings proceedings against the Tenant the Guarantor will be bound by any findings of fact interim or final award or interlocutory or final judgment made by an arbitrator or the court in those proceedings

5. If:

(a) the Tenant (being a company) enters into liquidation and the liquidator disclaims this Lease or

(b) the Tenant (being a company) is dissolved and the Crown disclaims this Lease or

(c) the Tenant (being an individual) becomes bankrupt and the trustee in bankruptcy disclaims this Lease

then within six months after the disclaimer the Landlord may require the Guarantor by notice to accept a lease of the Property for a term equivalent to the residue which would have remained of the Term if there had been no disclaimer at the same rents and subject to the same covenants and conditions (including those as to the review of rent) as are reserved by and contained in this Lease and the Guarantor will on demand pay the Landlord's reasonable and proper expenses in connection with such lease

6. The new lease and the rights and liabilities under it will take effect as from the date of the disclaimer and the Guarantor will be liable for all payments due under the new lease as from the date of disclaimer as if the new lease had been granted on the date of disclaimer

7. If on the commencement date of the new lease of the Property granted pursuant to paragraph 5 of this schedule a Review Date has occurred but the revised rent has not been agreed or determined then the rent first reserved by such new lease will initially be equal to the yearly rent payable under this Lease immediately prior to such Review Date but the second day of the term of such new lease will be an additional Review Date

8. The Guarantor or his personal representatives must pay the Landlord's reasonable and proper costs of and accept the new lease and must execute and deliver to the Landlord a counterpart of it

9. If the Landlord does not require the Guarantor to take a Lease of the Property the Guarantor must pay to the Landlord on demand a sum equal to the rent that would have been payable under this Lease but for the disclaimer in respect of the period from the date of the disclaimer until the date which is six months after the date of the disclaimer or the date on which the Property has been re-let by the Landlord whichever first occurs

10. If any VAT is payable by the Tenant to the Landlord under the terms of the Lease the Guarantor's obligation extends to that VAT. If the Guarantor makes any payment in respect of VAT the Landlord's obligation to issue a VAT invoice to the Tenant under the Lease in respect of that VAT is not affected and the Landlord is not obliged to issue a VAT invoice to the Guarantor in respect of that VAT

11. If the guarantee in this schedule is intended to be authorised guarantee agreement to the extent that any provision of this guarantee does not conform with section 16 of the LTC Act 1995 that provision is severed from the remainder of this guarantee and this guarantee has effect as if it excluded that provision

12. If any claim is made against the Guarantor by the Landlord in relation to the obligations of the Guarantor under this Lease the Guarantor will not make any claim against the Tenant for an

indemnity (1) if the Tenant becomes the subject of any voluntary arrangement (whether under Part I of the Insolvency Act 1986 or otherwise) or (2) in any event prior to all and any claims of the Landlord having been paid in full

13. The Guarantor will at the request of the Landlord execute any document supplemental to or entered into pursuant to this Lease to acknowledge that the Guarantor is bound by the terms of this Lease and such document and that the rights of the Landlord are not affected and the obligations of the Guarantor are not released by such document

Schedule 6

SERVICE CHARGE COSTS

1. The cost of inspecting repairing maintaining cleaning decorating and lighting the whole of the Retained Area including the boundary walls and fences of the Building

2. The cost of maintaining in good working order and repair and renewing and replacing (where beyond economic repair) all plant serving the Building (including generators boilers systems for ventilation heating and air conditioning and lifts) and all Conduits in or serving the Building excluding plant and Conduits the maintenance of which is the exclusive responsibility of the Tenant or of some other tenant in the Building or would be the exclusive responsibility of a tenant if the whole of the Lettable Areas were let on similar terms to those in this Lease

3. The cost of providing ventilation heating air conditioning and water heating to the Building but not the cost of installing the original plant

4. The cost of providing the services referred to in clauses 7.3 and 7.4 to the extent not included elsewhere in this schedule

5. The cost of the erection and maintenance of directional or other signs or notice boards relating to the Building or its occupiers

6. The cost of the making and enforcement of regulations for the benefit or better ordering of the Building

7. The cost of the supply and maintenance of fire prevention and fire fighting equipment in the Retained Area and fire alarm equipment in the Building

8. The cost of marking out the service areas loading bays and all other relevant parts of the Retained Area

9. The cost of refuse disposal

10. The cost of all fuel for the functions referred to in the other paragraphs of this schedule

11. The cost of employing staff to undertake the Landlord’s obligations under this Lease and the other functions referred to in this schedule including insurance pension and welfare contributions the provision of uniforms and working clothes and the provision of equipment for the proper performance of their duties

12. All Outgoings (as defined in clause 6.3) assessed charged or imposed on the Building as a whole

13. Any amount which the Landlord may be called upon to pay as a contribution towards the expense of making repairing maintaining cleaning or lighting anything used by the Building and any nearby property

14. The cost of complying with making representations against or contesting the incidence of any enactment relating or alleged to relate to the Building as a whole or the Retained Area

15. All professional fees reasonably and properly incurred by the Landlord in connection with the administration and the general management of the Building including (without limitation) fees payable in connection with the service charge account

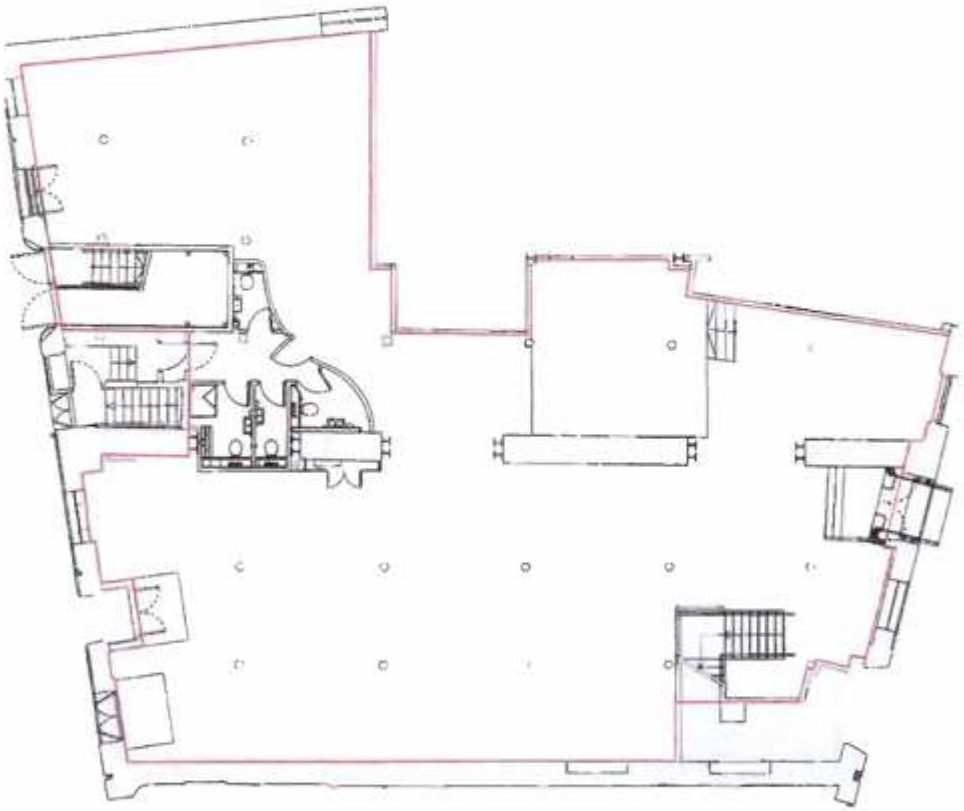
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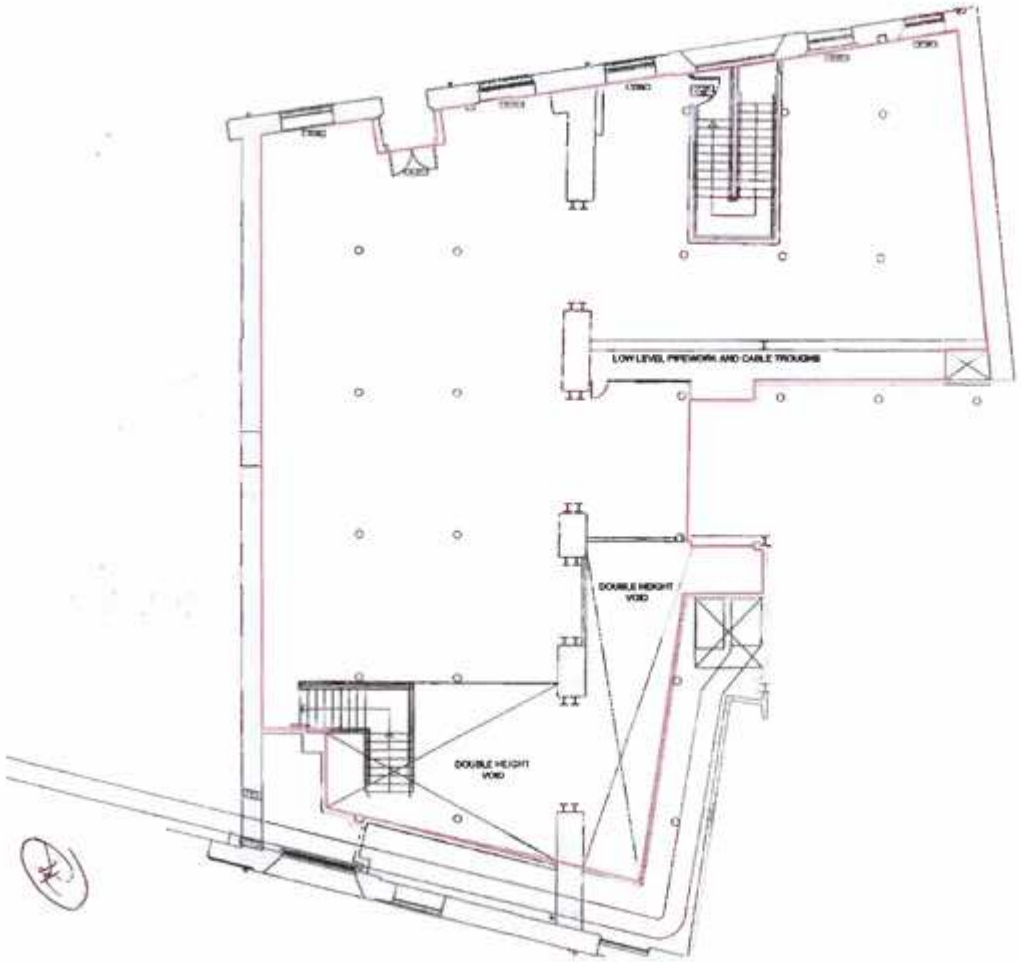
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Seven Dials Warehouse

Proposed Ground Floor Plan

0611 26-383





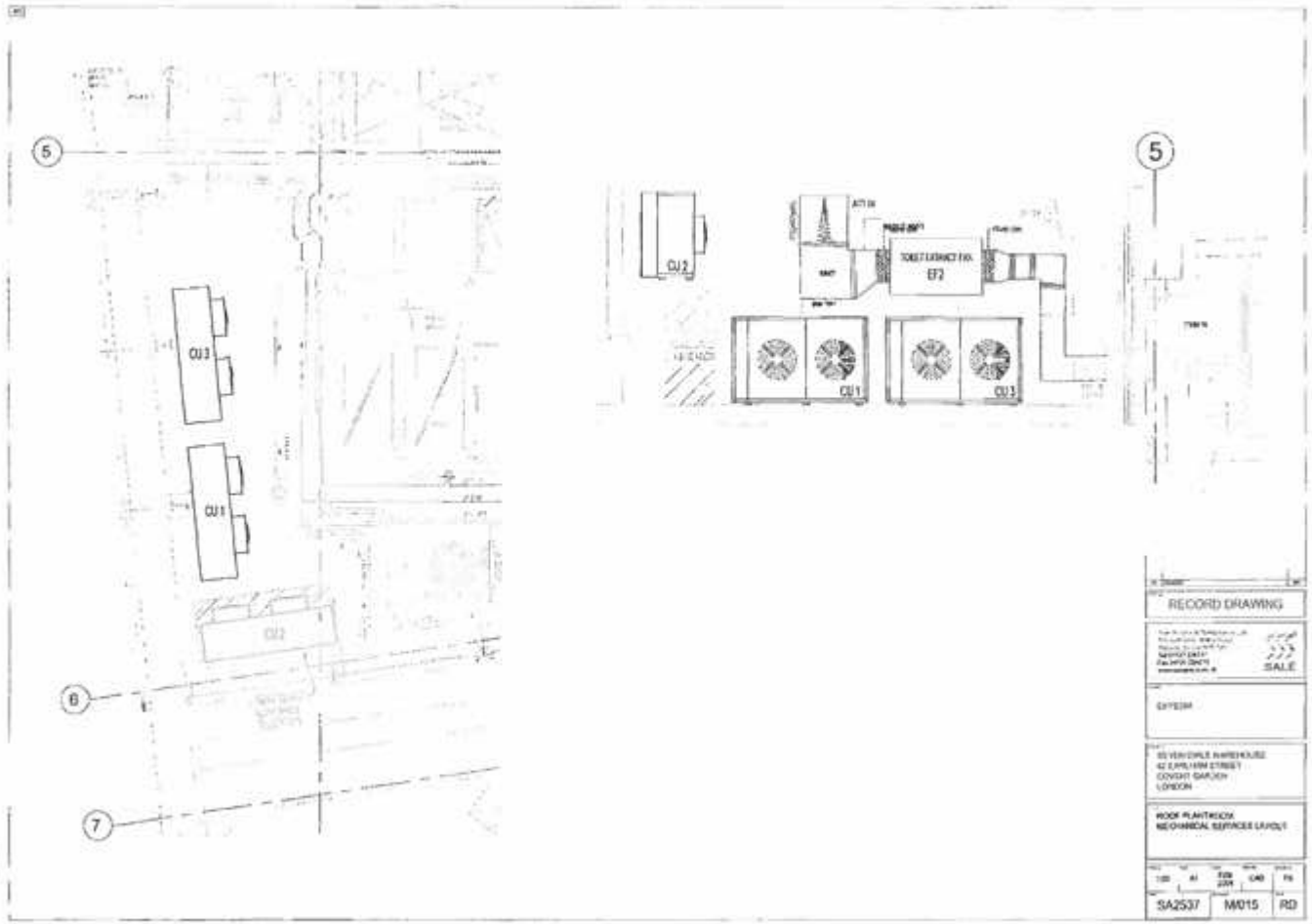
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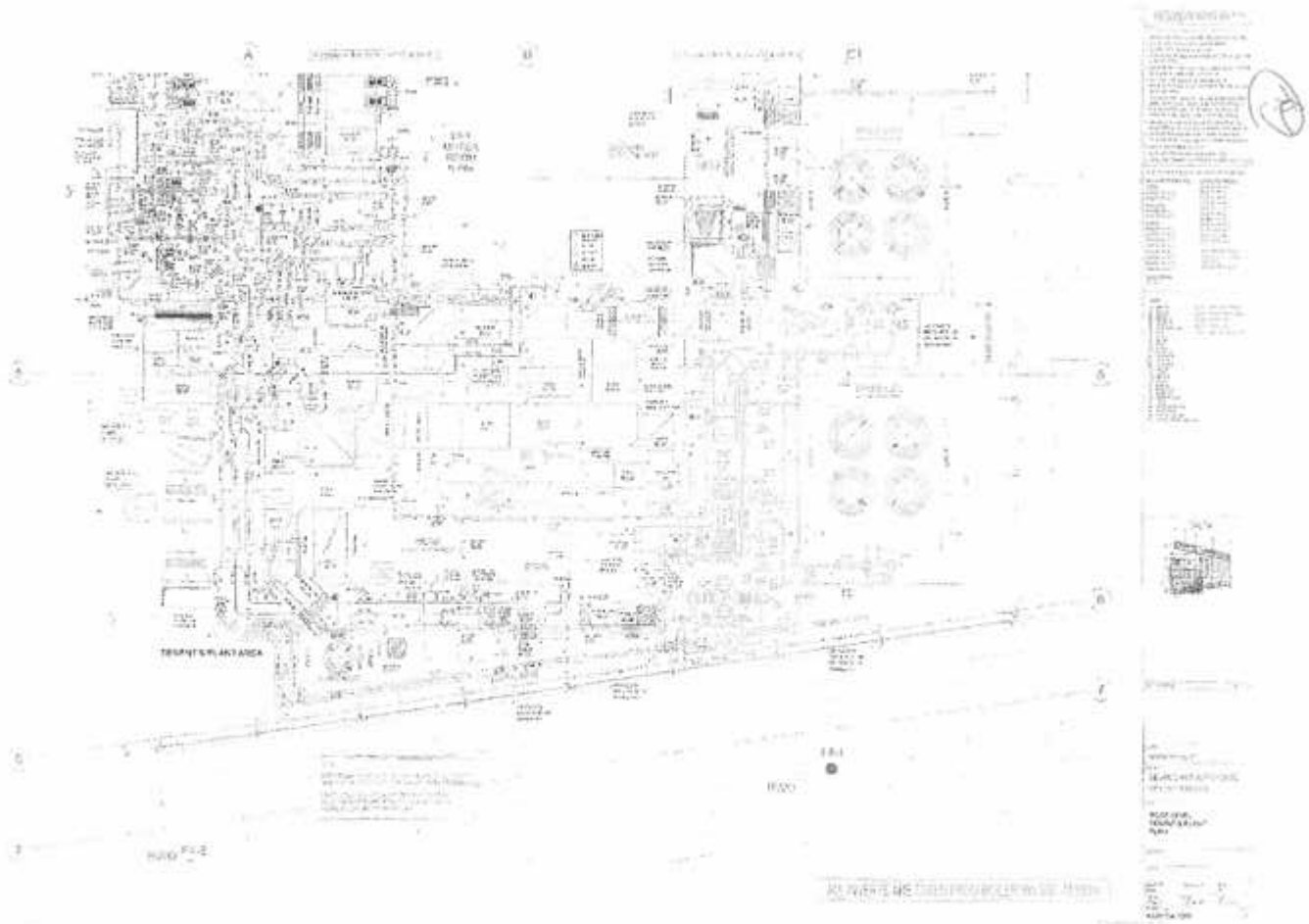
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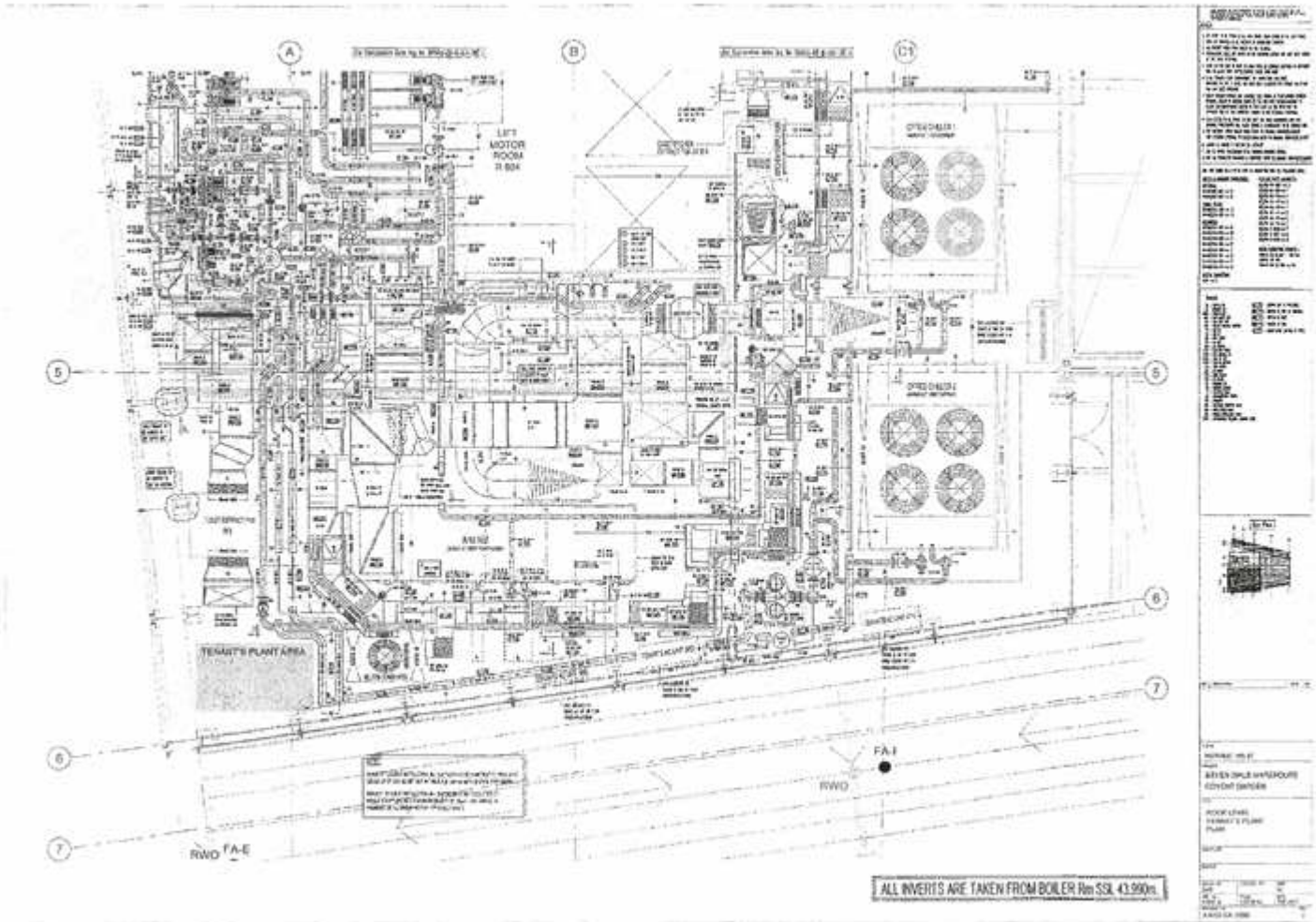
Seven Dials Warehouse

Proposed First Floor Plan

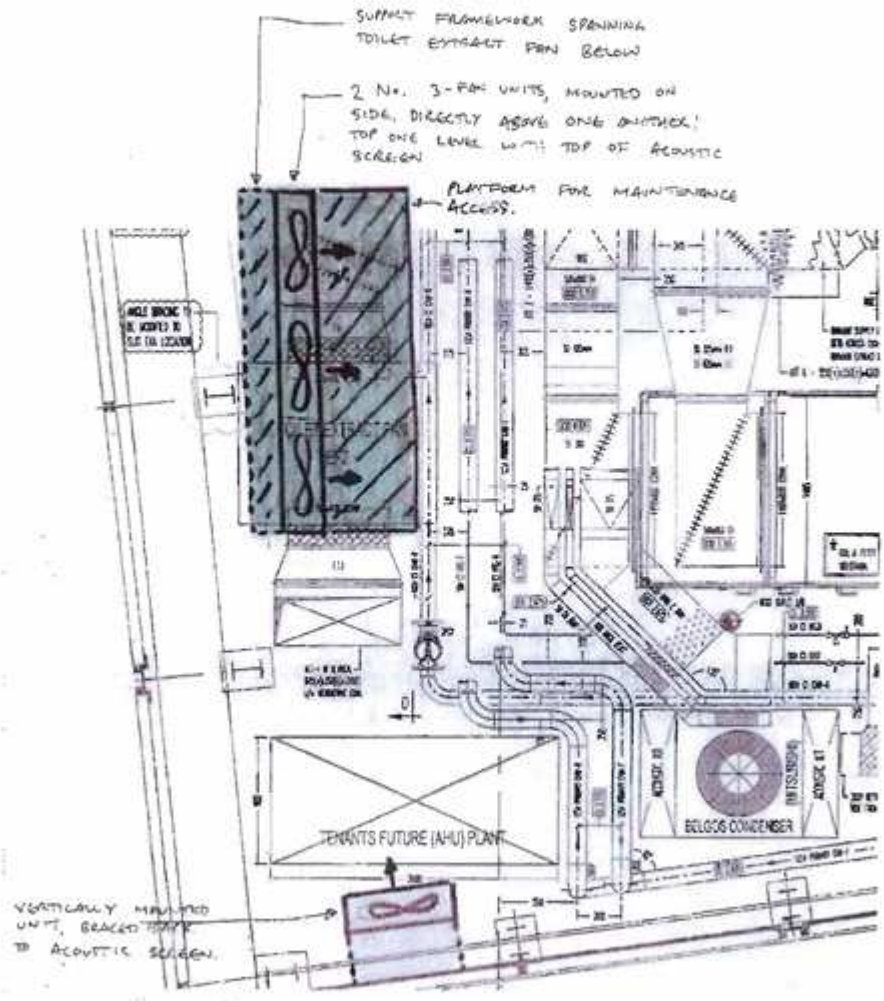
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CU3
CU1
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TOILET EXTRACT FAN
EF2
CU1
CU3
5
RECORD DRAWING
SALE
SA2537
M015
RD




LIFT MOTOR ROOM
TENANT'S PLANT AREA
RWD
FA-E
FA-I
RWD
ALL INVERTS ARE TAKEN FROM BOILER Rm SSL 43.990m.

CYPRIDIA, 7 FLRS
COMMS ROOM ROOF PLANT
SKETCH LAYOUT
1392/SK/702131
MEINHARDT UK



16. The reasonable and proper fees of the Landlord or any company associated with the Landlord where the Landlord or that company rather than a third party undertakes any obligation under this Lease or other function referred to in this Schedule

17. The interest and fees on borrowing any money to finance any of the functions referred to in this Schedule

18. Commissioning obtaining preparation and/or provision of any EPC and/or (where applicable) any DEC in relation to the Building including the fees costs expenses and disbursements of any assessor engaged to prepare the EPC

19. Any other sum reasonably and properly incurred by the Landlord in connection with the Building including without limitation the cost of providing any other service which the Landlord reasonably considers necessary for the purpose of good management of the Building

SIGNED as a **DEED** on behalf of)
SEVEN DIALS S.A.R.L. a company)
Incorporated in Luxembourg by) ..... Authorised Signatory
[ ])
Being [a] person[s] who in accordance with the)
Laws of that territory is (or are) acting under)
the Authority of the Company) ..... Authorised Signatory

EXECUTED as a deed by)
EXPEDIA.COM LIMITED)
acting by (director)) ..... Director
and (director/company)
secretary))
.....)
and .....) ..... Director/Company Secretary

EXECUTED as a deed by) /s/.....
EXPEDIA, INC)
acting by its authorised signatory/signatories)

Underlease

Relating to Reception and Floors 3, 4 and 5, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA

(1) Expedia.com Limited

(2) Facebook UK Ltd

Dated 3 January 2012

Osborne Clarke

One London Wall
London
EC2Y 5EB
Tel +44 (0) 20 7105 7000
Fax +44 (0) 20 7105 7005

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6. Landlord’s covenants 5
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Prescribed clauses under Schedule 1A of the Land Registration Rules 2003

LR1. Date of lease	3 January 2012
LR2. Title number(s)	**LR2.1 Landlord's title number** NGL897100 **LR2.2 Other title numbers** 87123
LR3. Parties to this lease	**Landlord: Expedia.com Limited** (Company Number 03847519) whose registered office is at 42 Earlham Street London WC2H 9LA **Tenant: Facebook UK Ltd** (Company Number 06331310) whose registered office is at Gladstone House, 77/79 High Street, Egham, Surrey TW20 9HY
LR4. Property	**In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.** The Premises as defined in clause 1.1
LR5. Prescribed statements etc.	***LR5.1*** Not applicable ***LR5.2*** Not applicable
LR6. Term for which the Property is leased	The term as specified in the definition of Contractual Term in the Underlease Particulars
LR7. Premium	None
LR8. Prohibitions or restrictions on disposing of this lease	This Underlease contains a provision that prohibits or restricts dispositions.
LR9. Rights of acquisition etc	***LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land*** None ***LR9.2 Tenant's covenant to (or offer to) surrender this lease*** None ***LR9.3 Landlord's contractual rights to acquire this lease*** None

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	None
LR11. Easements	***LR11.1 Easements granted by this lease for the benefit of the Property*** None ***LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property*** None
LR12. Estate rent charge burdening the Property	None
LR13. Application for standard form of restriction	None
LR14. Declaration of trust where there is more than one person comprising the Tenant	Not applicable

Underlease Particulars

Date:	3 January 2012
Landlord:	**Expedia.com Limited**
Company Number:	03847519
Registered Office:	407, Angel Building, St John Street, London Ec1V 4EX
Tenant:	**Facebook Ltd**
Company Number:	06331310
Registered Office:	Gladstone House, 77/79 High Street, Egham, Surrey TW20 9HY
Premises:	Reception and Floors 3, 4 and 5, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA (more particularly shown edged in red on the Plan)
Contractual Term:	Term of years starting on the Term Start Date and ending on 15 February 2018
Term Start Date:	3 January 2012
Rent:	£1,605,838 per year
Rent Start Date:	3 March 2013
Review Date:	2 January 2017
Contracted out:	The Underlease is excluded from the security of tenure provisions of Part II of the 1954 Act

Land Registry
Official copy of title plan

Title number **NGL897100**
Ordnance Survey map reference **TQ30815W**
Scale **1:1250**
Administrative area **CAMDEN**

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This official copy is incomplete without the preceding notes page.

This Underlease is made on the date stated and between the parties specified in the Underlease Particulars.

It is agreed as follows:

1. **Definitions and interpretation**

1.1 In this Underlease, unless the context otherwise requires, the following definitions shall apply:

"1954 Act" means the Landlord and Tenant Act 1954 (as amended).

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995.

"2003 Order" means the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

"Authorised Guarantee Agreement" means as defined by section 28(1) of the 1995 Act.

"Business Day" means a day (other than a Saturday or Sunday) on which clearing banks are open for business in the City of London.

"Consent for Alterations" means the written consent of the Superior Landlord in such form as is required by the Headlease to the Tenant's proposed works to the Premises.

"Guarantor" means any person from time to time who guarantees the obligations of the Tenant in this Underlease.

"Headlease" means the lease under which the Landlord holds the Premises dated 28 April 2008 made between (1) The Royal Bank of Scotland PLC (2) Expedia.com Limited and (3) Expedia, Inc a copy of which is annexed to this Underlease.

"Included Rights" means the rights granted by, and set out in schedule 2 of the Headlease and as set out in Schedule 1 to this Underlease.

"Landlord" means the party so named in the Underlease Particulars and any person from time to time entitled to the right to possession of the Premises when the Underlease ends.

"Payment Days" means 25 March, 24 June, 29 September and 25 December in each year,

"Plan" means the plan annexed to this Underlease.

"Premises" means the premises demised by and more particularly described in the Headlease.

"Reserved Rights" means the rights excepted and reserved by and set out in schedule 3 of the Headlease.

"Underlease" means this Underlease as supplemented or varied in writing from time to time whether by deed, licence or otherwise.

"Superior Landlord" means the person for the time being entitled to the reversion immediately expectant upon the expiry or sooner determination of the Headlease.

"Tenant" means the party so named in the Underlease Particulars and any person in whom this Underlease is vested from time to time.

"Term" means the Contractual Term.

"VAT" means value added tax as provided under the VATA.

"VATA" means Value Added Tax Act 1994 and references to the VATA shall include all statutes, laws, regulations, notices, directions or similar provisions, relating to value added tax and any value added, turnover, sales, purchase or similar tax of the United Kingdom or of any other jurisdiction and references to value added tax or to VAT shall be construed accordingly.

1.2 In this Underlease, unless the context otherwise requires:

(a) where at any time a party to this Underlease comprises more than one person all obligations and liabilities of or with that party are joint and several and references to that party include references to each such person;

(b) words denoting persons include any individual, firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality);

(c) words in the singular include the plural and vice versa and words in one gender include any other gender;

(d) references to clauses are to clauses of this Underlease;

(e) the Underlease Particulars form part of this Underlease but the table of contents and the headings are for convenience only and will not affect the construction or interpretation of this Underlease;

(f) unless the context shall otherwise so require words and expressions defined in the Headlease shall bear the same meaning where such words and expressions appear in this Underlease;

(g) any obligation by the Tenant not to do or omit to do something includes an obligation not to permit or to suffer that thing to be done or omitted;

(h) where there is an obligation to obtain the consent or approval of the Landlord under this Underlease such consent or approval must be contained in a formal deed or licence;

(i) where under the terms of this Underlease the consent of the Landlord is required for any act or matter the consent of the Superior Landlord under the terms of the Headlease is also to be required wherever requisite provided that nothing in this Underlease is to be construed as imposing on the Superior Landlord any obligation not to refuse his consent unreasonably;

(j) reference to any right exercisable by the Landlord or any right exercisable by the Tenant in common with the Landlord is to be construed as including where appropriate reference to the exercise of the right by the Superior Landlord and all persons authorised by him in common with all other persons having a like right;

(k) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it whether such statute or statutory provision comes into force before or after the date of this Agreement;

(I) the word **"assignment"** includes equitable assignment and the words **"assign"** and "assignee" shall be construed accordingly; and

(m) references to any statute or legislation include any legislation of the European Union directly applicable in the United Kingdom.

2. **Demise**

The Landlord, demises the Premises to the Tenant for the Term subject to:

2.1 together with (so far as the Landlord can grant the same) the Included Rights;

2.2 except and reserved to the Landlord and the Superior Landlord the Reserved Rights; and

2.3 subject to all rights, restrictions, covenants and liabilities affecting the Premises from time to time including for the avoidance of doubt the exceptions reservations restrictions rights and other matters contained in the Headlease.

3. **Rent**

3.1 The Tenant will pay the Rent to the Landlord without deduction or set off (except where lawfully provided by statute) by equal quarterly payments in advance on the Payment Days, the first payment for the period beginning on the Rent Start Date and ending on the day before the Payment Day following the Rent Start Date to be paid on the Rent Start Date.

3.2 If required by the Landlord the Rent shall be paid by standing order or credit transfer to the Landlord's bank account.

3.3 The Rent shall be reviewed on the Review Date in accordance with the terms of the Headlease save for the purposes of clause 4.1(c)(i) the rent payable shall be the Rent specified in the particulars to this Underlease.

4. **Same terms as Headlease**

Except as to the term of years granted the rents reserved and reviewed and where the specific terms of this Underlease state otherwise this Underlease is made upon the same terms and subject to the same covenants provisos (including without limitation the proviso for re-entry) and conditions as are contained in the Headlease as if the same were set out in this Underlease in full with such modifications as are necessary to make the same applicable to the present demise, and the parties hereto as if the names of the parties hereto had been respectively substituted for those of the Landlord and the Tenant in the Headlease and in the case of any conflict between the provisions of this Underlease and the Headlease the provisions of this Underlease shall prevail.

5. **Tenant's covenants**

The Tenant covenants with the Landlord:

5.1 ***Tenants Covenants in the Headlease***

To observe and perform the covenants and conditions on the part of the Tenant contained in the Headlease (excepting the covenants to pay the rents or other payments) as if the same were repeated in full in this Underlease except insofar as the Landlord expressly covenants in this Underlease to observe and perform them and to indemnify the Landlord from and against any actions proceedings claims damages liabilities costs charges expenses or losses arising from any breach non-observance or non-performance of those covenants and conditions.

5.2 ***Service Charges and Insurance***

To pay as rent to the Landlord on demand sums equal to the service charge and insurance premiums (as defined in the Headlease) payable from time to time by the Landlord under the Headlease.

5.3 ***Restrictions in Headlease***

Unless to do so would conflict with the terms of this Underlease, not do omit suffer or permit in relation to the Premises any act or thing that would or might cause the Landlord to be in breach of the Headlease or that if done omitted suffered or permitted by the Landlord would or might constitute a breach of the covenants on the part of the Lessee and the conditions contained in the Headlease.

5.4 ***Indemnity***

To indemnify and keep the Landlord indemnified against all actions proceedings claims damages liabilities costs charges expenses and losses in respect of or incurred in connection with the Premises or any injury incurred by any party upon the Premises or any damage to any item upon the Premises or otherwise (howsoever arising) or arising from any breach of the Tenant's covenants contained in this Underlease but not in respect of any breach by the Landlord of the Landlord's covenants contained in this Underlease.

5.5 ***VAT***

To pay to the Landlord VAT on any payments due under this Underlease so far as such tax is properly chargeable on the same and in every case where the Tenant has agreed to reimburse or indemnify the Landlord in respect of any payment made by the Landlord under the terms of or in connection with this Underlease to reimburse any VAT paid by the Landlord on such payment unless the VAT is recoverable by the Landlord.

5.6 ***Costs***

To pay to the Landlord on a full indemnity basis all proper costs fees charges disbursements and expenses properly incurred by the Landlord (both during and after the end of the term) in relation or incidental to:

(a) every application made by the Tenant for consent or licence required by the provisions of this Underlease whether or not it is granted refused or offered subject to any lawful qualification or condition or the application is withdrawn;

(b) the recovery or attempted recovery of arrears of Rent or other sums due under this Underlease;

(c) any steps taken in connection with the preparation and service of a schedule of dilapidations during or within three months after the end of the Term; and

(d) any breach by the Tenant of the Tenant's covenants on its part contained in this Underlease.

5.7 ***Access by Landlord***

To permit the Landlord upon reasonable notice (except in emergency) to enter the Premises for the purpose that is in the opinion of the Landlord necessary to enable it to comply with the covenants on the part of the lessee and the conditions contained in the Headlease.

5.8 ***Access by Superior Landlord***

To permit the Superior Landlord and all persons authorised by the Superior Landlord to enter the Premises for the purposes specified and upon the terms contained in the Headlease or in any lease superior to it as if the provisions in such documents dealing with the lessor's access to the Premises were incorporated into this Underlease.

6. **Landlord's covenants**

The Landlord covenants with the Tenant:

6.1 ***Quiet enjoyment***

That the Tenant will peaceably and quietly hold and enjoy the Premises during the Term without any interruption by the Landlord or by any person lawfully claiming through, under or in trust for the Landlord.

6.2 ***Rent***

To pay the rents reserved by the Headlease.

6.3 ***Superior Landlord's Covenants***

To use reasonable endeavours to procure that the Superior Landlord shall comply promptly with the covenants on its part contained in the Headlease.

6.4 ***Superior Landlord Consent***

At the request of the Tenant to take all reasonable steps at the cost of the Tenant to obtain the consent of the Superior Landlord where it is required under the terms of the Headlease

6.5 ***No Variation***

Not at any time without the prior written consent of the Tenant to vary the Headlease.

7. **Other Provisions**

7.1 ***Insurance***

The Landlord will use its reasonable endeavours to enforce the Superior Landlord's insurance obligations contained in Clause 9.1 of the Headlease and it is agreed that the provisions of Clauses 9.13, 9.14, 9.15, 9.16 and 9.17 of the Headlease shall apply to this Underlease.

7.2 ***Liability***

To the extent permitted by law the Landlord is not liable:

(a) to the Tenant or any occupier of the Premises for any accident, injury, damage or loss however arising; or

(b) to the Tenant for any failure to perform any of its obligations under this Underlease,

unless and until the Tenant has notified the Landlord in writing of the facts constituting such default and the Landlord fails to remedy the default within a reasonable time.

7.3 ***Landlord and Tenant (Covenants) Act 1995***

(a) The clauses of this Underlease will only take effect insofar as they do not contravene the provisions of the 1995 Act.

(b) Insofar as any provisions of this Underlease contravene the provisions of the 1995 Act the relevant provisions (or if applicable, the relevant parts of them) are deemed to be deleted so far as necessary to ensure such compliance.

(c) Any such deemed deletion does not affect the remaining provisions of this Underlease.

7.4 ***Exclusion of third party rights***

Unless expressly provided in this Underlease, no express term of this Underlease or any term implied under it is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

7.5 ***Governing law and jurisdiction***

(a) This Underlease and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

(b) The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Underlease, its subject matter or formation.

7.6 ***Agreement for Lease***

There is an agreement for lease made between (1) the Landlord and (2) the Tenant dated 2011 to which this Underlease gives effect.

8. **Security of tenure**

8.1 Pursuant to section 38A(1) of the 1954 Act the Landlord and Tenant agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act shall be excluded in relation to the tenancy created by this Underlease.

8.2 The Landlord and Tenant agree and declare that before the date of this Underlease:

(a) a notice in the form set out in Schedule 1 to the 2003 Order which applies to this Underlease was served by the Landlord on the Tenant on 27 June 2011 (the **"Notice"**); and

(b) a statutory declaration was made by the Tenant on 1 July 2011 in the form set out in Paragraph 8 of Schedule 2 to the 2003 Order (the **"Declaration"**).

8.3 Where the Declaration was made by a person other than the Tenant the Tenant confirms that the declarant was duly authorised by it to make the Declaration on its behalf.

8.4 The Landlord and the Tenant further agree and declare that the form of this Underlease is in all material respects the same as that which was in their contemplation at the time of the service of the Notice.

In witness this Underlease is executed and delivered on the date appearing at the head of page 1.

Schedule 1

Included Rights

1. The right to continue to use the plant and other equipment and to connect to the chillers constructed on the roof to the Building referred to in Schedule 2 of the Headlease.

2. The rights granted pursuant to the terms of a Consent for Alterations dated 3 January 2012 made between (1) the Superior Landlord (2) the Landlord (3) the Tenant (4) Expedia, Inc.

Executed as a Deed	)
by **Expedia.com Limited**	)
acting by	)
a director, in the presence of:	)
	Director
Signature of witness:	/s/ Frank B. Austin
Name:	Frank B. Austin
Address:	333 – 108 th Ave NE Bellevue, WA 98004 USA
Occupation:	Paralegal

Executed as a Deed	)
by **Facebook UK Ltd**	)
acting by	)
a director, in the presence of:	)
	Director
Signature of witness:	
Name:	
Address:	
Occupation:	

LEASE

DATED 28 th April 2008

THE ROYAL BANK OF SCOTLAND PLC
(as trustee of Schroder Exempt Property Unit Trust)

and

EXPEDIA.COM LIMITED

and

EXPEDIA, INC.

of property known as

Reception and Floors 3, 4 and 5, Seven Dials Warehouse,
42/50 Earlham Street, London, WC2H 9LA

ALLEN & OVERY
ALLEN & OVERY LLP
LONDON

11492-03784 PY:1291445.16

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LR1 Date of lease 28 th April 2008

LR2 Title number(s)

LR2.1 Landlord's title number(s)

NGL422086.

LR2.2 Other title numbers

None.

LR3 Parties to this lease

Landlord

THE ROYAL BANK OF SCOTLAND PLC , a company incorporated under the laws of Scotland under number SC90312 whose registered office is at 36 St Andrew Square, Edinburgh EH2 2YB and whose address for service is Trustee and Depositary Services Waterhouse Square, 138-142 Holborn, London EC1N 2TH (Ref: SEPUT) (acting in its capacity as trustee of Schroder Exempt Property Unit Trust and not otherwise);

Tenant

EXPEDIA.COM LIMITED (a company incorporated under company number 03847519) whose registered office is at 7 Soho Square, London, W1D 3QB.

Guarantor

EXPEDIA, INC. (company number 3956616) a company incorporated in the State of Delaware USA whose principal office is at 3150 139 th Avenue SE Bellevue, WA 98005.

LR4 Property

The property known as Reception and Floors 3, 4 and 5, Seven Dials Warehouse, 42/50 Earlham Street, London, WC2H 9LA and ancillary premises as further described in Part 2 of Schedule 1 and every part of it and all alterations to it.

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

LR5 Prescribed statements etc

None

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

LR5.2 This lease is made under, or by reference to, provisions of:

Not applicable

LR6 Term for which the Property is leased

The term is as follows: Ten years commencing on and including the Term Commencement Date.

LR7 Premium

Nil.

LR8 Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9 Rights of acquisition etc

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None.

LR9.2 Tenant's covenant to (or offer to) surrender this lease

None.

LR9.3 Landlord's contractual rights to acquire this lease

None.

LR10 Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None.

LR11 Easements

LR11.1 Easements granted by this lease for the benefit of the Property

As set out in Schedule 2.

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

As set out in Schedule 3.

LR12 Estate rentcharge burdening the Property

Not applicable

LR13 Application for standard form of restriction

Not applicable.

LR14 Declaration of trust where there is more than one person comprising the Tenant

Not applicable.

15 Further particulars

15.1 Term Commencement Date

20 February 2008

15.2 Initial Rent

Two million, one hundred and nineteen thousand, nine hundred and fifty pounds (£2,119,950).

15.3 Review Date

20 February in the year 2013 and in every fifth year after that year for so long as the Term continues.

15.4 Permitted Use

Offices being a use within subparagraph (a) of Class B1 Business in the Schedule to the Town and Country Planning (Use Classes) Order 1987 as that Order is in force at the date of this Lease.

15.5 Break rights

None.

THIS DEED WITNESSES as follows:

1. DEFINITIONS

In this Lease the terms defined in the Land Registry prescribed clauses and the further particulars set out at the beginning of this Lease and in Schedule 1 shall have effect and:

assign includes entering into any form of equitable assignment of the Property, including a registerable transfer where the Tenant's title to the Property is registered or registerable, but does not include entering into a contract for the assignment or transfer of the Property, and assignment is similarly construed;

authorised guarantee agreement has the meaning given to it by the LTC Act 1995 ;

Building means the property described in Part 1 of Schedule 1 and every part of it and all additions and alterations to it and includes (without limitation):

(a) roadways, footpaths, service roads, service areas, car parks, loading bays and landscaped and open areas;

(b) boundary walls and fences;

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

CAW Regulations means the Control of Asbestos at Work Regulations 2002 ;

Clearing Bank means a corporate member of CHAPS Clearing Company Limited;

Common Parts means the walkways service areas, loading bays, landscaped and open areas, entrances, staircases, passages, landings, passenger and goods lifts and other areas (whether or not in the nature of the foregoing) from time to time during the Term provided by the Landlord for common use by the tenants of the Building but for the avoidance of doubt not including any part of the Property;

Conduits includes those for sewage, water, gas, electricity, telecommunications and data processing;

Default Interest Rate means three per cent. per annum above the Interest Rate;

End of the Term includes the expiry of the Term by effluxion of time or the determination of the Term by forfeiture, surrender, merger, notice or in any other way;

Guarantor includes the person named in this Lease as guarantor, if any, and any other person who is for the time being a guarantor in respect of the Tenant's obligations under this Lease and his personal representatives and successors;

Head Landlord means any person for the time being entitled to possession of the Property at the end of any term of years granted by any Head Lease;

Head Lease means any lease under which the Landlord is for the time being entitled to possession of the Property at the End of the Term and every lease (whether immediate or

otherwise) out of which that lease was created, all deeds varying any of those leases and all licences and consents granted under any of those leases or under any deed of variation;

Insured Risks means fire, lightning, explosion, earthquake, aircraft and other aerial devices and articles dropped from them, escape of oil, impact by vehicles or animals, riot, civil commotion, strikes and labour disturbances, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, subsidence and heave and terrorism and other risks against which the Landlord from time to time (acting reasonably) decides to insure subject to such exclusions, limitations and excesses as are imposed by its insurers and to the extent to which the risks mentioned in this definition are insurable with the Landlord's insurers.

Interest Rate means the base rate for the time being of The Royal Bank of Scotland plc or of another Clearing Bank designated from time to time by the Landlord or if there is no such base rate the rate from time to time prescribed under section 32 of the Land Compensation Act 1961;

Landlord includes the person for the time being entitled to possession of the Property at the End of the Term;

Lease means this lease, every deed varying or supplemental to this lease, every licence and consent granted under this lease or under any deed of variation or supplemental deed and every collateral agreement (as defined in the LTC Act 1995);

Lettable Areas means all parts of the Building designed and intended to be let for commercial use;

LTC Act 1995 means the Landlord and Tenant (Covenants) Act 1995;

Major Damage means damage or destruction to the Property or the Building where the cost of rebuilding or reinstatement exceeds the greater of the annual rent then payable under this Lease (or which would be payable but for any abatement or suspension of the rent under this Lease) and the open market rent of the Property estimated by the Landlord acting reasonably at the time of the damage or destruction;

Plans means the plans annexed to this Lease;

Planning Acts means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004;

Quarter Days means 25th March, 24th June, 29th September and 25th December in every year;

Rent includes all sums reserved as rent by this Lease and any interim rent determined under the Landlord and Tenant Act 1954;

Rent Commencement Date means 25 January 2009;

Retained Area means the whole of the Building other than the Lettable Areas;

Review Period means the period starting with any Review Date up to the next Review Date or starting with the last Review Date for a period of five years after the last Review Date;

Section 106 Agreement means the agreement under Section 106 of the Town and Country Planning Act 1990 dated 17 April 2002 between the Landlord and The Mayor and Burgesses of the London Borough of Camden;

Service Charge Commencement Date means 20 February 2008;

Tenant includes the Tenant's successors in title;

Term means the term granted by this Lease and any statutory or other continuation or extension of it or any holding over;

Underlease EID application means an application to the Registrar to designate an underlease or derivative underlease an exempt information document so as to exclude from the edited copy of the underlease or derivative underlease as appropriate to be held by HM Land Registry such information as is excluded from any edited copy of this Lease held at HM Land Registry and such other information as the Landlord shall require;

Uninsured Risk means a risk or some aspect thereof which would be an Insured Risk but for the fact that insurance is not available or is available but only on terms or at rates which are not commercially acceptable to the Landlord (acting reasonably) in the London insurance market at the date of destruction or damage;

VAT means value added tax and any imposition or levy of a like nature;

VAT Act 1994 means the Value Added Tax Act 1994; and

VAT group means two or more bodies corporate registered as a group for VAT purposes under section 43 VAT Act 1994.

2. INTERPRETATION

2.1 Parties

Where there are two or more persons included in the expressions "Landlord, Tenant" or "Guarantor" each reference to the Landlord, the Tenant or the Guarantor includes a separate reference to each of those persons.

2.2 Enactments

Any reference, express or implied, to an enactment includes references to:

(a) that enactment as amended, extended or applied by or under any other enactment (before or after the execution of this Lease);

(b) any enactment which that enactment re-enacts (with or without modification);

(c) any subordinate legislation made (before or after the execution of this Lease) under that enactment, as amended, extended or applied as described in clause 2.2(a) above or under any enactment referred to in clause 2.2(b) above; and

(d) any consents, licences and permissions given (before or after the execution of this Lease) under that enactment, as amended, extended or applied as described in clause 2.2(a) above or under any enactment referred to in clause 2.2(b) above or under that

subordinate legislation and any conditions contained in those consents, licences and permissions.

2.3 Subordinate and EU legislation

Any reference, express or implied, to enactments generally includes subordinate legislation and any legislation of the European Union that is directly applicable in the United Kingdom and includes existing enactments and those that come into effect during the Term.

2.4 Application

Clauses 2.1 to 2.3 apply unless the contrary intention appears.

2.5 Clause headings

The headings in this Lease do not affect its interpretation.

3. LEASE

3.1 Lease

The Landlord lets the Property to the Tenant with limited title guarantee together with the rights set out in Schedule 2 but except and reserving to the Landlord the rights set out in Schedule 3 for the term set out in Land Registry prescribed clause LR6 subject to all rights and covenants affecting the Property contained or referred to in Schedule 4 at a yearly rent ascertained in accordance with clause 4.

3.2 Ancillary rights

The rights granted to the Tenant are granted in common with the Landlord, any person authorised by the Landlord and everyone else having the like or similar rights.

3.3 Exclusion of implied rights

This Lease does not include any rights other than those set out in Schedule 2.

3.4 Reserved rights

The rights excepted and reserved to the Landlord are also excepted and reserved to those authorised by the Landlord and everyone else entitled to them.

4. RENT AND RENT REVIEW

4.1 Rent

The yearly rent is:

(a) until but excluding the Rent Commencement Date the rent of one peppercorn (if demanded);

(b) from and including the Rent Commencement Date until but excluding the first Review Date the Initial Rent; and

(c) during each successive Review Period:

(i) a rent equal to the rent previously payable under this Lease (or the rent which would be payable but for any abatement or suspension of rent under this Lease); or

(ii) the revised rent ascertained in accordance with this clause,

whichever is the greater.

4.2 Rent payment dates

The yearly rent is payable without any deduction, withholding or set-off by equal quarterly payments in advance on the Quarter Days. The first payment (which is an apportioned sum) is to be made on the Rent Commencement Date in respect of the period commencing on the Rent Commencement Date and ending on the day before the next following Quarter Day.

4.3 Rent review - method

The revised rent for any Review Period may be agreed in writing at any time between the Landlord and the Tenant or (in the absence of agreement) determined not earlier than the relevant Review Date by an independent valuer (acting as an expert and not as an arbitrator) of recognised standing and having experience in letting and valuing property of a like kind and character to the Property.

4.4 Nomination

In the absence of agreement the independent valuer may be nominated by or on behalf of the president for the time being of the Royal Institution of Chartered Surveyors on the application of either the Landlord or the Tenant made not earlier than three months before the relevant Review Date.

4.5 Rent review - amount

In the case of valuation the revised rent to be determined by the valuer will be such as he decides is the full yearly rent at which the Property might reasonably be expected to be let in the open market at the relevant Review Date:

(a) after the expiry of a rent free period or a concessionary rent period given for fitting-out purposes only of such length and the giving of such other inducements (including, without limitation, any rental concession, capital payment or contribution to fitting out costs) given for fitting out purposes only as in either case would be negotiated in the open market between a willing landlord and a willing tenant so that the yearly rent is that payable after the expiry of any such rent free period or concessionary rent period and after the giving of any such inducement; and

(b) on the assumptions set out in clause 4.6 but disregarding the matters set out in clause 4.7.

4.6 Assumptions

The assumptions are that at the relevant Review Date:

(a) the Property:

(i) is available to let on the open market by a willing landlord to a willing tenant by one lease without a premium from either party and with vacant possession for a term of 10 years commencing on the relevant Review Date with the rent payable from then;

(ii) is to be let as a whole on a lease which is to contain the same terms as this Lease other than the amount of the rent referred to in clauses 4.1(a) and 4.1(b) and any rent free or reduced rent period allowed to the Tenant but including the provisions for review of that rent at the same intervals as those in this Lease but with the first Review Date in that lease being the fifth anniversary of the relevant Review Date;

(iii) is fit and available for immediate occupation and use by the willing tenant and is fitted out for the willing tenant's immediate use as authorised by this Lease in accordance with the willing tenant's requirements; and

(iv) may be used for any of the purposes permitted by this Lease;

(b) all the covenants in this Lease by the Tenant have been performed and observed; and

(c) no work has been carried out to the Property by the Tenant or other lawful occupier which has diminished the rental value and in case the Building has been destroyed or damaged it has been fully restored.

4.7 Disregards

The matters to be disregarded are:

(a) any effect on rent of the fact that the Tenant, its subtenants or their respective predecessors in title or any lawful occupier have been in occupation of the Property;

(b) any goodwill attached to the Property by reason of the carrying on at it of the business of the Tenant, its subtenants or their predecessors in title or any lawful occupier in their respective businesses; and

(c) any increase in rental value of the Property attributable to the existence at the relevant Review Date of any voluntary improvement to the Property carried out by and at the cost of the Tenant, its subtenants or their respective predecessors in title or any lawful occupier during the Term or during any earlier period of occupation arising out of an agreement to grant the Term or completed during the term of any prior lease of the Property of which this is a renewal.

In this clause a **voluntary improvement** is one carried out with the consent of the Landlord (where required) but not under an obligation to the Landlord or its predecessors in title, (and any works carried out in order to comply with statute or required or directed by any public body or in accordance with a licence permitting alterations are not to be construed as pursuant to an obligation to the Landlord).

4.8 Valuer

In the case of determination by a valuer:

(a) the fees and expenses of the valuer including the cost of his appointment must be borne as he decides or in the absence of any decision equally by the Landlord and the Tenant who must otherwise each bear their own costs;

(b) the valuer must afford the Landlord and the Tenant an opportunity to make representations to him; and

(c) if the valuer dies, delays or becomes unwilling or incapable of acting or if for any other reason the president for the time being of the Royal Institution of Chartered Surveyors or the person acting on his behalf thinks fit he may discharge the valuer and appoint another in his place.

4.9 Memorandum

When the revised rent has been ascertained memoranda of it must be signed by or on behalf of the Landlord and the Tenant and annexed to this Lease and the counterpart of it and the Landlord and the Tenant must bear their own costs in respect of the memoranda.

4.10 Interest

If the revised rent payable with effect from any Review Date has not been agreed by that Review Date rent will continue to be payable at the rate previously payable. Forthwith on the revised rent being ascertained the Tenant must pay to the Landlord any shortfall between the rent and the revised rent payable up to and on the preceding Quarter Day together with interest at the Interest Rate on each part of the shortfall from the date or respective dates on which each part would have been due for payment had the revised rent been ascertained before the relevant Review Date until the date of payment.

For the purpose of this clause the revised rent will be deemed to have been ascertained on the date when it has been agreed between the Landlord and the Tenant or the date of the determination by the valuer.

4.11 Costs

If either the Landlord or the Tenant fails to pay the relevant part of the fees and expenses of the valuer under clause 4.8 within 15 Business Days of the same being demanded by the valuer the other may pay the same and the amount so paid must be repaid on demand by the party chargeable and is recoverable from that party as a debt due. If the valuer requires payment of his fees and expenses before releasing his determination, either the Landlord or the Tenant may pay them and recover the other's share of them from the other.

4.12 Time not of the essence

Time is not of the essence for the purposes of this clause.

5. SERVICE CHARGE

5.1 Payment

The Tenant must pay to the Landlord the Provisional Service Charge without any deduction, withholding or set-off by equal quarterly payments in advance on the Quarter Days. The first payment (which is an apportioned sum) is to be made on the Service Charge Commencement Date in respect of the period commencing on the Service Charge Commencement Date and ending on the next following Quarter Day.

5.2 Account

As soon as possible after (and in any event within six months of) every Accounting Date the Landlord must prepare and supply to the Tenant an account:

(a) showing the Gross Expenses, the Income and the Net Expenses for the Financial Year referred to in the account;

(b) containing a fair summary of the items referred to in it; and

(c) certified by the Landlord or its agents acting in accordance with the principles of good estate management (who may be the managing agents for the Building).

The account will be conclusive evidence of all matters of fact referred to it in it save in the case of manifest error. The Landlord must afford the Tenant on request reasonable facilities at reasonable times for inspecting and taking copies of the accounts and receipts and other documents supporting the account.

5.3 First balancing payment

In the case of the first Accounting Date after the Service Charge Commencement Date, if the proportion of the Tenant's Share of the Net Expenses shown in the account apportioned on a daily basis for the period from that date to the Accounting Date:

(a) exceeds the amount already paid as Provisional Service Charge before the first Accounting Date, the Tenant must pay the excess to the Landlord within 14 days of written demand; or

(b) is less than the amount already paid as Provisional Service Charge before the first Accounting Date, the Landlord must credit the excess to the Tenant against the next quarterly payment of Provisional Service Charge.

5.4 Subsequent balancing payments

In the case of every subsequent Accounting Date, if the Tenant's Share of the Net Expenses shown in the account for the period beginning on the day after the previous Accounting Date and ending on that Accounting Date:

(a) exceeds the amount paid as Provisional Service Charge during that period, the Tenant must pay the excess to the Landlord within 14 days of written demand; or

(b) is less than the amount paid as Provisional Service Charge during that period, the Landlord must credit the excess to the Tenant against the next quarterly payment of

Provisional Service Charge or repay the excess in respect of the last year of the Term within 14 days of the account being prepared and supplied to the Tenant.

5.5 Past costs

If the Landlord fails to include in any account for a Financial Year a sum expended or liability incurred in that year the Landlord may include such sum or the amount of such liability in an account for the next Financial Year.

5.6 Variation of Tenant's Share

If the Landlord considers that, having regard to the nature and degree of use by the Tenant or the other tenants in the Building of any of the facilities referred to in the definition of Gross Expenses or any other factor which the Landlord reasonably considers relevant, some proportion other than that referred to in the definition of the Tenant's Share ought properly to be payable by the Tenant, the Landlord may substitute that other proportion in the case of that facility. But the Tenant's Share of the Net Expenses must not be increased by reason solely of any of the Lettable Areas being vacant or unlet.

5.7 Reserved as rent

All sums payable under this clause are reserved as rent.

5.8 Definitions

In this clause:

Accounting Date means 31st December or such other date as the Landlord may reasonably nominate from time to time;

Financial Year means a year ending on an Accounting Date;

Gross Expenses means all the expenses reasonably and properly incurred by the Landlord in connection with the matters referred to in Schedule 6 and Gross Expenses shall not include -

(a) any repair made necessary as a result of damage or destruction by any Insured Risk or an Uninsured Risk;

(b) the initial refurbishment, reconstruction and equipping of the Building; and

(c) collecting rent, service charge or licence fees or arranging for the review of rent and letting of any other parts of the Building.

Income means:

(a) any insurance money received under an insurance policy which the Landlord was obliged to effect under this Lease where the Landlord (acting reasonably) has incurred expenses in making good the insured loss itself in pursuance of its obligations at clauses 7.3, 7.4 and 9.5; and

(b) any money received from any person (other than the service charge paid by the tenants in the Building) who was liable to contribute to the cost of compliance with the Landlord's obligations under this Lease where the Landlord has itself incurred the expense towards which that person contributed;

Net Expenses means the amount by which Gross Expenses exceeds Income;

Net Internal Area has the meaning given to that expression in the Code of Measuring Practice published by the Royal Institution of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers (Sixth Edition);

Provisional Service Charge means:

(a) in respect of the period from the Service Charge Commencement Date to the next following Accounting Date, the annual sum of £8,097; and

(b) in respect of each subsequent Financial Year, the sum reasonably fixed from time to time by the Landlord or its agents (who may be the managing agents for the Building) acting in accordance with the principles of good estate management as being a reasonable estimate of the Tenant's Share of the Net Expenses for the relevant Financial Year;

Tenant's Share means, subject to clause 5.6, the same proportion of the Net Expenses as the Net Internal Area of the Property from time to time bears to the Net Internal Area of the Lettable Areas from time to time.

6. TENANT'S COVENANTS

6.1 Introduction

The Tenant covenants with the Landlord to comply with its obligations set out in this clause and in clauses 5, 8 and 9.

6.2 Rent

The Tenant must:

(a) pay the yearly rent to the Landlord at the times and in the manner referred to in clause 4 without any deduction and (if reasonably required by the Landlord) by banker's standing order or direct debit; and

(b) not exercise or seek to exercise any right or claim to withhold rent or any right or claim to legal or equitable set-off.

6.3 Outgoings

The Tenant must:

(a) pay all present and future Outgoings assessed, charged or imposed on, or payable in respect of the Property or assessed, charged or imposed on, or payable by the owner or occupier of the Property;

(b) pay the proportion properly and reasonably attributable to the Property of all Outgoings assessed, charged or imposed on or payable in respect of the Property and other properties assessed, charged or imposed on or payable by the owner or occupier of the Property and other properties;

(c) pay all charges for the supply to and consumption at the Property of water, gas and electricity and all charges for telecommunications (including equipment rents) and observe and perform all regulations of the supply authorities; and

(d) where such charges as are referred to in clause 6.3(c) are made in relation to the Property and other properties or upon the owner or occupier of the Property and other properties, pay the suppliers and indemnify the Landlord against the proportion of those charges properly and reasonably attributable to the Property or its owner or occupier.

In this clause **Outgoings** means rates, taxes, duties, charges, assessments, impositions and outgoings whether parliamentary, parochial, local or of any other description and whether of the nature of capital or revenue and even though of a wholly novel character except for any payable by the Landlord in respect of its receipt of all rents receivable from the letting of the Building other than VAT or as a result of any dealing with its reversionary interest in the Building. The proportion referred to in clauses 6.3(b) and 6.3(d) will be determined by the Landlord (acting reasonably) whose determination will be conclusive save as to questions of law.

6.4 Repair

The Tenant must:

(a) put and keep the Property (including, for the avoidance of doubt, the plant referred to in paragraph (j) of Part 2 of Schedule 1 but excluding the windows and window frames) in good and substantial repair and condition, but, subject to clause 6.4(b), is not obliged to repair damage caused by an Insured Risk or an Uninsured Risk;

(b) if directed to do so by the Landlord, repair damage caused by an Insured Risk where the insurance monies are irrecoverable because of the act, default or omission of the Tenant, any person deriving title under the Tenant or anyone at the Property with the express or implied authority of any of them;

(c) replace all the Landlord's fixtures and fittings in the Property which become beyond repair during the Term with others of no lesser quality;

(d) keep all windows and other glass in the Property (both inside and outside) clean, cleaning them at least once a month and more frequently where necessary;

(e) enter into and maintain throughout the Term fully comprehensive maintenance contracts in respect of all plant, equipment and machinery forming part of the Property with a reputable company or companies first approved by and in forms approved by the Landlord (such approval not to be unreasonably withheld or delayed) and produce the contracts to the Landlord on demand with evidence that any payments due under them are paid up to date;

(f) produce to the Landlord on demand a certificate issued by an electrical contractor first approved by the Landlord (such approval not to be unreasonably withheld or delayed) that the electrical circuits within and forming part of the Property comply with the then current regulations of the Institute of Electrical Engineers or other amended standards or recommended current codes of practice, in each case as approved by the Landlord (such approval not to be unreasonably withheld or delayed); and

(g) notify the Landlord of all defects in the Property which are relevant defects for the purpose of Section 4 of the Defective Premises Act 1972 .

6.5 Redecoration

The Tenant must redecorate the interior of the Property in every fifth year and in the last year of the Term in colours and patterns which must be first approved by the Landlord in the last year of the Term (such approval not to be unreasonably withheld or delayed). The Tenant must also have all parts of the Property requiring treatment for their preservation and protection treated in accordance with a reasonably approved manner for preserving and protecting them (such approval not to be unreasonably withheld or delayed). All works under this clause must be carried out in a good and workmanlike manner and with suitable, good quality materials.

In this clause the last year of the Term means the period of 12 months ending at the End of the Term.

6.6 Party matters

The Tenant must pay a fair and reasonable proportion of all costs and expenses payable in respect of repairing, lighting, cleansing and maintaining anything used in common by the Property and any other property to the extent that those costs and expenses are not recoverable under clause 5. The proportion must be determined by the Landlord (acting reasonably and fairly) whose determination will be conclusive save as to questions of law.

6.7 Entry by the Landlord

The Tenant must:

(a) permit the Landlord to enter the Property to examine its condition and take inventories;

(b) permit the Landlord to enter the Property to exercise any of the rights reserved to the Landlord by this Lease and for any other reasonable purpose connected with the management of the Building subject to the Landlord making good to the Tenant all damage to the Property but not being obliged to compensate the Tenant for any loss suffered by the Tenant or for any nuisance, annoyance, inconvenience, noise or vibration;

(c) permit the Landlord and any person acting as valuer under clause 4 to enter the Property and inspect and measure the Property for all purposes connected with insurance of the Building or any part of it, any action under the Landlord and Tenant Act 1954 Part II or the implementation of clause 4; and

(d) furnish all information relevant for those purposes as the Landlord or anyone having a right of entry under this clause may reasonably request.

Except in case of emergency the Landlord must give the Tenant reasonable prior written notice of at least 48 hours before exercising the right of entry which must be exercised at reasonable times. After notice or in case of emergency the Landlord may break into the Property. The right of entry must be exercised in a reasonable manner and in such a way as not to prevent the Tenant’s beneficial user and enjoyment of the Property so far as reasonably practicable.

6.8 Remedy breaches

The Tenant must remedy all breaches of covenant notified by the Landlord to the Tenant which the Tenant is liable to remedy under this Lease as soon as possible and in any event within two months after service of the notice. If the Tenant fails to do so, the Landlord may enter the Property and remedy the breach. All costs and expenses incurred by the Landlord must be paid by the Tenant on demand.

6.9 Alterations

The Tenant must:

(a) not make any alteration or addition to the Property or to any other part of the Building (other than the erection, alteration or removal of internal, non-structural, demountable partitioning within the Property, none of which requires consent,) save as permitted by clause 6.9(b);

(b) not make any non-structural alteration to the Property (other than, in relation to demountable partitioning, as mentioned in clause 6.9(a)) without the prior consent of the Landlord which may not be unreasonably withheld or delayed;

(c) before the End of the Term, if required to do so by the Landlord at least six months before the End of the Term where the Term expires by effluxion of time but not otherwise, remove any alteration or addition (including any made before the beginning of the Term by the Tenant) and make good all physical damage caused by the removal to the reasonable satisfaction of the Landlord;

(d) not enter into any agreement with any operator conferring on the operator any right to do on the Property anything referred to in paragraphs 2(1)(a), (b) or (c) of the telecommunications code or agree to be bound by any such right granted by another person;

(e) procure that no occupier of the Property or any part of it enters into any such agreement; and

(f) forthwith notify the Landlord in writing if any operator requests the Tenant or, to the knowledge of the Tenant, any other person to grant the operator any such right or if any operator does anything referred to in those paragraphs without having obtained the agreement of all persons having an interest in the Property.

In this clause a non-structural alteration is one which does not affect the roof, foundations or exterior of the Building or any load-bearing part of it and operator has the meaning given to that expression by paragraph 1 of the telecommunications code and telecommunications code means the code in schedule 2 of the Telecommunications Act 1984 .

6.10 Signs

The Tenant must:

(a) not display on the Property any signs visible from outside the Property except those which in the Landlord's opinion (acting reasonably) are reasonably necessary in connection with the business carried on at the Property and which are in a form approved by the Landlord and are affixed in positions approved by the Landlord (such approval not to be unreasonably withheld or delayed);

(b) at the End of the Term remove all signs (including any erected before the beginning of the Term by the Tenant) and make good all damage caused by their removal; and

(c) not affix any signs to any part of the Building other than the Property and not without the consent of the Landlord not to be unreasonably withheld or delayed to affix to the roof of the Building any external radio, television or other aerial or satellite dish or any pole, mast, flag or wire except as permitted under Schedule 2.

In this clause signs includes signs, hoardings, posters, placards, advertisements, bills, inscriptions and letters.

6.11 Use

The Property must not be used for any purpose other than the Permitted Use.

6.12 Use obligations

The Tenant must:

(a) not leave the Property unoccupied for more than a month without notifying the Landlord and providing the security arrangements required by the Landlord and its insurers;

(b) not do anything on the Property which maybe a nuisance, damage, danger, annoyance or inconvenience to the Landlord or any nearby owner or occupier;

(c) not allow to pass into the Conduits serving the Property anything that may obstruct them or cause damage, danger or pollution or anything poisonous or radioactive;

(d) not bring onto or keep in the Property anything dangerous, inflammable, explosive, noxious or offensive;

(e) not use the Property for any illegal or immoral purpose or for any dangerous, noxious, noisy or offensive occupation or in any manner so as to be offensive to the occupiers of any nearby property;

(f) not use the Property for the holding of public meetings or auction sales or as a residence or sleep at the Property or keep any animal on it;

(g) not overload the Building or its Conduits or interfere with the ventilation, heating or air-conditioning systems in the Building and operate those systems in accordance with the Landlord’s instructions;

(h) remove all refuse daily, keep the Property clean, tidy and in good order and not cause the Common Parts or any other area abutting the Property to be untidy;

(i) not obstruct the Common Parts and not do anything as a result of which reasonable use of the Common Parts by others may be impeded;

(j) ensure that at all times both the Landlord and (if reasonably required by the Landlord) the police know the names, home addresses and home telephone numbers of at least two keyholders of the Property.

6.13 Statutory requirements

The Tenant must:

(a) comply with every enactment and with the requirements and recommendations of every authority relating to or affecting the Property or its use or occupation or the employment of anyone at the Property or any equipment or chattels in the Property and whether applicable to the owner, landlord, tenant or occupier of the Property except where such compliance is within the ambit of the Landlord's obligations in this lease;

(b) in particular, comply with the CAW Regulations, insofar as they relate to the Property, unless the Landlord gives the Tenant notice that the Landlord elects to do so;

(c) if the Landlord gives notice under clause 6.13(b), pay to the Landlord on demand:

(i) the cost reasonably and properly incurred by the Landlord in complying with the CAW Regulations in relation to the Property; and

(ii) a fair and reasonable proportion of the cost incurred by the Landlord in complying with the CAW Regulations in relation to the Building as a whole or in relation to the Retained Area; and

(d) comply with all requirements and recommendations of the appropriate authority and the Landlord's insurers and all reasonable requirements of the Landlord as to means of escape from the Property in case of fire or other emergency and as to the provision and maintenance of fire detection equipment, fire alarm equipment and fire fighting equipment.

In this clause **authority** includes every government department, local or other authority and court of competent jurisdiction and the proportion referred to in clause 6.13(c)(ii) will be determined by the Landlord (acting reasonably) whose determination will be conclusive save as to questions of law.

6.14 Notices

The Tenant must:

(a) give the Landlord a copy of every notice or order and of every proposal for a notice or order issued to the Tenant, its sub-tenants or any occupier of the Property or left at the Property within five Business Days of its service;

(b) take all steps necessary to comply with every notice or order without delay; and

(c) at the request and cost of the Landlord make or join with the Landlord in making such objections or representations in respect of the notice, order or proposal as the Landlord thinks fit except where the Tenant reasonably considers any such objections are against its best interests or those of any other lawful occupier of the Property.

6.15 Planning Acts

The Tenant must:

(a) comply with the Planning Acts in relation to the Property, any operations carried out at the Property and its use and not commit any breach of planning control;

(b) obtain from the local planning authority planning permission for the carrying out of any operation on the Property or the institution or continuance of any use which may constitute development within the meaning of the Planning Acts;

(c) not make any application for planning permission without the prior consent of the Landlord to the making of the application (such application not to be unreasonably withheld or delayed), indemnify the Landlord against all charges payable in respect of the application and repay to the Landlord all professional fees and expenses properly and reasonably incurred by the Landlord in connection with the application;

(d) forthwith after the grant or refusal of any application, give the Landlord a copy of the permission or the refusal;

(e) not make any alteration or addition to or change of use of the Property (being an alteration or addition or change of use which is prohibited by this Lease or for which the consent of the Landlord must be obtained under this Lease and for which a planning permission must be obtained) before planning permission for it has been produced to the Landlord and acknowledged by the Landlord as satisfactory to it (such acknowledgement not to be unreasonably withheld or delayed) but so that the Landlord may refuse to express satisfaction with the planning permission on the grounds that anything contained in it or omitted from it in the opinion of the Landlord would be or be likely to be prejudicial to the Landlord's interest in the Property during the Term or after the End of the Term;

(f) pay any charge imposed under the Planning Acts in respect of the carrying out of any operation or the institution or continuance of any use at the Property by the Tenant or any other lawful occupier;

(g) unless the Landlord directs otherwise, carry out before the End of the Term all works required to be carried out as a condition of any planning permission which may have been implemented during the Term whether or not the date by which the planning permission requires those works to be carried out falls within the Term;

(h) pay to the Landlord on demand a fair and reasonable proportion of any compensation received by the Tenant because of a restriction on the use of the Property under the Planning Acts, any dispute as to the proportion to be referred to arbitration;

(i) produce to the Landlord all drawings, documents and other evidence required by the Landlord to satisfy itself that this clause has been complied with;

(j) not implement any planning permission without providing security required by the Landlord for compliance with the conditions imposed by that permission;

(k) not serve any purchase notice under the Planning Acts requiring any authority to purchase the Tenant's interest in the Property without first offering to surrender this

Lease at the price which might reasonably be expected to be obtained from the authority under the purchase notice, any dispute as to the amount of the price to be referred to arbitration;

(l) not make any objection or adverse representation in respect of any planning application made by or with the consent of the Landlord unless the Tenant reasonably considers that such application is against its best interests or those of any other lawful occupier of the Property.

In this **clause operation** and **development** each includes works to any listed building which are prohibited by the Planning Acts unless authorised by them and **planning permission** includes listed building consent.

6.16 Obstruction

The Tenant must not:

(a) stop up, darken or obstruct any window or any opening belonging to the Property or the remainder of the Building; or

(b) give to any third party any acknowledgement that the Tenant enjoys the access of light or air to any of the windows or openings in the Property or in the remainder of the Building by the consent of a third party; or

(c) pay to any third party any sum of money or enter into any agreement with any third party for the purpose of inducing or binding him to abstain from obstructing the access of light or air to any window or opening.

6.17 Obstruction proceedings

If any of the owners or occupiers of nearby land or buildings do or threaten to do anything which obstructs or may obstruct the access of light or air to any of the windows or openings in the Property, the Tenant must:

(a) notify the same forthwith to the Landlord; and

(b) permit the Landlord to bring proceedings in the name of the Tenant but at the cost of the Landlord against any of the owners or occupiers of the nearby land or buildings in respect of the obstruction.

6.18 Acquisition of rights

The Tenant must not allow any easement to be acquired over the Property or the remainder of the Building. If any easement is acquired or attempted to be acquired, the Tenant must give immediate notice of it to the Landlord and at the request of the Landlord and at the cost of the Tenant insofar as the easement is over the Property but at the cost of the Landlord insofar as the easement is over the remainder of the Building adopt the course required by the Landlord for preventing the acquisition of the easement.

6.19 Costs

The Tenant must pay on an indemnity basis all costs and expenses reasonably and properly incurred by the Landlord:

(a) in or in contemplation of any proceedings relating to the Property under the Law of Property Act 1925 sections 146 and 147, or the Leasehold Property (Repairs) Act 1938, the preparation and service of any notice under those sections or the taking of steps subsequent to such notice notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court;

(b) in the preparation and service of any notice to repair or any schedule of dilapidations at any time during the Term or within three months after the End of the Term;

(c) in connection with the recovery of arrears of Rent or other sums due to the Landlord under this Lease including the levy or attempted levy of any distress; and

(d) in respect of any application for consent required by this Lease whether or not the consent is granted unless such consent is unlawfully withheld (including any inspection of works authorised by the consent and of any re-instatement of those works).

Where the Landlord could recover the cost of services or advice under the first part of this clause if they were undertaken by a third party but those services or that advice are provided by the Landlord or by a company which is a member of the same group as the Landlord (within the meaning of section 42 of the Landlord and Tenant Act 1954), the Tenant must pay to the Landlord or to that company a reasonable sum (plus VAT if payable) for such services or advice but not more than the amount payable by the Tenant if those services or that advice had been provided by a third party.

6.20 Indemnity

The Tenant must:

(a) pay and make good to the Landlord every loss and damage incurred or sustained by the Landlord as a consequence of every breach or non-observance of the covenants by the Tenant in this Lease and indemnify the Landlord against all actions, claims, liabilities, costs and expenses arising by reason of the breach; and

(b) indemnify and keep the Landlord indemnified from liability in respect of all loss, damage, actions, proceedings, claims, demands, costs, damages and expenses in respect of any injury to or the death of any person or damage to any property or in respect of the infringement, disturbance or destruction of any right by reason of or arising in any way directly or indirectly out of:

(i) the act, omission or default of the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them; and

(ii) any breach by the Tenant or by any person deriving title under the Tenant of any covenant by the Tenant or any condition contained in this Lease.

6.21 Notices for sale and re-letting

The Tenant must:

(a) permit the Landlord during the six months before the End of the Term to affix to the Property a notice for re-letting it;

(b) permit the Landlord at any time during the Term to affix to the Property a notice for dealing with the Landlord's interest in the Property or the Building in such position as does not prevent access to or obscure the windows of the Property; and

(c) permit all persons with written authority from the Landlord or the Landlord's agent to view the Property at all reasonable times and upon at least 48 hours prior written notice.

6.22 Regulations

The Tenant must observe all reasonable regulations made by the Landlord for the proper management of the Building.

6.23 New Guarantor

If a Guarantor's event of default occurs, the Tenant must notify the Landlord of the event within ten Business Days of its occurrence. If the Landlord serves notice on the Tenant under this clause within 30 Business Days of service of the Tenant's notice, the Tenant must procure that guarantors acceptable to the Landlord covenant by deed with the Landlord in the form set out in Schedule 5.

In this clause a **Guarantor's event of default** is any of the following:

(a) in the case of a Guarantor who is an individual:

(i) the death of the individual;

(ii) the individual being regarded as a patient under the Mental Health Act 1983 section 94;

(iii) an application being made for an interim order in respect of the individual or an interim order being made under the Insolvency Act 1986;

(iv) the making by the individual of a proposal for a voluntary arrangement;

(v) a petition being presented for a bankruptcy order to be made against the individual or a bankruptcy order being made;

(b) in the case of a Guarantor which is a company:

(i) a proposal being made to the company and to its creditors for a voluntary arrangement;

(ii) a petition being presented for an administration order in respect of the company or an administration order being made or documents being filed with the court for the appointment of an administrator of the company or the

directors of the company giving notice of their intention to appoint an administrator of the company;

(iii) the company having an administrative or other receiver or a manager appointed of the whole or any part of its property;

(iv) the company passing a resolution for winding up or a petition being presented for the winding up of the company or a winding up being made or the company being dissolved other than (in any such case) a voluntary winding up of a solvent company for the purposes of amalgamation or reconstruction;

(c) in the case of a Guarantor who is an individual or which is a company:

(i) the individual or the company entering into any kind of composition, scheme of arrangement, compromise or arrangement for the benefit of creditors or any class of creditors or permitting or suffering any distress or execution to be levied on his goods at the Property;

(ii) there occurring in relation to the individual or the company in any country or territory in which he carries on business or to the jurisdiction of whose courts he or any of his property is subject any event which corresponds in that country or territory with any of those mentioned in clauses 6.23(a)(ii) to 6.23(a)(v) or 6.23(b) above or the individual or the company otherwise becoming subject in any such country or territory to any law relating to insolvency, bankruptcy or winding up.

6.24 Freehold covenants

The Tenant must not do anything or omit to do anything which would lead to the Landlord being in breach of the covenants contained in or referred to in the documents specified in Schedule 4 so far as they relate to the Property and are still subsisting and capable of taking effect (and save for financial charges).

6.25 Yield up

The Tenant must:

(a) yield up the Property (except tenant's or trade fixtures) to the Landlord at the End of the Term with vacant possession in accordance with the Tenant's covenants in this Lease;

(b) make good to the reasonable satisfaction of the Landlord all damage occasioned by the removal of any tenant's or trade fixtures; and

(c) deliver to the Landlord all records made by the Tenant under the CAW Regulations either during the Term or during any earlier period of occupation arising out of an agreement to grant the Term.

6.26 Land Registry

The Tenant must:

(a) if an application for registration of this Lease is made to HM Land Registry, provide to the Landlord official copies of the registers of title relating to this Lease and the

Landlord's title to the Property within one month after the registration has been completed; and

(b) procure forthwith at the end of the Term, the cancellation of any registration at the Land Registry relating to this Lease or the matters contained in this Lease.

6.27 Refuse Storage

Not to store refuse emanating from the Property otherwise than in the refuse storage area provided by the Landlord and to strictly comply at all times with the Refuse Storage and Management Plan as defined in the Section 106 Agreement.

6.28 Section 106 Agreement

The Tenant must strictly comply with the Green Travel Plan and the Servicing Management Plan (each as defined in the Section 106 Agreement) insofar as they are related to the use and occupation of the Property.

7. LANDLORD'S COVENANTS

7.1 Introduction

Subject to clause 13.10, the Landlord covenants with the Tenant to comply with its obligations set out in this clause and in clauses 5 and 9.

7.2 Quiet enjoyment

The Tenant may peaceably and quietly hold and enjoy the Property during the Term without any lawful interruption by the Landlord or any person claiming under or in trust for the Landlord.

7.3 Repair of structure

Subject to the payment by the Tenant of the sums due under clause 5, the Landlord must in accordance with the principles of good estate management put in and keep in good and substantial repair and condition and, when the Landlord considers necessary, decorate, maintain and clean:

(a) the roofs and foundations of the Building, the floors and ceilings of the Building (but not suspended ceilings, lighting, floor screed and floor covering in the Lettable Areas), all load-bearing walls, columns and other load-bearing parts of the Building (other than the plaster and surface finish of those within the Lettable Areas) and all external walls including doors, doorframes, windows (but not cleaning of windows) and window frames (but not the plaster and surface finish of the internal faces of those walls within the Lettable Areas);

(b) the Common Parts including any walls separating them from the Lettable Areas other than the plaster and surface finish of those walls on the side next to the Lettable Areas; and

(c) the boundary walls and fences of the Building.

7.4 Repair of conduits

Subject to the payment by the Tenant of the sums due under clause 5, the Landlord must maintain in good working order and repair all Conduits in the Building excluding those the maintenance of which is the exclusive responsibility of the Tenant or of some other tenant in the Building or would be the exclusive responsibility of a tenant if the whole of the Lettable Areas were let on similar terms to those in this Lease.

7.5 Section 106 Agreement

By way of indemnity only the Landlord covenants to comply with the obligations contained in the Section 106 Agreement insofar as compliance is not the responsibility of the Tenant under this Lease and shall indemnify and keep the Tenant indemnified against any liability arising from any breach, non-compliance or non-observance of any of the obligations contained in the Section 106 Agreement other than those obligations which are the responsibility of the Tenant under this Lease.

7.6 Tenant's Plant

The Landlord covenants that it will not install or permit the installation of plant on the roof of the Building which will prevent the access and maintenance of the Tenant's plant on the roof of the Building.

8. ALIENATION

8.1 Restrictions on alienation

Save to the extent permitted by the following clauses of this clause, the Tenant must not part with possession of the whole or any part of the Property or part with or share occupation of the whole or any part of the Property or permit occupation by a licensee of the whole or any part of the Property or hold on any trust the whole or any part of the Property.

8.2 Assignment

The Tenant must not:

(a) assign part of the Property; nor

(b) assign the whole of the Property without the prior consent of the Landlord which, subject to clauses 8.3 and 8.4, may not be unreasonably withheld or delayed.

8.3 Agreement as to circumstances

The Landlord and the Tenant agree that the Landlord may withhold its consent to an assignment if any one or more of the following circumstances (which are specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927) exist:

(a) the Landlord determines, acting reasonably, that the proposed assignee is not a person who is likely to be able both to comply with the tenant's covenants in this Lease and to continue to be such a person following the assignment;

(b) the Landlord determines, acting reasonably, that the proposed assignment may have a materially adverse effect on the value of the Landlord's reversionary interest in the Property;

(c) the proposed assignee or any proposed guarantor for it (other than any guarantor under an authorised guarantee agreement) has the benefit of state or diplomatic immunity or the Landlord determines, acting reasonably, that it is likely to acquire that immunity;

(d) the proposed assignee is a company which is a member of the same group (within the meaning of section 42 of the Landlord and Tenant Act 1954) as the Tenant except for a company registered in England and Wales whose pre-tax profits for its last financial year prior to the proposed assignment are no less than the pre-tax profits of the assignor Tenant for the same period and are in any event no less than £2,250,000;

(e) the proposed assignee or any proposed guarantor for it (other than any guarantor under an authorised guarantee agreement) is a corporation registered in or an individual resident in a jurisdiction in which a judgment obtained in the courts of England and Wales will not necessarily be enforced without any re-examination of the merits of the case.

8.4 Agreement as to conditions

The Landlord and the Tenant agree that the Landlord may grant consent to an assignment subject to any one or more of the following conditions (which are specified for the purposes of section 19(1A) of the Landlord and Tenant Act 1927):

(a) that before the assignment the Tenant enters into and unconditionally delivers to the Landlord an authorised guarantee agreement, such agreement to be a deed and to contain the provisions in Schedule 5 (with the necessary changes) or (at the Landlord's absolute discretion) such other provisions as the Landlord reasonably prescribes and (in either case) such ancillary provisions as the Landlord reasonably prescribes;

(b) that before the assignment any person (other than a former Tenant) who at the time of the application for the consent is guaranteeing the obligations and liabilities of the Tenant under this Lease or a body of equal or greater covenant strength covenants by deed with the Landlord that the Tenant will perform its obligations under the authorised guarantee agreement required under clause 8.4(a), the deed to contain the provisions in paragraphs 1 to 4 and 9 of Schedule 5 (with the necessary changes) and an obligation on the part of the covenantor (in the event of default on the part of the Tenant) to perform any obligation entered into by the Tenant in the authorised guarantee agreement to take up a new lease, and otherwise to be in such form as the Landlord reasonably requires;

(c) that before the assignment, if the Landlord, acting reasonably, determines it to be necessary, one or more guarantors acceptable to the Landlord, acting reasonably, covenant by deed with the Landlord in the form set out in Schedule 5 (with the necessary changes and with such other provisions as the Landlord reasonably requires) in respect of the period ending on the date on which the assignee assigns this Lease in accordance with its terms;

(d) that all Rent due from the Tenant under this Lease as at the date of the assignment has been paid;

(e) that if the consent of any Head Landlord is required to the assignment, that consent has been obtained before the assignment; and

(f) that the assignment is completed and registered with the Landlord in accordance with clause 8.14 within three months after the date of the consent and that if it is not, then, at the Landlord's discretion, the consent will be voidable.

8.5 Further agreement

The Landlord and the Tenant agree that the Landlord may withhold consent to an assignment in circumstances which are not referred to in clause 8.3 if it is reasonable to do so and may grant consent subject to conditions which are not specified in clause 8.4 if the conditions are reasonable.

8.6 Underletting

The Tenant must not:

(a) underlet part only of the Property unless it is a Permitted Part;

(b) underlet the whole of the Property or a Permitted Part:

(i) without complying with the provisions of clauses 8.7 to 8.11; and

(ii) without the prior consent of the Landlord, which may not be unreasonably withheld or delayed; or

(c) underlet the whole of the Property or a Permitted Part so that any floor of the Property is occupied by more than two occupiers (companies within the same group of companies (as defined in clause 8.12) being treated as single occupier).

In this Lease a **Permitted Part** means either a whole floor of the Property (excluding areas to be used in common with other occupiers) or a part of a floor of the Property reasonably capable of separate occupation and use.

8.7 Exclusion agreement

The Tenant must not underlet the whole of the Property or a Permitted Part without a valid agreement between the Tenant and the intended undertenant under section 38A of the Landlord and Tenant Act 1954 excluding the provisions of sections 24 to 28 of that Act in relation to the intended underlease.;

8.8 Covenants on underletting

The Tenant must procure that any intended undertenant covenants by deed with the Landlord:

(a) to pay the rent to be reserved by and the other sums to be payable under the underlease and to perform and observe, first, the tenant's covenants and the conditions to be contained in the underlease and, secondly, the tenant's covenants and the conditions in this Lease (except the covenant to pay rent and any covenant in this Lease which is inconsistent with the covenants in the underlease as authorised under clause 8.10) in respect of the period ending on the date on which the undertenant is released by virtue of the LTC Act 1995;

(b) without prejudice to clause 8.8(a), not to assign the underlet property without:

(i) first obtaining a deed of covenant from the intended assignee in favour of the Landlord in the same form (with the necessary changes) as the deed referred to in this clause, including (without limitation) the covenants in this clause 8.8 (b); and

(ii) if the Landlord reasonably requires, first obtaining a deed from one or more guarantors acceptable to the Landlord, acting reasonably, in favour of the Landlord guaranteeing the due and punctual payment and performance of all the obligations and liabilities of the intended assignee under the deed referred to in clause 8.8(b)(i), the deed to contain the provisions in paragraphs 1 to 4 and 9 of Schedule 5 (with the necessary changes) and otherwise to be in such form as the Landlord reasonably requires.

8.9 Guarantee on underletting

If the Landlord reasonably requires, the Tenant must procure that, before the underlease is granted, one or more guarantors acceptable to the Landlord, acting reasonably, guarantee (by way of deed) to the Landlord, in respect of the period ending on the date on which the undertenant assigns the underlease in accordance with its terms and is released by virtue of the LTC Act 1995, the due and punctual payment and performance of all the obligations and liabilities of the intended undertenant, the guarantee to contain the provisions in paragraphs 1 to 4 and 9 of Schedule 5 (with the necessary changes) and otherwise to be in such form as the Landlord reasonably requires.

8.10 Form of underlease

The Tenant must procure that every underlease:

(a) contains the same tenant's covenants and other terms and conditions as are contained in this Lease subject only to:

(i) such amendments as may be provided for in clauses 8.10(b) and 8.10(d); and

(ii) such amendments as may reasonably be required by the Tenant, having regard only to the duration of the proposed underlease, and as may be approved by the Landlord, such approval not to be unreasonably withheld;

(b) does not permit any assignment, underlease or other dealing or disposal of the Property save in accordance with the terms of this Lease and in the case of an underletting of a Permitted Part prohibits any further underletting of the whole or any part of the Property;

(c) provides that where the underlease requires the undertenant to obtain the landlord's consent, the undertenant must obtain also the consent of the Landlord;

(d) contains provisions that require a review of the rent payable under the underlease to open market rent in accordance with the provisions of this Lease and at periods of no longer than 5 years but unless such review would otherwise be within 6 months of a Review Date not necessarily at the dates for review of the rent payable under this Lease, but this paragraph does not prohibit an underlease of the Property upon terms that require review of the rent payable under the underlease at dates additional to the dates for review of the rent payable under this Lease.

8.11 Underlease requirements

The Tenant must:

(a) not grant any underlease at a fine or premium;

(b) not grant any underlease at a rent which at the time of the grant of the underlease is less than the open market rent of the Property or the Permitted Part;

(c) not accept the surrender of or vary the terms of any underlease or release the undertenant from any covenant or condition in the underlease without the prior consent of the Landlord, which, in the case only of a surrender, may not be unreasonably withheld or delayed;

(d) not waive any breach of any of the covenants on the part of the undertenant and the conditions contained in any underlease but take all such steps as are lawfully available to the Tenant (including re-entry) to enforce those covenants and conditions;

(e) procure that the rent reserved by any underlease is reviewed in accordance with the provisions of the underlease but not agree any revised rent with the undertenant without the prior consent of the Landlord (such consent not to be unreasonably withheld);

(f) if on any rent review under any underlease the revised rent is to be determined by an independent third party, procure that, subject in the case of an expert witness to his primary duty to that third party, any representations which the Landlord wishes to make concerning the revised rent are put forward to the third party at the same time as the representations of the Tenant and as though they were representations made by the Tenant, subject to their being representations with which the Tenant or its expert witness agree;

(g) procure that on any assignment of any underlease the outgoing undertenant enters into an authorised guarantee agreement and, where appropriate, guarantors enter into a contractual guarantee in each case with the landlord under the underlease in accordance with the provisions of the underlease.

In clauses 8.11(c) to 8.11(g) an underlease includes any lease where, by virtue of the grant of this Lease, the Tenant under this Lease becomes the holder of the immediate reversion to that lease.

8.12 Associated companies

The Tenant may share the occupation of the whole or any part of the Property with a company which is a member of the same group as the Tenant (within the meaning of section 42 of the Landlord and Tenant Act 1954) for so long as both companies remain members of that group and provided that:

(a) no relationship of landlord and tenant is created between the two companies and no security of tenure is conferred upon the occupier; and

(b) within 15 Business Days of the commencement of the sharing the Tenant gives to the Landlord notice of the company sharing occupation and the address of its registered office.

8.13 Charging

The Tenant must not:

(a) charge part of the Property; or

(b) charge the whole of the Property without the prior consent of the Landlord, which may not be unreasonably withheld or delayed.

8.14 Registration of dealings

Within 10 Business Days of every assignment, transfer, underlease or charge of the Property or the creation or transfer of any interest derived out of the Term or any devolution of the interest of the Tenant or any person deriving title under the Tenant, the Tenant must:

(a) produce a certified copy of the assignment, transfer, underlease or charge or (in the case of a devolution) the document evidencing the devolution or under which it arises and, in the case of an underlease in respect of which the provisions of sections 24 to 28 (inclusive) of the Landlord and Tenant Act 1954 have been excluded, a certified copy of the notice served by the landlord and the tenant's declaration or statutory declaration in response pursuant to Section 38A of that Act; and

(b) pay the Landlord a registration fee of a reasonable amount, being not less than £25, in respect of each assignment, transfer, underlease, charge or devolution.

9. INSURANCE

9.1 Landlord's insurance obligations

Unless the insurance is vitiated by any act, default or omission of the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them the Landlord must keep the Building (other than plate glass and tenant's or trade fixtures which the Tenant or the tenants of other parts of the Lettable Areas are entitled to remove) insured with substantial and reputable insurers or underwriters selected by the Landlord (acting reasonably) in accordance with the provisions of this clause to the extent to which the Building is insurable and subject to all usual and commercial exclusions, limitations and excesses imposed by the insurers.

9.2 Sum and risks insured

The Building must be insured in a sum not less than its full reinstatement cost (as determined from time to time by the Landlord acting reasonably) against loss or damage by the Insured Risks.

9.3 Fees and loss of Rent

The insurance must extend to:

(a) architects' and other professional fees in relation to the reinstatement of the Building for a minimum sum of 15 per cent. of the amount insured in respect of the Building;

(b) VAT, the costs of demolition, temporary support and protection and removal of debris; and

(c) loss of rent for such period as the Landlord may decide (but for a period of at least three years) in an amount which takes into account the Landlord's reasonable estimate of potential increases in rent.

9.4 Production of policy

Whenever reasonably required to do so by the Tenant, but not more often than once a year, the Landlord must produce to the Tenant at the Landlord's office a copy of the insurance policy or other evidence of it and evidence of payment of the last premium.

9.5 Reinstatement

Subject to clause 9.14, if the Property or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks, the Landlord must use all reasonable endeavours to:

(a) obtain all consents and permissions necessary for reinstatement as soon as reasonably possible;

(b) subject to obtaining those consents and permissions lay out as soon as practicable all insurance monies received by the Landlord (other than for fees and loss of rent) in reinstating the Property (other than plate glass and tenant's or trade fixtures which the Tenant is entitled to remove) or the means of access to it within the Building; and

(c) subject to the Tenant complying with its obligations in clauses 9.6 to 9.10 inclusive, make good out of the Landlord's own monies any deficiency (other than one arising from an exclusion, limitation or excess imposed by the insurers).

In reinstating the Property, the Landlord may make such variations to its design as the Landlord decides (acting reasonably), so long as the Tenant is provided with accommodation reasonably equivalent to that previously comprised in the Property.

9.6 Tenant's insurance obligations

The Tenant must:

(a) pay to the Landlord within 14 days of written demand a fair and reasonable proportion of:

(i) every premium payable by the Landlord (including any part of it which the Landlord is entitled to retain by way of commission) for insuring the Building in accordance with its obligations in clause 9.1 and for effecting insurance in respect of liability to third parties including members of the public and such other insurances as the Landlord considers desirable (acting reasonably);

(ii) where the policy includes the Building and other properties, the proportion properly and reasonably attributable to the Building of every premium payable by the Landlord (including any part of it which the Landlord is entitled to retain by way of commission) for insuring the Building and the other properties in accordance with its obligations in clause 9.1 and for effecting (in relation to the Building and the other properties) the other insurances referred to in clause 9.6(a)(i), the proportion to be determined by

the Landlord (acting reasonably) whose determination will be conclusive save as to questions of law;

(iii) in the case of any Insured Risk any sum arising from an exclusion, limitation or excess and deducted or deductible by the insurers on any claim made by the Landlord;

(iv) all costs and expenses reasonably and properly incurred by the Landlord in obtaining a valuation of the Building for insurance purposes not more than once in every year.

(b) insure all plate glass in the Property against all risks with an insurance company approved by the Landlord in the joint names of the Landlord and the Tenant and, on demand, produce a copy of the insurance policy and evidence of payment of the last premium to the Landlord.

All sums payable by the Tenant under clause 9.6(a)(i) are reserved as rent.

9.7 Vitiation

The Tenant must not use the Property or carry on any business at the Property or do or omit to do at the Property anything which may make void or voidable any policy for the insurance of the Building or any nearby property of the Landlord.

9.8 Increased premium

The Tenant must:

(a) without the prior consent of the Landlord not use the Property or carry on any business at the Property or do or omit to do at the Property anything which may increase the premium payable for the insurance of the Building; and

(b) if consent is given, repay within 14 days of written demand to the Landlord any increased insurance premium payable by the Landlord.

9.9 Irrecoverable reinstatement cost

If the Building is destroyed or damaged by any of the Insured Risks and the insurance money under any insurance effected by the Landlord is wholly or partly irrecoverable because of any act, default or omission of the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them, the Tenant must:

(a) pay to the Landlord on demand the whole or the appropriate proportion of the cost of reinstating the Building rendered so irrecoverable; and

(b) if required by the Landlord, provide security acceptable to the Landlord, acting reasonably, for the amount referred to in clause 9.9(a) before the Landlord starts reinstatement.

Any dispute as to the amount of such proportion must be referred to arbitration.

9.10 Notice of damage

If the Property or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks, the Tenant must give notice to the Landlord as soon as the destruction or damage comes to the notice of the Tenant.

9.11 Double insurance

The Tenant must not effect any insurance relating to the Property against any of the Insured Risks. If the Tenant is entitled to the benefit of any insurance in respect of the Property, the Tenant must pay to the Landlord all monies received by virtue of the insurance to enable the Landlord to apply them in making good the loss or damage in respect of which they have been received.

9.12 Relevant matters

The Tenant:

(a) must forthwith notify the Landlord in writing of any relevant matter; and

(b) warrants that all relevant matters existing or arising as regards Expedia.com Limited on or before today's date or existing or arising as regards any subsequent person becoming the Tenant on or before the date of assignment or other devolution of title have been notified to the Landlord in writing prior to today's date or prior to execution of the assignment or the date of the devolution, as the case may be.

In this clause relevant matter means any matter that a prudent insurer or underwriter might treat as material in deciding whether or on what terms to insure or to continue to insure the Building including (without limitation) the conviction, judgment or finding of any court or tribunal relating to the Tenant or any director, other officer or major shareholder of the Tenant of such a nature that a prudent insurer or underwriter might treat as so material.

9.13 Cesser of rent

If the Property or any part of it or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks or there is Major Damage caused by an Uninsured Risk so as to render the Property unfit for occupation or use or inaccessible the rent referred to in clause 4.1 and the sums payable under clause 5 or a fair proportion of them according to the nature and extent of the damage sustained will be suspended until the Property has been reinstated and made fit for occupation and use and accessible or (in the case of damage by an Insured Risk) until the end of the period for which the Landlord has insured against loss of rent, whichever first occurs. Any dispute as to the amount of the proportion must be referred to arbitration. This clause does not apply if and to the extent that the insurance monies in respect of loss of rent are wholly or partially irrecoverable solely or partly because of the act, default or omission of the Tenant or any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them.

9.14 Suspension of reinstatement obligation

The Landlord is not obliged to reinstate the Building in accordance with clause 9.5:

(a) if the insurance is vitiated by any act, default or omission of the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them; or

(b) while prevented by a supervening event.

9.15 Supervening event

In clause 9.14 a supervening event means any of the following:

(a) inability of the Landlord to obtain the consents and permissions referred to in clause 9.5 despite using all reasonable endeavours to do so;

(b) grant of any of the consents or permissions subject to a lawful condition with which it would be unreasonable to expect the Landlord to comply or the Landlord being requested as a precondition to obtaining any of the consents or permissions to enter into an agreement with the planning authority or any other authority containing conditions with which it would be unreasonable to expect the Landlord to comply;

(c) inability of the Landlord to obtain access to the site to reinstate;

(d) prevention of reinstatement by any cause beyond the reasonable control of the Landlord.

9.16 Termination

(a) If:

(i) the insurance is vitiated by any act, default or omission of the Tenant, any person deriving title under the Tenant or any person at the Property with the express or implied authority of any of them; or

(ii) the Landlord cannot commence reinstatement within twelve months from the date of destruction or damage because of a supervening event

and in either case the Property or a substantial part of it is unfit for occupation or use or inaccessible the Landlord may determine the Term by serving notice on the Tenant at any time within six months of the end of the twelve month period. On service of the notice the Term will cease but without prejudice to any rights that the Landlord may have against the Tenant or vice versa or any Guarantor for breach of any of the covenants by the Tenant or the Landlord or any Guarantor or the conditions in this Lease and all insurance monies will belong to the Landlord.

(b) If the Property or any part of it or the means of access to it within the Building is destroyed or damaged by any of the Insured Risks or any Uninsured Risks and the destruction or damage is not made good to make the Property fit for occupation and use and accessible within three years of such destruction (or such longer period covered by the Landlord's loss of rent insurance policy) either party may determine the Term by serving notice on the other at any time after the end of the three years or such longer period as aforesaid. On service of the notice the Term will cease but without prejudice to any rights any party may have against the other and all insurance monies will belong to the Landlord.

9.17 Uninsured Risk

If the Property or any part of it or the means of access to it within the Building is destroyed or damaged by an Uninsured Risk then if:

(a) the damage does not constitute Major Damage the Landlord will be obliged to make good the damage to the Property and the access thereto at its own cost and as expeditiously as possible and there will be no cesser of rent pursuant to clause 9.13 but

(b) if the damage constitutes Major Damage then:

(i) the Landlord may elect to (but is not obliged to) re-instate the damage to the Property and the access thereto;

(ii) if it does not so elect within 12 months of the date of damage then either the Landlord or the Tenant may determine the Term by serving written notice on the other at any time after the end of the 12 month period;

(iii) if the Landlord does elect to re-instate then the Landlord shall be obliged to reinstate the Property and the access thereto at its own cost as if the damage were caused by an Insured Risk; and

(iv) Clause 9.13 will apply from the date of damage as if the destruction or damage was caused by an Insured Risk.

9.18 Landlord's Obligations

The Landlord will use all reasonable endeavours in relation to the insurance of the Building to:

(a) procure that the Tenant's interest is noted or endorsed on the policy; and

(b) provide to the Tenant on demand written confirmation from its insurers that they have agreed to waive all rights of subrogation against the Tenant.

10. RE-ENTRY

10.1 Re-entry

If an Event of Default occurs then notwithstanding the waiver of any previous right of re-entry the Landlord may re-enter the Property or any part of it when the Term will cease but without prejudice to any rights or remedies which may then have accrued to the Landlord against the Tenant or vice versa or any Guarantor in respect of any antecedent breach of any of the covenants or obligations of the Tenant or the Landlord or any Guarantor contained in this Lease (including the breach in respect of which re-entry is made).

10.2 Event of Default

In this clause an Event of Default is any one of the following:

(a) the Rent or any part of it being in arrear and unpaid for 21 Business Days after becoming payable (whether formally demanded or not); or

(b) a breach by the Tenant of any of the covenants by the Tenant in this Lease; or

(c) the Tenant or any Guarantor (being a company) being deemed unable to pay its debts under section 123 of the Insolvency Act 1986 or the Tenant or any Guarantor (being a company) passing a resolution for winding-up or the directors of any of them presenting a petition for winding-up or an order for the winding-up of the Tenant or any Guarantor being made (other than (in any such case) a voluntary winding-up of a solvent company for the purposes of amalgamation or reconstruction) or the Tenant or any Guarantor being dissolved; or

(d) the Tenant or any Guarantor (being a company) having an administrative or other receiver or a manager appointed of the whole or any part of its property or a petition being presented for an administration order or an administration order being made in respect of the Tenant or any Guarantor or documents being filed with the court for the appointment of an administrator of the Tenant or any Guarantor or the directors of the Tenant or any Guarantor giving notice of their intention to appoint an administrator of the Tenant or any Guarantor; or

(e) the Tenant or any Guarantor (being an individual) presenting a petition for a bankruptcy order to be made against him or a bankruptcy order being made against the Tenant or any Guarantor; or

(f) in relation to the Tenant or any Guarantor (whether an individual or a company) a proposal being made or the Tenant or any Guarantor (whether a company or an individual) entering into any kind of composition, scheme of arrangement, compromise or arrangement for the benefit of creditors or any class of creditors or permitting or suffering any distress or execution to be levied on his goods; or

(g) there occurring in relation to the Tenant or any Guarantor in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any of them or any of the property of any of them is subject any event which corresponds in that country or territory with any of those mentioned in clauses 10.2(c) to 10.2(f) above or the Tenant or any Guarantor otherwise becoming subject in any such country or territory to any law relating to insolvency, bankruptcy or winding up.

11. VALUE ADDED TAX

11.1 Payment

If any VAT is chargeable on any supply under or pursuant to this Lease, the Tenant must pay the amount of that VAT in addition to the consideration for the supply.

11.2 VAT exclusive

Without limiting clause 11.1, each sum reserved or payable by the Tenant under this Lease is exclusive of VAT (if any) and is accordingly to be construed as a reference to that sum plus any VAT in respect of it, and where any sum is reserved as rent, the VAT is also reserved as rent.

11.3 Other supplies

If VAT is chargeable on any supply made by the Landlord to the Tenant for which a sum is not reserved or payable under this Lease, the Tenant must pay that VAT to the Landlord against issue of a VAT invoice.

11.4 Third party payments

Where under this Lease the Tenant must:

(a) make any payment to the Landlord or any other person (including, without limitation, by way of service charge, indemnity or reimbursement) by reference to any amount incurred or which will or may be incurred by the Landlord or any other person; or

(b) otherwise pay all or part of the consideration for any supply made to the Landlord or any other person,

then without prejudice to clauses 11.1 to 11.3, the Tenant must pay an amount equivalent to any VAT in respect of the amount or consideration except to the extent that the VAT is recoverable by the Landlord or any other person as appropriate.

11.5 Recoverability

For the purposes of clause 11.4, VAT is recoverable by a person, if that person (or any company treated as a member of the same VAT group as that person) is entitled to credit for it as input tax under sections 25 and 26 VAT Act 1994 . For the avoidance of doubt, VAT is not recoverable by a person only because he could elect to waive exemption, but has not done so.

11.6 Estimates

Where for the purposes of this Lease it is necessary to calculate or estimate the cost or value of anything, including any building, structure, work, item, act or service, the cost or value must be calculated or estimated so as to include any VAT which will or may be incurred.

11.7 Outgoings

This clause does not affect the generality of clause 6.3 (Outgoings) of this Lease.

11.8 VAT invoice

The Landlord must issue the Tenant with a proper VAT invoice in respect of any supply by the Landlord to the Tenant and the Tenant must issue the Landlord with a proper VAT invoice in respect of any taxable supply by the Tenant to the Landlord.

12. TRUSTEE LIABILITY PROVISION

12.1 Limitation

The Royal Bank of Scotland plc has entered into this Lease solely in its capacity as trustee and not otherwise of Schroder Exempt Property Unit Trust (SEPUT) and therefore notwithstanding any other provision contained in this Lease neither The Royal Bank of Scotland plc nor any successor trustee of SEPUT is obliged to meet any liability or claim under this Lease save to the extent that the same can be met by it out of the Trust Assets.

12.2 Trust assets

For the purposes of this clause Trust Assets means the assets for the time being held upon the trusts of SEPUT.

13. GENERAL

13.1 Interest and powers of recovery

If any Rent or other sum payable under this Lease is not paid on the day on which it is due it will bear interest from that day until the date of payment at the Default Interest Rate compounded quarterly. Every amount payable under this Lease is reserved as rent and is recoverable as rent in arrear.

13.2 Interest on breach

Without prejudice to clause 13.1 if:

(a) there is any breach by the Tenant of its obligations under this Lease; and

(b) the Landlord serves notice on the Tenant that by reason of that breach the Landlord will not for the time being accept any sums (including the Rent) payable by the Tenant under this Lease

the Tenant must pay to the Landlord on demand interest at the Default Interest Rate on the sums due to the Landlord under this Lease, in respect of the period from the date of service of the notice, or from the date when the particular sum fell due (whichever is the later), until whichever is the earlier of the date of the acceptance by the Landlord of the sum due, and the date on which the breach is remedied.

13.3 Disputes

In relation to disputes:

(a) any statement in this Lease that a dispute must be referred to arbitration means that the dispute must be determined by a single arbitrator agreed by the Landlord and the Tenant or, failing agreement, by a single arbitrator appointed by the president or his deputy for the time being of the Royal Institution of Chartered Surveyors in accordance with the Arbitration Act 1996 ; and

(b) any dispute between the Tenant and any tenant or occupier of any other property owned or leased by the Landlord about any right in connection with the use of the Property and the other property or about any boundary structure separating the Property from the other property may be determined by the Landlord, whose determination will be conclusive save as to questions of law.

13.4 Compensation

Subject to the provisions of section 38(2) of the Landlord and Tenant Act 1954 neither the Tenant nor any person deriving title under the Tenant will be entitled on quitting the Property to any compensation under section 37 of that Act.

13.5 Joint and several liability

Where the Tenant or any Guarantor is more than one person:

(a) those persons are jointly and severally responsible in respect of every obligation undertaken by them under this Lease; and

(b) the Landlord may release or compromise the liability of any of those persons under this Lease or grant any time or other indulgence without affecting the liability of any other of them.

13.6 Whole agreement

This Lease contains the whole agreement between the parties relating to the transaction contemplated by this Lease and supersedes all previous agreements between the parties relating to the transaction.

13.7 Representations

The Tenant acknowledges that in agreeing to enter into this Lease the Tenant has not relied on any representation, warranty, collateral contract or other assurance save for written replies to written enquiries raised by the Tenant's solicitors.

13.8 Rights of entry

All rights of entry exercisable by the Landlord extend to include (without limitation) its employees, agents, surveyors, contractors and licensees with or without plant, equipment, appliances and materials.

13.9 Interpretation of covenants

Any covenant by the Tenant not to do or omit anything must be construed as though the covenant were in addition a covenant not to permit or suffer that thing to be done or omitted to be done.

13.10 Landlord's covenants

The Landlord will not be liable to the Tenant for any breach of its obligations in Clauses 7.3 and 7.4:

(a) unless the Tenant has given the Landlord notice of the breach or the Landlord is aware or should reasonably be aware of the breach and has failed to remedy the breach within a reasonable time; or

(b) where the breach was caused by something beyond the control of the Landlord, provided that the Landlord uses all reasonable endeavours to remedy the breach, except to the extent that:

(i) the breach could have been prevented; or

(ii) the consequences of the breach could have been lessened; or

(iii) the time during which the consequences of the breach were experienced could have been shortened,

by the exercise of reasonable skill by the Landlord or those undertaking the obligation on its behalf.

13.11 Head Lease and Charge

Where there is a Head Lease or where the interest of the Landlord or any Head Landlord is charged:

(a) any right exercisable by the Landlord is exercisable by every Head Landlord and every Chargee;

(b) where the Tenant must obtain consent from the Landlord, the Tenant must obtain consent from every Head Landlord and every Chargee where the Head Lease or the Charge so provide and nothing contained in this Lease will be construed as imposing on any Head Landlord or any Chargee an obligation not to refuse consent unreasonably or indicating that such an obligation is imposed on any Head Landlord or any Chargee by virtue of the terms of the Head Lease or the Charge;

(c) where the Tenant must repay to the Landlord any expenses incurred by the Landlord then if any expenses are incurred by any Head Landlord or any Chargee the Tenant must repay those expenses also;

(d) any indemnities in favour of the Landlord are deemed to incorporate indemnities in favour of every Head Landlord and every Chargee.

In this clause **Charge** means any mortgage or charge (fixed or floating, legal or equitable) affecting the interest of the Landlord or any Head Landlord in the Property and **Chargee** must be construed accordingly.

13.12 Tenant's possessions

If after the Tenant has vacated the Property at the End of the Term any of the Tenant's possessions remain on the Property and the Tenant fails to remove them within ten Business Days after being requested to do so by the Landlord then:

(a) the Landlord may dispose of the possessions as agent for the Tenant;

(b) (if disposal is by sale) then, subject to clause 13.12(c), the Landlord must hold the proceeds of sale after deducting the costs and expenses of removal, storage and sale incurred by it to the order of the Tenant;

(c) if the Tenant fails to claim the proceeds of sale within 60 Business Days of the date of the sale, the Landlord may keep them;

(d) the Tenant indemnifies the Landlord against:

(i) any liability incurred by the Landlord to any third party whose possessions have been sold by the Landlord in the mistaken belief (which must be presumed) that the possessions belonged to the Tenant;

(ii) any damage caused to the Property by the possessions; and

(iii) all loss, damage, actions, proceedings, claims, demands, costs, damages and expenses incurred or suffered by or brought or awarded against the Landlord

as a result of the presence of the possessions on the Property after the Tenant has left it at the End of Term.

13.13 Other land

Nothing contained in or implied by this Lease:

(a) imposes or is deemed to impose any restriction on the use of any property not comprised in this Lease; or

(b) gives the Tenant:

(i) the benefit of or the right to enforce or to have enforced or to prevent the release or modification of any covenant, lease, condition or stipulation entered into by any purchaser or tenant from the Landlord or any Head Landlord in respect of any property not comprised in this Lease; or

(ii) the right to prevent or restrict in any way the development of any land not comprised in this Lease; or

release the Tenant from the covenants by the Tenant in this Lease notwithstanding that the Landlord has waived or released temporarily or permanently, revocably or irrevocably or in any other way a similar covenant or similar covenants affecting any property not comprised in this Lease.

13.14 Perpetuity period

The perpetuity period applicable to this Lease is 80 years beginning on the date of this Lease and whenever in this Lease either the Landlord or the Tenant is granted a future interest it must vest within that period and, if it has not, it will be void for remoteness.

13.15 Severance

To the extent that any provision of this Lease is rendered void by section 25 of the LTC Act 1995, that provision must be severed from the remainder of this Lease which remains in full force and effect. In this clause provision includes a clause or a schedule or any part of any of them.

13.16 Notices in writing

Every notice, consent, approval or direction given under this Lease must be in writing.

13.17 Counterparts

This Lease may be executed in any number of counterparts, all of which, taken together, constitute one and the same lease and any party may enter into this Lease by executing a counterpart.

13.18 Exclusion of third party rights

A person who is not a party to this lease may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 .

14. NOTICES

14.1 Notices

Any notice or other document served under this Lease may be served in any way in which a notice required or authorised to be served under section 196 of the Law of Property Act 1925 may be served.

14.2 SEPUT trustee

During such period as the reversion to this Lease is vested in the trustee of Schroder Exempt Property Unit Trust no notice will be deemed to be validly served on the Landlord unless a copy of the notice is also served on Schroder Property Investment Management Limited, 31 Gresham Street, London EC2V 7QA or such other address as the Landlord notifies to the Tenant.

15. GUARANTOR

The Guarantor covenants with the Landlord in the terms set out in Schedule 5 in respect of the period from the Term Commencement Date until the date on which Expedia.com Limited is released by virtue of the LTC Act 1995.

16. GOVERNING LAW

16.1 This Lease is governed by and must be construed in accordance with English law.

16.2 Jurisdiction

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Lease and the parties submit to the exclusive jurisdiction of the English courts.

16.3 Process Agent

The Guarantor irrevocably appoints Expedia.com Limited as its agent in England for service of process.

16.4 Waiver

The parties waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

IN WITNESS of which this Lease has been executed as a deed and has been delivered on the date which first appears on page 1.

SCHEDULE 1

THE BUILDING AND THE PROPERTY

PART 1

THE BUILDING

The building known as Seven Dials Warehouse, 42/50 Earlham Street, London EC2H 9LA as the same is registered at HM Land Registry under title number NGL422086.

PART 2

THE PROPERTY

The property shown edged red on the Plans being on the ground, first, second, third, fourth and fifth floors of the Building including:

(a) all walls (other than load-bearing walls) within the property;

(b) one half (severed vertically) of all walls (other than load-bearing walls) separating the property from other parts of the Building;

(c) the plaster and surface finish of the external and load-bearing walls and columns bounding or within the property and the plaster and surface finish of all load-bearing walls separating the property from the Retained Area but not any other part of those walls and columns;

(d) the floor finishes but nothing below them;

(e) the ceiling finishes (including suspended ceilings and lighting) but nothing above them;

(f) the doors and their frames and the windows and their frames;

(g) all fixtures and all landlord's fittings;

(h) all Conduits serving solely the property;

(i) the lifts and staircases within the property; and

(j) all plant solely serving the property whether forming Landlord's plant or Tenant's plant and whether within the property or on the roof of the Building

but excluding the external and load-bearing walls and columns bounding or within the property and all walls separating the property from the Retained Area (other than the parts of those walls and columns referred to in paragraph (c) above).

SCHEDULE 2

RIGHTS GRANTED TO THE TENANT

1. The right at all times to use the Common Parts for all proper purposes connected with the use and enjoyment of the Property under this Lease (subject to temporary interruption for repair and maintenance the Landlord acting with all due expediency).

2. The right to use the Conduits in the Building which serve the Property (subject to temporary interruption for repair, alteration or replacement the Landlord acting with all due expediency).

3. The right of support and protection from the other parts of the Building as now enjoyed by the Property.

4. The right to display in an appropriate manner immediately outside the main entrance of the Property a notice indicating the name and business of the Tenant and of all authorised undertenants and companies sharing occupation under clause 8.12 in a form and manner approved by the Landlord such approval not to be unreasonably withheld or delayed.

5. Subject to obtaining any necessary statutory consents and subject to the Landlord's approval which will not be unreasonably withheld or delayed the right to install one satellite dish on the roof of the Building.

6. Subject to obtaining any necessary statutory consent and subject to the Landlord's approval which will not be unreasonably withheld or delayed the right to install plant on the roof of the Building within the areas shaded yellow on drawing number A633GA100 REV1 and 1392/SK/702131 attached together with the right to connect the plant into the conducting media in the Building provided that the Tenant minimises the space it utilises and in any event reserves within such area sufficient space for the Landlord to install, access and maintain a 20kw VRF/VRV condenser unit and anything associated with it, to serve other parts of the Building.

7. The right to use the refuse storage area provided by the Landlord.

8. Subject to the Landlord's approval which will not be unreasonably withheld or delayed the right to install any reasonable security apparatus in the Building.

9. Subject to obtaining any necessary consents and subject to the Landlord's consent which will not be unreasonably withheld or delayed the right to name the Property but, for the avoidance of doubt, not the Building of which the Property forms part.

10. To enter into such parts of the Building as is reasonably necessary at reasonable times for the purpose of inspecting, connecting into or carrying out repairs to Conduits forming part of or serving the Property subject to the Tenant:

(a) giving to the Landlord and any relevant occupier reasonable prior notice; and

(b) making good all physical damage caused as a consequence of the exercise of such rights to the reasonable satisfaction of the Landlord and the relevant occupier.

11. The right to use the staircase marked Stair 2 on the Plans for escape from the Property in the case of fire or other emergency only.

12. Insofar as it does not form part of the Property the right to use the staircase marked Stair 3 on the Plans.

13. Subject to obtaining any necessary statutory consents and subject to the Landlord's approval which will not be unreasonably withheld or delayed the right to construct a plant deck on the roof of the Building within the area shaded green on drawing number 1392/SK/702131 attached for the installation of additional roof chillers for the Tenant together with the right to connect the chillers into the conducting media in the Building subject to the Tenant affording the Landlord reasonable access at all times in order to maintain the toilet extract duct and fan and any other Landlord's plant situated below such plant deck.

SCHEDULE 3

RIGHTS RESERVED TO THE LANDLORD

1. The right to use the Conduits in the Property which serve other parts of the Building, the right to install new Conduits for the benefit of the remainder of the Building and the right to repair, maintain and renew existing and new Conduits (including for the avoidance of doubt the chiller, kitchen extract and fresh air riser provided by the Landlord for the benefit of the tenant or occupier of the basement and ground floor of the building).

2. The right to enter the Property to exercise any of the rights referred to in this schedule or for the purposes set out in clause 6.7 or to comply with any enactment all such rights and right of entry to be subject to the provisions and exemption to clause 6.7.

3. The right in an emergency to pass through the Property in accordance with any regulation or requirement of the Fire Officer or any court or other authority.

4. The right to build, re-build or carry out any works of any description on any other land or buildings (including other parts of the Building) provided it does not materially or substantially interfere with the passage of light or air to the Property or cause substantial or material nuisance, damage, annoyance or inconvenience to the Tenant or occupiers of the Property by noise, dust, vibration or otherwise and provided that it does not materially affect the ability of the Tenant or the occupier to use the Property for any purpose permitted by this Lease.

5. The right to build, alter and install and afterwards to maintain buildings, structures and fixtures on, into or projecting over or under or taking support from the Property (but those buildings, structures and fixtures will not become part of the Property) provided the work is carried out at times and in a way convenient to the reasonable requirements of the Tenant.

6. The right to erect and use scaffolding outside the Property even if the scaffolding temporarily restricts access to or the use and enjoyment of the Property by the Tenant or the occupier of the Property but provided this does not materially obstruct or interfere with such use and enjoyment.

7. All rights of light or air or other easements or rights over or belonging to any other land or buildings (including other parts of the Building).

8. The support and protection from the Property enjoyed by other parts of the Building.

9. The right to use the staircase marked Stair 1 on the Plans at all times without prior notice and the right of access over the Property on reasonable prior notice of at least 24 hours (save in the case of emergency) to gain access to any parts of the Building not included within the Property.

SCHEDULE 4

MATTERS AFFECTING THE FREEHOLD

1. The matters referred to in the registers of title number NGL422086.

2. The Section 106 Agreement.

SCHEDULE 5

GUARANTEE PROVISION

1. The Guarantor guarantees to the Landlord the due and punctual payment and performance by the Tenant of all the tenant's obligations and liabilities under this Lease and indemnifies the Landlord against all losses, damages, costs and expenses arising or incurred by the Landlord as a result of the non-payment or non-performance of those obligations or liabilities.

2. The obligations of the Guarantor under this Lease:

   (a) constitute a direct, primary and unconditional liability to pay on demand to the Landlord any sum which the Tenant is liable to pay under this Lease and to perform on demand by the Landlord any obligation of the Tenant under this Lease without the need for any recourse on the part of the Landlord against the Tenant;

   (b) will not be affected by:

      (i) any time or indulgence granted to the Tenant by the Landlord;

      (ii) any legal limitation, disability or other circumstances relating to the Tenant or any irregularity, unenforceability or invalidity of any obligations of the Tenant under this Lease;

      (iii) any licence or consent granted to the Tenant or any variation in the terms of this Lease save as provided in section 18 of the LTC Act 1995 ;

      (iv) the release of one or more of the parties defined as the Guarantor (if more than one); or

      (v) any other act, omission, matter, event or thing whereby (but for this provision) the Guarantor would be exonerated in whole or in part from the guarantee other than a release by deed given by the Landlord.

3. So long as this guarantee remains in force the Guarantor:

   (a) must not claim or prove as creditor in competition with the Landlord in the event of any bankruptcy, liquidation, rehabilitation, moratorium or other insolvency proceedings relating to the Tenant;

   (b) is not entitled to claim or participate in any security held by the Landlord in respect of the obligations of the Tenant under this Lease;

   (c) must not exercise any right of set-off against the Tenant.

4. If the Landlord brings proceedings against the Tenant, the Guarantor will be bound by any findings of fact, interim or final award or interlocutory or final judgment made by an arbitrator or the court in those proceedings.

5. If:

   (a) the Tenant (being a company) enters into liquidation and the liquidator disclaims this Lease; or

(b) the Tenant (being a company) is dissolved and the Crown disclaims this Lease; or

(c) the Tenant (being an individual) becomes bankrupt and the trustee in bankruptcy disclaims this Lease;

then within six months after the disclaimer the Landlord may require the Guarantor by notice to accept a lease of the Property for a term equivalent to the residue which would have remained of the Term if there had been no disclaimer at the same rents and subject to the same covenants and conditions (including those as to the review of rent) as are reserved by and contained in this Lease.

6. The new lease and the rights and liabilities under it will take effect as from the date of the disclaimer and the Guarantor will be liable for all payments due under the new lease as from the date of disclaimer as if the new lease had been granted on the date of disclaimer.

7. The Guarantor or his personal representatives must pay the Landlord's reasonable and proper costs of and accept the new lease and must execute and deliver to the Landlord a counterpart of it.

8. If the Landlord does not require the Guarantor to take a Lease of the Property, the Guarantor must pay to the Landlord on demand a sum equal to the rent that would have been payable under this Lease but for the disclaimer in respect of the period from the date of the disclaimer until the date which is six months after the date of the disclaimer or the date on which the Property has been re-let by the Landlord, whichever first occurs.

9. If any VAT is payable by the Tenant to the Landlord under the terms of the Lease, the Guarantor's obligation extends to that VAT. If the Guarantor makes any payment in respect of VAT, the Landlord's obligation to issue a VAT invoice to the Tenant under the Lease in respect of that VAT is not affected, and the Landlord is not obliged to issue a VAT invoice to the Guarantor in respect of that VAT.

10. If the guarantee in this schedule is intended to be authorised guarantee agreement to the extent that any provision of this guarantee does not conform with section 16 of the LTC Act 1995, that provision is severed from the remainder of this guarantee and this guarantee has effect as if it excluded that provision.

SCHEDULE 6

SERVICE CHARGE COSTS

1. The cost of inspecting, repairing, maintaining, cleaning, decorating and lighting the whole of the Retained Area including the boundary walls and fences of the Building.

2. The cost of maintaining in good working order and repair and renewing and replacing (where beyond economic repair) all plant serving the Building (including generators, boilers, systems for ventilation, heating and air conditioning and lifts) and all Conduits in or serving the Building excluding plant and Conduits the maintenance of which is the exclusive responsibility of the Tenant or of some other tenant in the Building or would be the exclusive responsibility of a tenant if the whole of the Lettable Areas were let on similar terms to those in this Lease.

3. The cost of providing ventilation, heating, air conditioning and water heating to the Building but not the cost of installing the original plant.

4. The cost of providing the services referred to in clauses 7.3 and 7.4 to the extent not included elsewhere in this schedule.

5. The cost of the erection and maintenance of directional or other signs or notice boards relating to the Building or its occupiers.

6. The cost of the making and enforcement of regulations for the benefit or better ordering of the Building.

7. The cost of the supply and maintenance of fire prevention and fire fighting equipment in the Retained Area and fire alarm equipment in the Building.

8. The cost of marking out the service areas, loading bays and all other relevant parts of the Retained Area.

9. The cost of refuse disposal.

10. The cost of all fuel for the functions referred to in the other paragraphs of this schedule.

11. The cost of employing staff to undertake the Landlord's obligations under this Lease and the other functions referred to in this schedule including insurance, pension and welfare contributions, the provision of uniforms and working clothes and the provision of equipment for the proper performance of their duties.

12. All Outgoings (as defined in clause 6.3) assessed, charged or imposed on the Building as a whole.

13. Any amount which the Landlord may be called upon to pay as a contribution towards the expense of making, repairing, maintaining, cleaning or lighting anything used by the Building and any nearby property.

14. The cost of complying with, making representations against or contesting the incidence of any enactment relating or alleged to relate to the Building as a whole or the Retained Area.

15. All professional fees reasonably and properly incurred by the Landlord in connection with the administration and the general management of the Building including (without limitation) fees payable in connection with the service charge account.

16. The reasonable and proper fees of the Landlord or any company associated with the Landlord where the Landlord or that company, rather than a third party, undertakes any obligation under this Lease or other function referred to in this Schedule.

17. The interest and fees on borrowing any money to finance any of the functions referred to in this Schedule.

18. Any other sum reasonably and properly incurred by the Landlord in connection with the Building including, without limitation, the cost of providing any other service which the Landlord reasonably considers necessary for the purpose of good management of the Building.

SIGNATORIES

SIGNED as a deed by)
COLIN JAMES MALCOLM) /s/ Colin James Malcolm
as attorney for **THE ROYAL BANK OF**) COLIN JAMES MALCOLM
SCOTLAND PLC as trustee of Schroder)
Exempt Property Unit Trust in the presence of:)

Witness's
Signature: /s/ Nicola Deadman

Name: NICOLA DEADMAN

Address: 

Contract

For sale and purchase of a leasehold property at 7Dials Warehouse, 42-50 Earlham Street, London, WC2

(1) Facebook UK Ltd

(2) Midasplayer.com Limited

Dated 9 July 2014

Osborne Clarke

One London Wall
London
EC2Y 5EB

Telephone 020 7105 7004

NR

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This Contract is made on 9 July 2014

Between:

(1) **Facebook UK Ltd** (company number: 06331310) whose registered office is at 21 St Thomas Street, Bristol, BS1 6JS (the **"Seller"**); and

(2) **Midasplayer.com Limited** (company number: 4534247) whose registered office is at 10th Floor Central Saint Giles, 1 St. Giles High Street, London, WC2H 8AG (the **"Buyer"**).

It is agreed as follows:

1. **Definitions and interpretation**

1.1 In this contract, the following expressions have the following meanings (but the definition of any expression in this contract is subject to any contrary requirement of the context):

"1994 Act" means the Law of Property (Miscellaneous Provisions) Act 1994.

"Actual Completion" means the date on which completion of the sale actually takes place.

"Ancillary Leasehold Documents" means the documents ancillary to the Lease details of which are set out in part 2 of schedule 2.

"Authorised Guarantee Agreement" has the meaning given to it in section 28|(1) of the Landlord and Tenant (Covenants) Act 1995.

"Buyer's Solicitors" means Fox Williams LLP of Ten Dominion Street, London EC2M 2EE (reference: RHW/M1095/6).

"Consent" means the written consent of the Seller's Landlord and Superior Landlord to the assignment of the Lease to the Buyer in such form as is required under the terms of the Lease.

"Contractual Completion Date" means 1 July 2014 (subject to the provisions of schedule 3).

"Holding Company" means a holding company as defined in the Companies Act 2006.

"Included Items" means the items in and on the Property belonging to the Seller and listed in the list of included items referred to in Schedule 8.

"Lease" means the two leases of the Property details of which are set out in part 1 of schedule 2.

"Plan" means the plan annexed to this contract.

"Property" means the leasehold property known as Ground and Mezzanine Floor, Reception, 3rd, 4th and 5th Floors, 7Dials Warehouse, 42-50 Earlham Street, London WC2 as more particularly described in the Lease and comprised in the Registered Title.

"Registered Title" means the titles numbered NGL905572 and NGL897100 at the Land Registry, with the registered proprietor being the Seller's Landlord.

"Seller's Landlord" means the person from time to time entitled to the immediate reversion to the Lease.

"Seller's Solicitors" means Osborne Clarke of One London Wall, London EC2Y 5EB (reference: HB/1011467).

"Standard Conditions" means the Standard Commercial Property Conditions (Second Edition) and **"Standard Condition"** shall be construed accordingly.

"Superior Landlord" means the landlord of the Seller's Landlord.

"Title Matters" means all matters specified shown or referred to in any entry plan or documents within the Registered Title.

"VAT" means value added tax as provided under the VATA.

"VATA" means Value Added Tax Act 1994 and reference to the VATA shall include all statutes, laws, regulations, notices, directions or similar provisions, relating to value added tax and any value added, turnover, sales, purchase or similar tax of the United Kingdom or of any other jurisdiction and references to value added tax or to VAT shall be construed accordingly.

"Working Day" means any day (other than a Saturday or Sunday) on which clearing banks in England are open to the public for the transaction of business.

2. **Standard Conditions**

This contract incorporates the conditions in Part 1 of the Standard Conditions as varied by schedule 1 and so far as they are not varied by or inconsistent with the other provisions of this contract (which will prevail in case of conflict).

3. **General Provisions**

3.1 In this contract unless the context otherwise requires references to clauses and schedules are to clauses of and schedules to this contract but the headings to clauses of and to schedules to this contract do not affect its construction.

3.2 This contract contains the whole agreement between the parties relating to the sale and purchase contemplated by this contract and supersedes previous agreements (if any) between them relating to it.

3.3 This contract may only be varied in writing signed by or on behalf of the parties.

3.4 The Buyer acknowledges that it has not entered into this contract in reliance upon representations made by or on behalf of the Seller other than in respect of such reliance as may be placed upon the Seller's Solicitors' written replies (which for the avoidance of doubt shall include replies by email) to the Buyer's Solicitors' written enquiries but nothing in this clause shall operate to limit or exclude any liability for fraud.

4. **Sale and Purchase and Completion**

4.1 In consideration of the obligations on each party contained in this contract and subject to the provisions of schedule 4 the Seller will assign and the Buyer will take the Property and the Included Items on the Contractual Completion Date.

4.2 The Property is sold with vacant possession on Actual Completion subject to the Included Items, which will remain in the Property after Actual Completion.

5. **Payments**

5.1 All money payable by the Buyer under this contract will be paid by direct credit transfer for the credit of the Seller's Solicitors' clients' account or for the credit of any other bank account specified in writing by the Seller's Solicitors.

5.2 Any money payable by the Buyer under this contract which is not paid at the time stipulated will bear interest at the contract rate and the Seller and the Seller's Solicitors are not obliged to accept any payment under this contract unless it is remitted by or drawn on a bank account held by the Buyer's Solicitors.

6. **Title**

6.1 The Buyer accepts the title deduced to it prior to the date of this contract and will not raise any requisition on it (other than on any matter registered at the Land Registry after the date and time of the official copy of the entries provided by the Seller dated 4 April 2014 and timed 16:03:43 in the case of title number NGL905572 and 16:05:43 in the case of title number NGL897100)

6.2 The Buyer's Solicitors having been supplied with copies of the Title Matters prior to the exchange of this contract the Buyer will be deemed to purchase with full knowledge of the terms and contents of them and of any matter referred to in or deriving from them and will not raise any requisition on them save in the case of anything arising from the usual pre- completion searches.

6.3 The Seller will transfer the Property with full title guarantee but the covenant set out in section 2(1)(b) of the 1994 Act shall not extend to the Seller insofar as the covenant makes the Seller liable for any of the costs referred to in such covenant and the Buyer shall be liable for such costs instead.

6.4 The Seller shall not be liable under any of the covenants set out in Section 3 or 4 of the 1994 Act for the consequences of any breach of the terms of the Lease.

6.5 The Seller does not have in its possession the original of the deeds referred to in schedule 5 and the Buyer will not raise any requisition or claim in relation to such deed and the inability of the Seller to supply the original on completion. However, the Seller confirms

that on Actual Completion it shall provide a statutory declaration in respect of the missing deeds to the Buyer in the form attached at Schedule 7.

7. **Adverse Matters**

The Property is sold subject to:

7.1 all matters contained or referred to in the Title Matters the Lease and the Ancillary Leasehold Documents; and

7.2 the encumbrances referred to in Standard Condition 3.1.2 as varied by this contract.

8. **Transfer**

8.1 The transfer to the Buyer will be in the form of the draft transfer annexed to this contract.

8.2 The Buyer and the Seller will execute the transfer in duplicate and the Buyer will procure that the duplicate is delivered to the Seller's Solicitors on Actual Completion.

9. **State and Condition**

9.1 The Seller gives no warranty or representation as to the state and condition of the Property and/or the Included Items and the Buyer will have no claim against the Seller in relation to them whether under this contract or otherwise.

9.2 The Buyer acknowledges that having had full and sufficient opportunity and access to survey and investigate the Property the Buyer has carried out all surveys and investigations which it deemed necessary concerning the state and condition of the Property and has formed its own view as to the suitability of the Property for the Buyer's purposes.

9.3 The Seller and the Buyer acknowledge that the sale and purchase of the Property is an open market arms length transaction.

10. **Risk and insurance**

10.1 With effect from exchange of this contract the Property is at the Buyer's risk and the Seller is under no obligation to the Buyer to insure the Property but it will use its reasonable endeavours to ensure that the Seller's Landlord will comply with its obligations in respect of procuring the insurance of the Property under the terms of the Lease up to and including the date of Actual Completion.

10.2 No damage to or destruction of the Property nor any deterioration in its condition, however caused, will entitle the Buyer to refuse to complete or to delay completion.

11. **Apportionment of rent under the Lease**

11.1 Under the Lease:

(a) In this clause "Rent" means the rent reserved by the Lease and includes service charge and insurance rent but excludes VAT.

(b) Rent will be apportioned at Actual Completion so that the Buyer will pay or allow to the Seller the amount calculated in accordance with the formula set out in clause 11.2.

11.2 The formula is:

$$\frac{A \times B}{365}$$

Where:

A is the Rent; and

B is the number of days from but including the day of Actual Completion to but excluding the first date after day of Actual Completion upon which an instalment of Rent is due or (where such first date is the day after the day of completion) zero

11.3 If any VAT charged on the rent due under the Lease is irrecoverable by the Seller by way of repayment or credit, such irrecoverable VAT will be apportioned in the same way as the Rent.

12. **Construction documents**

12.1 The Seller will on Actual Completion assign to the Buyer the benefit of such of the existing warranties issued or assigned to the Seller and listed in schedule 4 as are lawfully assignable (such assignment to be in the form of the draft set out schedule 6).

12.2 Where the consent of any third party is required for any such assignment the Seller will use reasonable endeavours to obtain it and the Buyer will supply such information and take such action and execute promptly such documents as may be appropriate to obtain it.

13. **Exclusion of third party rights**

No express term in this contract or any term implied under it is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

14. **Governing law and jurisdiction**

14.1 This contract and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

14.2 The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this contract, its subject matter or formation.

15. **Confidentiality**

Except to the extent required by law (including any requirements of the Stock Exchange or any other regulatory requirements) and save where necessary to implement this contract neither party to this contract will at any time without the written consent of the

other party (both as to the announcement or communication and as to its form) make any press or other public announcement or divulge or communicate to any person any of the terms of this contract and the parties will take all reasonable steps to bind their respective servants agents and advisers in this respect.

This Contract has been signed on the date appearing at the head of page 1.

Schedule 1

Variations to Standard Conditions

1. Standard Conditions 1.3.3, 1.3.7(d), 1.3.7(e), 1.4.1, 2.2, 3.1.3, 3.3, 6.1, 6.2, 6.3, 6.4.2, 6.6.2, 6.6.5, 7.1.2, 7.1.3, 7.1.4(b) and 10.3 do not apply.

2. In Standard Condition 1.3.2 after the words “party’s conveyancer” insert the words “quoting any reference specified in this contract”.

3. In Standard Condition 1.3.5(b) substitute “5.00pm” for “4.00pm” and insert the words “before 5.00pm” before the words “on the next working day”.

4. Throughout Standard Condition 1.3.7 substitute “5.00pm” for “4.00pm”.

5. After Standard Condition 3.1.2(e) add:

   “(f) unregistered interests which override first registration as defined in Schedule 1 of the Land Registration Act 2002 (the “2002 Act”), any interests which fall within Section 11(4)(c) of the 2002 Act, such unregistered interests as may affect the property to the extent and for so long as they are preserved by the transitional provisions of Schedule 12 of the 2002 Act and PPP leases as defined in Section 90 of the 2002 Act; and

   (g) any rights of way, drainage watercourses, light and other easements or quasi easements and rights of adjoining owners affecting the property and all liability to repair or covenants to repair roads, pavements, paths, ways, passages, sewers, drains, gutters, fences and other like matters, without obligation on the Seller to provide evidence of the creation of, or to define or apportion the liability;

   (h) all rates, charges and other outgoings which affect or are charged on the property.”

6. After Standard Condition 8.8.2 add:

   “8.8.3 If the Seller serves a notice to complete the Buyer will forthwith pay the seller’s solicitors’ costs for preparing and serving the notice in the sum of £200.00.”

7. In Standard Condition 9.1.1 delete the words “or in the negotiations leading to it” and the words “or was”.

8. In Standard Condition 9.3.2 add the word “alone” after the word “seller”.

Schedule 2

The Lease

Part 1

(The Leases)

Date	Document	Parties
11 November 2011	Underlease relating to Ground and Mezzanine Floors	(1) Expedia.com Limited and (2) Facebook UK Ltd
3 January 2012	Underlease relating to Reception and Floors 3, 4 and 5	(1) Expedia.com Limited and (2) Facebook UK Ltd

Part 2

(Ancillary Leasehold Documents)

Date	**Document**	**Parties**
1 July 2011	Statutory Declaration regarding Facebook UK Ltd relating to Ground and Mezzanine Floors	Anthony John Green
1 July 2011	Statutory Declaration regarding Facebook UK Ltd relating to the Reception and Floors 3, 4 and 5	Anthony John Green
6 July 2011	Licence to Underlet relating to the Ground and Mezzanine Floors	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd. (4) Expedia, Inc
6 July 2011	Licence to Underlet relating to the Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd. (4) Expedia, Inc

Date	Document	Parties
6 July 2011	Agreement for Lease relating to the Ground and Mezzanine Floors	(1) Expedia.com Limited (2) Facebook UK Ltd.
6 July 2011	Agreement for Lease relating to the Reception and Floors 3, 4 and 5	(1) Expedia.com Limited (2) Facebook UK Ltd.
16 November 2011	Licence for Alterations relating to Ground and Mezzanine Floors	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Limited (4) Expedia, Inc
3 January 2012	Licence for Alterations relating to Ground Floor Mezzanine, Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc
5 October 2012	Licence for Alterations	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc

Schedule 3

Consent of the Sellers's Landlord and the Superior Landlord

1. **The parties' obligations**

1.1 Subject to the Buyer complying with its obligations in paragraphs 1.2 and 1.3, the Seller is to:

(a) apply to the Seller's Landlord and to the Superior Landlord for Consent and use reasonable endeavours to obtain it; and

(b) enter into an Authorised Guarantee Agreement with the Seller's Landlord if the Lease so requires or if the Seller's Landlord lawfully imposes a requirement that an Authorised Guarantee Agreement is given as a condition of the Consent.

1.2 Where the Seller's Landlord and/or Superior Landlord lawfully requires, the Buyer is to:

(a) promptly provide all information and references requested by the Seller's Landlord and/or Superior Landlord (as applicable) in accordance with the terms of the Lease.

(b) promptly respond to all correspondence and approve all draft documentation relating to the application for Consent;

(c) covenant directly with the Seller's Landlord to pay the rents reserved by and comply with the tenant's obligations and conditions in the Lease;

1.3 The Buyer and the Seller are to properly execute any licence containing the Consent and any terms relating to the Consent as soon as reasonably practicable after receipt by it of the engrossed licence.

1.4 The Buyer is to properly execute a rent deposit deed with the Seller's Landlord as soon as reasonably practicable after receipt by it of the engrossed deed.

1.5 No party to the Contract may object to a Consent subject to a condition which is lawfully imposed.

1.6 The Seller is under no obligation to apply to court for the declaration mentioned in that paragraph.

2. **Completion date**

If the Consent has not been obtained by the Completion Date:

2.1 the date of completion is to be postponed until 5 working days after the Seller gives written notice to the Buyer that the Consent has been obtained; and

2.2 the postponed date (or any earlier date agreed between the parties) is to be treated as the Completion Date.

3. **Termination**

3.1 If the Consent has not been obtained 4 months after the date of the Contract, either the Buyer or the Seller may end the Contract by notice in writing to the other so long as, at the time the notice is given:

(a) the Consent has still not been obtained;

(b) no declaration has been obtained from the court that the Consent has been unreasonably withheld or delayed; and

(c) the party serving the notice is not in breach of the terms of the Contract.

3.2 The Buyer will not be entitled to serve any notice under paragraph 3.1 at any time after an application has been made to court for a declaration that the Consent has been unreasonably delayed, and the court has not yet made any decision on such application.

3.3 On the service of a lawful notice under paragraph 3.1 Standard Condition 9.2(b) will apply.

4. **Seller's Landlord's costs**

The Seller is to pay the proper and reasonable surveyor's and legal costs and expenses of the Seller's Landlord and the Superior Landlord incurred in relation to the Consent together with any VAT on those costs and expenses which the Seller's Landlord is unable to recover, whether or not the Consent is granted or the assignment of the Lease is completed.

5. **Several leases**

5.1 The provisions of this schedule are to apply to each Lease under which a Consent is required.

5.2 References to the Seller's Landlord are to the Seller's Landlord of each Lease.

5.3 Paragraph 2 is to apply if any Consent required has not been obtained by the Completion Date (notwithstanding that some Consents may have been obtained) and in paragraph 3.1(a) references to the Consent are to be treated as references to the final Consent required.

5.4 Paragraph 3 is to apply if any Consent required has not been obtained by the relevant date.

Schedule 4

List of existing warranties to be assigned to the Buyer

Date	Document	Parties
4 October 2012	Deed of Collateral Warranty for Mechanical and Electrical Engineer	(1) Meinhardt (UK) Limited (2) Facebook UK Ltd
4 October 2012	Deed of Warranty from Project Manager and Employer's Agent	(1) Facebook UK Ltd (2) Cushman & Wakefield LLP
4 October 2012	Deed of Collateral Warranty for Acoustic Consultant	(1) Hann Tucker Associates Limited (2) Facebook UK Ltd
4 October 2012	Deed of Collateral Warranty	(1) Paragon Management UK Limited (2) Facebook UK Ltd

Schedule 5

Missing Deeds and Documents

Date	Document	Parties
6 July 2011	Licence to Underlet relating to the Ground and Mezzanine Floors	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd. (4) Expedia, Inc
6 July 2011	Licence to Underlet relating to the Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd. (4) Expedia, Inc
11 November 2011	Underlease relating to Ground and Mezzanine Floors	Expedia.com Limited and (2) Facebook UK Ltd
16 November 2011	Licence for Alterations relating to Ground and Mezzanine Floors	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Limited (4) Expedia, Inc
3 January 2012	Underlease relating to Reception and Floors 3, 4 and 5	Expedia.com Limited and (2) Facebook UK Ltd
3 January 2012	Licence for Alterations relating to Ground Floor Mezzanine, Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc
5 October 2012	Licence for Alterations	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc

Schedule 6

Form of deed of assignment referred to in clause 12.1

This Deed of Assignment is made on • 20 • •

Between:

(1) • (the **"Seller"**) and

(2) • (the **"Buyer"**)

Background:

The Seller has contracted to sell its leasehold interest in the property known as 7Dials Warehouse, 42-50 Earlham Street, London WC2 to the Buyer and to assign to the Buyer all the Seller's rights and interests under several warranties relating to such property.

It is agreed as follows:

1. **Definitions**

In this deed unless the context otherwise requires the following definitions shall apply:

"Warranties" means:

1.

2.

3.

2. **Assignment**

The Seller assigns with immediate effect to the Buyer the full benefit of all its interests and rights under the Warranties together with all rights of the Seller to sue or take action in respect of any breach of the obligations contained in them.

3. **Contracts (Rights of Third Parties) Act 1999**

Nothing in this deed is intended to confer on any person any right to enforce any term of this deed which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

This deed has been duly executed and delivered on the above-written date.

[*Execution clause for each party*]

facebook
UK
LEGAL

Schedule 7

Form of statutory declaration referred to in clause 6.5

facebook
UK
LEGAL

Schedule 8

List of Included Items

Inventory of Items left on-site for King

18.06.14 All items labelled with brown Harrow Green sticker and agreed between FB & King

Floor	QTY	Item
All	300 approx	Desktop power/data modules
All	All existing	Electrak under floor
All	Remaining	Fixtures & Fittings
All	Remaining	Items in the Server Room after 30 June 2014
5th	1	Bookcase/plant holder - white
5th	5	Square side table - white
5th	7	Single desk 1600x800 - white with white legs
5th	1	Seat/plant holder - white
5th	3	Olive trees in wooden planters
4th	3	Small coffee table - white
4th	1	Medium coffee table - white
4th	3	Lamp stands & shades - green & purple
3rd	All existing	O&M Manuals & metal silver cupboard to house them
3rd	2	Small coffee table - white
3rd	1	Rectangular Meeting Table
3rd	1	Small coffee table - burgundy
3rd	1	Small rectangular desk - white
3rd	1	Round 4-legged table - white
Mezz	8	Rectangular dining tables - white
Mezz	3	Round dining tables 900mm - white
Mezz	1	Round dining table 700mm - white
Mezz	1	Small coffee table - white
Ground	N/A	All items in storage under reception (building related materials)

Inventory of Items left on-site for King

18.06.14 All items labelled with brown Harrow Green sticker and agreed between FB & King

Floor	QTY	Item
All	300 approx	Desktop power/data modules
All	All existing	Electrak under floor
All	Remaining	Fixtures & Fittings
All	Remaining	Items in the Server Room after 30 June 2014
5th	1	Bookcase/plant holder - white
5th	5	Square side table - white
5th	7	Single desk 1600x800 - white with white legs
5th	1	Seat/plant holder - white
5th	3	Olive trees in wooden planters
4th	3	Small coffee table - white
4th	1	Medium coffee table - white
4th	3	Lamp stands & shades - green & purple
3rd	All existing	O&M Manuals & metal silver cupboard to house them
3rd	2	Small coffee table - white
3rd	1	Rectangular Meeting Table
3rd	1	Small coffee table - burgundy
3rd	1	Small rectangular desk - white
3rd	1	Round 4-legged table - white
Mezz	8	Rectangular dining tables - white
Mezz	3	Round dining tables 900mm - white
Mezz	1	Round dining table 700mm - white
Mezz	1	Small coffee table - white
Ground	N/A	All items in storage under reception (building related materials)

Ground	N/A	Carpet tiles
Ground	N/A	All Covered mattress foam pieces to form bed on platform - dark blue
Ground	1	Wooden table - orange edged
Ground	1	Wooden bench - orange edged
Ground	1	Round table - white
Ground	1	Armchair - green
Ground	1	armchair - red

QTY	PART #	MFG	DESCRIPTION
Software House Access Control Head End			
2	STAR016W-64ANPS	SWH	64 MB GCM II w/2 ACM II for up to 16 readers
2	AS0073-000	SWH	I/8 Eight Input Reader Bus Module
4	AS0074-000	SWH	R/8 Eight Output Reader Bus Module
2	RM-DCM-CAN	SWH	14X12X3.5 In. Can with Tamper for up to 4 Input or output boards.
2	Maxim75D	Altronix	Access Power Controller- Sixteen (16) independently trigger controlled PTC protected outputs. Output Power: 12VDC @ 10 Amp + 24VDC @ 10 Amp. AC Fail, Low Battery, Battery Presence Monitoring. Fire Alarm Disconnect. Enclosure: 26“H X 19“W X 6.25“D. Accommodates up to four (4) 12VDC/12AH batteries.
2	PD16WCB	Altronix	PD16WCB Sub-Assembly power distribution modules converts a single DC or AC input into sixteen (16) individually PTC protected Class 2 Rated power limited outputs.
2	AL600ULXPD16-CB	Altronix	Power Supply / Charger- 12VDC or 24VDC @ 6 Amp with sixteen (16) PTC protected outputs. UL/CUL Listed. Fire (UL 1481) Access Control (UL 294) MEA/CSFM Approved, With grey enclosure 15.5”H x 12”W x 4.5”D, cam lock and transformer
8	PS-1250	Powersonic	Battery 12V 5AH 24V for locks
2	477967	Back Up Power	Battery 12V 7AH for AL600ULXPD16-CB
2	KT-BATT-1212	Kantech	Battery 12V 12AH for ACE16/SWH-1
Commend Intercom			
1	ES3GBB	Commend	3-Gang Metal Backbox (Gray)
1	ES3GRH	Commend	3-Gang Metal Rain Hood (gray)
1	ES931ACW	Commend	3 gang IP camera substation
1	WS810PI	Commend	IP plastic wallmount station with standard keypad and TFT-Display ..*Req. UPA-102 or POE
1	WSDK50P	Commend	WS desk or wallmount kit for plastic stations and expansion modules
1	WSSH50P	Commend	WS surface-mount kit for plastic stations and expansion modules, format full height
Access Control Door Equipment			
20	RP40	HID	HID RP40 Reader
3	RP15	HID	HID RP15 Mullion Reader
45	GRI 6644	ADI	IK resistor pack
31	D7-956RPT-WH	Honeywell	Roller door contact
23	S-4	NexWatch	Suppressor Kit For outputs providing proper protection against electrical spikes.
25	RS0040	TYCO	SIREN/2 TONE/ INDOOR - ADEMCO SENSORS
1	ELM-PA-G3-SS	Sentrol	Hold-Up Switch
2	SS2440EX	STI-USA	Blue Pull Station
1	2325A-L	Sentrol	Overhead/Panel Door Track Mount Contact w/Armored Cable, Up to 3” Gap Size. Closed Loop; Normally Open. 2’ Stainless Steel Armored Cable. Form A
6	FG1625RT	Sentrol	Glass Break Detector, Round, Commercial, Tampered
Locksmith Subcontractor			
15	Abloy EL-560 Lockset Complete	Locksmith	Electrified Mortise Lock complete with Lever Handle Set and Cylinder Escutcheon Set
3	Abloy EL-420 Lockset Complete	Locksmith	Electrified & Motorised Mortise Lock complete with Lever Handle Set and Cylinder Escutcheon Set
3	Abloy EL-420 Exit Bar Complete	Locksmith	Electrified & Motorised Mortise Lock complete with Mortise Panic Latch
21	Abloy Door Loop	Locksmith	Concealled Door Loop
25	Abloy MK Cylinder	Locksmith	Abloy Master Keyed Cylinder
1	Abloy Labor	Locksmith	Labor to install Abloy Locks, Door Closers & Mag Locks

Access Control Cabling			
6000	454932APR	Paige	COMP ACCESS CABLE VIOLET JACKET – 500 foot Plenum
11000	740051PR	Paige	18 / 6 STR SHIELDED CMP VIOLET 500 feet Plenum
2000	454694APR	Paige	16 / 2 STR CMP/CL2P VIOLET 1000 feet Plenum
6000	710636PR	Paige	Custom Cat 6 cable – Violet 1000 feet Plenum (Intercom)
CCTV Head End Equipment			
3	SRSC-NC100-4000	3VR	Server class NVR 4 TB storage
3	A2-OS-WSE	3VR	3VR Server OS
3	A4-AOB-008	3VR	LICENSE FOR FACIAL RECONITION
1	T4214KE	Tyco	24v ac 4amp PSU, input voltage 230v ac, metal case with 8 x 500mA fused terminals, 10 x prefabricated conduit holes
CCTV Cameras			
40	AV2105DN-FB	Arecont Vision	2.0 Megapixel H.264/MJPEG Color + B&W Camera, 1600x1200, w/DayNight motorized IR cut filter, no lens
38	TC9208	Bosch - CCTV	MOUNT, INDOOR, 8-INCH, 9 LB MAX LOAD, ALUMINUM FINISH
2	HSGl-O-W	Arecont Vision	Outdoor IP67 vandal proof Housing for single and dual sensor cameras, with heater/blower
2	SS-HSG1	Arecont Vision	Sunshade for HSGl-O-W
4	M3Z1228C-MP	Computar	2/3” 12-36mm Varifocal, Manual Iris Megapixel (C Mount)
18	SL183M	Theia	Theia Lens Manual Iris 1.3 to 3 MM varifoal lens
18	MPL4-10-FB	ARECONT	ARECONT VI MPL4-10-FB 4-10mm Lens
CCTV Cabling			
11000	710636PR	Paige	Custom Cat 6 cable – Violet 1000 feet Plenum
2000	454694APR	Paige	16 / 2 STR CMP/CL2P VIOLET 1000 feet Plenum
1	361406	Tyco	TYCO/AMP 1933328-1 48-PORT PANEL 110-MOD 8W8P T568A/B CAT6 AMPTRAC LOADED 2U ROHS
Additional Material (If Needed)			
10	4 Square	Local	4 Square Box
10	Conduit	Misc.	Conduit
5	Threaded Pipe	Misc.	10ft stick 1.5” Threaded Pipe

facebook UK LEGAL

Signed by)
for and on the behalf) /s/ signature
of the Seller)

Signed by)
for and on the behalf)
of the Buyer)

DATED 9 July 2014

FACEBOOK UK LIMITED (1)

- and -

MIDASPLAYER.COM LIMITED (2)

DEED OF ASSIGNMENT
of leasehold property known as
Ground and Mezzanine Floors,
Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA

Version date: 3 June 2014

Fox Williams LLP, Ten Dominion Street, LondonEC2M 2EE
T: +44 (0)20-7628 2000 F: +44 (0)20-7628 2100
mail@foxwilliams.com | www.foxwilliams.com

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3. TITLE GUARANTEE 3
4. VAT 3
5. RIGHTS OF THIRD PARTIES 3
6. GOVERNING LAW 3

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THIS DEED is made 9 July 2014

BETWEEN:

(1) FACEBOOK UK LIMITED incorporated and registered in England and Wales with company number 06331310 whose registered office is at 21 St Thomas Street, Bristol BS1 6JS (the **Assignor);** and

(2) MIDASPLAYER.COM LIMITED incorporated and registered in England and Wales with company number 04534247 whose registered office is at 10 th Floor, Central Saint Giles, 1 St. Giles High Street, London WC2H 8AG (the **Assignee).**

WHEREAS

(A) The residue of the term granted by the Lease remains vested in the Assignor.

(B) The Assignor has agreed to assign the Lease to the Assignee on the terms of this deed.

(C) The consent of the landlord and the superior landlord has been obtained as required by the Lease.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this deed.

"Contract"	means a contract for the assignment of the Lease dated 9 July 2014 and made between (1) Facebook UK Limited and (2) Midasplayer.com Limited;
"Lease"	means an underlease of Ground and Mezzanine Floors, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA dated 11 November 2011 and made between (1) Expedia.com Limited and (2) Facebook UK Limited;
"Lease Obligations"	means the tenant covenants and all terms and conditions contained or referred to in the Lease;
"Property"	means Ground and Mezzanine Floors, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA as more particularly described in and demised by the Lease;
"Rents"	means the rents reserved by the Lease;
"Title Documents"	means the documents listed in the Schedule;
"VAT"	means value added tax chargeable under the Value Added Tax Act 1994 and any similar

replacement tax and any similar additional tax;

1.2 Clause and schedule headings shall not affect the interpretation of this deed.

1.3 A reference to the **Lease** includes any deed, licence, consent, approval or other instrument supplemental to it.

1.4 A reference to the **Property** is to the whole and any part of it.

1.5 References to the **Assignee** include a reference to its successors in title and assigns.

1.6 The expression **tenant covenants** has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.

1.7 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.

1.8 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.9 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.10 References to clauses or schedules are to the clauses in or schedules to this deed.

2. ASSIGNMENT

2.1 In consideration of the covenants given by the Assignee in this deed the Assignor assigns the Property to the Assignee for the unexpired residue of the term granted by the Lease subject to the payment of the Rents and the Lease Obligations.

The Property is assigned free from encumbrances other than:

2.1.1 any matters discoverable by inspection of the Property before the date of this deed;

2.1.2 any matters which the Assignor does not and could not reasonably know about;

2.1.3 any matters disclosed or which would have been disclosed by the searches and enquiries which a prudent assignee would have made before entering into this deed;

2.1.4 any notice, order or proposal given or made (whether before or after the date of this deed) by a body acting on statutory authority;

2.1.5 any matters contained or referred to in the Lease and Title Documents.

3. TITLE GUARANTEE

3.1 The Property is assigned with full title guarantee.

3.2 The covenant set out in section 3 of the 1994 Act shall not extend to any breach of the Lease relating to the physical state or condition of the Property.

3.3 The covenant set out in section 4(1)(b) of the 1994 Act shall not extend to any breach of the Lease relating to the physical state or condition of the Property.

3.4 All matters recorded at the date of this deed in registers open to public inspection are deemed to be within the actual knowledge of the Assignee for the purposes of section 6(2)(a) of the 1994 Act, notwithstanding section 6(3) of the 1994 Act.

4. VAT

4.1 All sums payable under or pursuant to this deed are exclusive of VAT (if any).

4.2 Any VAT chargeable in respect of such sums, or an amount equal to any VAT, shall be payable in addition to such sums. A VAT invoice shall be provided against any payment.

5. RIGHTS OF THIRD PARTIES

5.1 A person who is not a party to this deed shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999.

6. GOVERNING LAW

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

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

Schedule 1 - Title documents

Date	Description	Parties
1 July 2011	Statutory Declaration regarding Facebook UK Ltd relating to Ground and Mezzanine Floors	Anthony John Green
6 July 2011	Licence to Underlet relating to the Ground and Mezzanine Floors	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd. (4) Expedia, Inc
6 July 2011	Agreement for Lease relating to the Ground and Mezzanine Floors	(1) Expedia.com Limited (2) Facebook UK Ltd.
16 November 2011	Licence for Alterations relating to Ground and Mezzanine Floors	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Limited (4) Expedia, Inc
3 January 2012	Licence for Alterations relating to Ground Floor Mezzanine, Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc
5 October 2012	Licence for Alterations	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc

Executed as a deed by
FACEBOOK UK LIMITED acting
by a director, in the presence of: /s/ signature

Director

Signature of witness: /s/ Joanne Redmond

Name: JOANNE REDMOND

Address: 4 Grand Canal Sq. Dublin 2

Occupation: Solicitor

DATED 9 July 2014

FACEBOOK UK LIMITED (1)

- and -

MIDASPLAYER.COM LIMITED (2)

DEED OF ASSIGNMENT
of leasehold property known as
Reception and Floors 3, 4 and 5,
Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA

Version date: 3 June 2014

Fox Williams LLP, Ten Dominion Street, LondonEC2M 2EE
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THIS DEED is made 9 July 2014

BETWEEN:

(1) FACEBOOK UK LIMITED incorporated and registered in England and Wales with company number 06331310 whose registered office is at 21 St Thomas Street, Bristol BS1 6JS (the **Assignor**); and

(2) MIDASPLAYER.COM LIMITED incorporated and registered in England and Wales with company number 04534247 whose registered office is at 10 th Floor, Central Saint Giles, 1 St Giles High Street, London WC2H 8AG (the **Assignee**).

WHEREAS

(A) The residue of the term granted by the Lease remains vested in the Assignor.

(B) The Assignor has agreed to assign the Lease to the Assignee on the terms of this deed.

(C) The consent of the landlord and the superior landlord has been obtained as required by the Lease.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this deed.

"Contract"	means a contract for the assignment of the Lease dated 9 July 2014 and made between (1) Facebook UK Limited and (2) Midasplayer.com Limited;
"Lease"	means an underlease of Reception and Floors 3, 4 and 5, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA dated 3 January 2012 and made between (1) Expedia.com Limited and (2) Facebook UK Limited;
"Lease Obligations"	means the tenant covenants and all terms and conditions contained or referred to in the Lease;
"Property"	means Reception and Floors 3, 4 and 5, Seven Dials Warehouse, 42/50 Earlham Street, London WC2H 9LA as more particularly described in and demised by the Lease;
"Rents"	means the rents reserved by the Lease;
"Title Documents"	means the documents listed in the Schedule;
"VAT"	means value added tax chargeable under the

Value Added Tax Act 1994 and any similar replacement tax and any similar additional tax;

1.2 Clause and schedule headings shall not affect the interpretation of this deed.

1.3 A reference to the **Lease** includes any deed, licence, consent, approval or other instrument supplemental to it.

1.4 A reference to the **Property** is to the whole and any part of it.

1.5 References to the **Assignee** include a reference to its successors in title and assigns.

1.6 The expression **tenant covenants** has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.

1.7 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.

1.8 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.

1.9 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.10 References to clauses or schedules are to the clauses in or schedules to this deed.

2. ASSIGNMENT

2.1 In consideration of the covenants given by the Assignee in this deed the Assignor assigns the Property to the Assignee for the unexpired residue of the term granted by the Lease subject to the payment of the Rents and the Lease Obligations.

The Property is assigned free from encumbrances other than:

2.1.1 any matters discoverable by inspection of the Property before the date of this deed;

2.1.2 any matters which the Assignor does not and could not reasonably know about;

2.1.3 any matters disclosed or which would have been disclosed by the searches and enquiries which a prudent assignee would have made before entering into this deed;

2.1.4 any notice, order or proposal given or made (whether before or after the date of this deed) by a body acting on statutory authority;

2.1.5 any matters contained or referred to in the Lease and Title Documents.

3. TITLE GUARANTEE

3.1 The Property is assigned with full title guarantee.

3.2 The covenant set out in section 3 of the 1994 Act shall not extend to any breach of the Lease relating to the physical state or condition of the Property.

3.3 The covenant set out in section 4(1)(b) of the 1994 Act shall not extend to any breach of the Lease relating to the physical state or condition of the Property.

3.4 All matters recorded at the date of this deed in registers open to public inspection are deemed to be within the actual knowledge of the Assignee for the purposes of section 6(2)(a) of the 1994 Act, notwithstanding section 6(3) of the 1994 Act.

4. VAT

4.1 All sums payable under or pursuant to this deed are exclusive of VAT (if any).

4.2 Any VAT chargeable in respect of such sums, or an amount equal to any VAT, shall be payable in addition to such sums. A VAT invoice shall be provided against any payment.

5. RIGHTS OF THIRD PARTIES

5.1 A person who is not a party to this deed shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999.

6. GOVERNING LAW

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

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

facebook UK LEGAL

Schedule 1 - Title documents

Date	Description	Parties
1 July 2011	Statutory Declaration regarding Facebook UK Ltd relating to the Reception and Floors 3, 4 and 5	Anthony John Green
6 July 2011	Licence to Underlet relating to the Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd. (4) Expedia, Inc
6 July 2011	Agreement for Lease relating to the Reception and Floors 3, 4 and 5	(1) Expedia.com Limited (2) Facebook UK Ltd.
3 January 2012	Licence for Alterations relating to Ground Floor Mezzanine, Reception and Floors 3, 4 and 5	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc
5 October 2012	Licence for Alterations	(1) Seven Dials S.A.R.L. (2) Expedia.com Limited (3) Facebook UK Ltd (4) Expedia, Inc

Executed as a deed by
FACEBOOK UK LIMITED acting
by a director, in the presence of:

/s/ signature

Director

Signature of witness: /s/ Joanne Redmond

Name: JOANNE REDMOND

Address: 4 Grand Canal Sq. Dublin 2

Occupation: Solicitor

Services Form

This Agreement is made by and between:

INTERXION SVERIGE AB
Esbogatan 11
164 94 Stockholm
Sweden
(hereinafter 'Interxion')

and

MIDASPLAYER AB
Sankt Eriksgatan 113, 2 tr.
113 43 Stockholm
Sweden
(hereinafter 'Customer')
(Interxion and the Customer hereinafter also separately referred to as "Party" and jointly as "Parties")

Whereas

A. Interxion has been identified by the Customer as meeting its qualification criteria as a preferred partner of choice in facilitating the provision of data centre services, coordinated by an account manager.
B. Each of the Parties appreciates that the conditions of this Agreement are the result of extensive negotiations and the Parties acknowledge that all major legal issues are adequately reflected in this Agreement.

Parties have agreed as follows:

1. Subject

Customer purchases Services from Interxion as specified under Clause 2.4 ('Order specification and Service Fees') and in accordance with the terms and conditions as listed in Clause 4 ('List of Annexes'). Interxion provides the Services at the Interxion Premises, indicated under Clause 2.3 ('Contract term and location information'). Capitalised terms used in this Agreement shall have the meaning set out in the General Terms and Conditions listed in Clause 4.

2. Customer Order

2.1. Account Management

Account Manager	**Stefan Jofors**	Contract Number	**00095466.0**	Customer ID	**A0003120**

2.2. Customer Information

Customer		*Contact person*		*Contact during Order Implementation*	
Name	**MIDASPLAYER AB**	Name	**Daniel Wigenfors**	Name	**Daniel Wigenfors**
Street	**Sankt Eriksgatan 113, 2 tr.**	Function	**System Administration Manager**	Function	**System Administration Manager**
Postcode	**113 43**	Telephone	**+46854570430**	Telephone	**+46854570430**
City	**Stockholm**	Fax	**+46854570439**	Fax	**+46854570439**
Country	**Sweden**	Email	**daniel@king.com**	Email	**daniel@king.com**
Telephone	**+46 8 54570430**				
Fax	**+46 8 54570439**				

Invoicing address (if different from above)		*Invoicing contact*	*Contact during Operations*
Street	**Sankt Eriksgatan 113, 2 tr.**	Name	Name
Postcode	**113 43**	Function	Function
City	**Stockholm**	Telephone	Telephone
Country	**Sweden**	Fax	Fax
		Email	Email

Customer Bank details

Bank name	Account no	VAT number **SE556653206401**

2.3. Contract term and location information

Initial Agreement Period (in months)	**36**	Interxion Premises	**STO1, STO2 &STO3**
Invoice period	**Monthly**	Room number	**STO1 room 21, STO2 room 201, STO3 room 302**
Commencement Date	**1-Oct-2014**	Cabinet reference	
Safety Deposit	**SEK361,122.00**	Address	**Esbogatan 11, Box 56, 16494 Kista**
By means of	**bank transfer**		
To Interxion bank account number	**122001-02704**		

2.4. Order specification and Service Fees

Currency: **SEK** **All amounts below are exclusive of Value Added Tax**

Services:

Product	**Unit Type**	**Start of Service delivery**	**Quantity**	**Unit Price**	**Total**
STO 1, room 21					
Shared Area Cage	Sqm	1-Oct-2014	80.00	1,016.34	81,307.20
kW Standard Power, Metered (excluding power usage)	kW	1-Oct-2014	65.00	1,815.20	117,988.00
kW Advanced Power, Metered (excluding power usage)	kW	1-Oct-2014	60.00	1,815.20	108,912.00
Full Cabinet (60x107)	Cabinet	1-Oct-2014	10.00	0.00	0.00
STO 2, room 201					
Shared Area Cage	Sqm	1-Oct-2014	90.00	820.00	73,800.00
kW Advanced Power, Metered (excluding power usage)	kW	1-Oct-2014	150.00	1,498.00	224,700.00
Cross Connects : Fiber internal between room 21 and room 201	Cross Connect	1-Oct-2014	8.00	0.00	0.00
STO 3, room 302					
Shared Area Cage	Sqm	1-Oct-2014	80.00	820.00	65,600.00
kW Advanced Power, Metered (excluding power usage)	kW	1-Oct-2014	150.00	1,498.00	224,700.00
Cross Connects : Fiber internal between room 21 and room 201	Cross Connect	1-Oct-2014	8.00	0.00	0.00
				Total of Monthly Recurring Service Fees	***897,007.20***

Set-up, installation and materials:

Product	Unit Type	Start of Service delivery	Quantity	Unit Price	Total
STO 1, room 21					
Shared Area Cage	Sqm	1-Oct-2014	1.00	75,000.00	Paid in original contract
Plugset Installation Metered 230V/16A	Plug set	1-Oct-2014	20.00	0.00	0.00
STO 2, room 201					
Shared Area Cage	Sqm	1-Oct-2014	1.00	157,500.00	Paid in original contract
Pre-cabling/Patch Panels : Fiber – 12 Ports	Cross Connect	1-Oct-2014	2.00	0.00	0.00
STO 3, room 302					
Shared Area Cage	Sqm	1-Oct-2014	1.00	140,000.00	140,000.00
Pre-cabling/Patch Panels : Fiber – 12 Ports	Cross Connect	1-Oct-2014	1.00	0.00	0.00
				Total Fees for Setup, Installation Services and Materials	***140,000.00***

Usage fees:

Product	Unit Type	Unit Price
kW Std Metered power usage:	kWh	1.20
kW Adv Metered power usage:	kWh	1.20

Power usage will be invoiced monthly in arrears based on actual kWh usage.

3. Notice

Any Notice or communication between the Parties related to the Agreement shall be addressed as set forth below:

Interxion:
INTERXION SVERIGE AB
Esbogatan 11
164 94 Stockholm
Sweden
Contact person: Managing Director
Phone: +46 859 464 050
Fax: +46 859 464051

Customer:
MIDASPLAYER AB
Sankt Eriksgatan 113, 2 tr.
113 43 Stockholm
Sweden
Contact person : Daniel Wigenfors
Phone : +46854570430
Fax : +46854570439

4. List of Annexes

Annex 1: Interxion General Terms and Conditions for Services, version 2013-1
Annex 2: Interxion Services Schedules, version 2013-1
Annex 3: Other Agreement specific documents: Not applicable.

This Services Form together with the Annexes listed above constitute the Agreement. In the event that there is a conflict between the provisions of this Agreement the order of precedence shall be (1) this Services Form, (2) the General Terms and Conditions, and (3) the Interxion Services Schedules and (4), other Agreement specific documents if listed above. Purchase orders submitted by Customer are for customer's internal administrative purposes only and the (commercial) conditions contained in those purchase orders will have no force and effect. Any (general) terms and conditions of the Customer are explicitly excluded from this Agreement.

5. Country specific Special Regulations

Annex 1 (General Terms and Conditions version 2013-1) and/or Annex 2 (Interxion Services Schedules version 2013-1) shall be amended as follows:

1. **Clause 1.3** General Terms and Conditions shall be replaced by the following wording: "Business Hours: the hours between 8.00 to 16.00 on a Business Day."
2. In addition to **Clause 4.6** General Terms and Conditions the interest rate will be payable on the rate stipulated in Section 6 of the Swedish Interest Act.
3. In addition to **Clause 4.8** General Terms and Conditions the applicable index under the Agreement is the Consumer Price Index (Konsumentsprisindex) ("KPI") rendered by Statistics Sweden (Statistiska centralbyrån), base 1980 = 100.
4. **Clause 17.4** General Terms and Conditions: The Agreement shall be construed with and governed by the laws of Sweden. Any dispute, which may arise out of or in connection with the Agreement, shall be submitted to the exclusive jurisdiction of the competent court of Stockholm.

6. Special Regulations

A) Previous agreements

1. The parties previously entered into a services agreement dated 15 August 2008 with agreement number 2384_0001, and 2 amendments to such agreement with effective date 1 Jan 2012 and 15 June 2013 (together the "Old Agreement") for the provision of services in respect of the Customer Space in STO1 and STO2. The services in respect of Customer Space STO1 and STO2 shall continue to be provided under the Old Agreement until the Commencement Date. As of the Commencement Date, the Old Agreement shall be terminated and replaced by this Agreement.

B) Annex 1 (General Terms and Conditions for Services, version 2013-1) shall be amended as follows:

1. The following wording shall be inserted at the end of Clause 2.1:
"Interxion shall commence providing the Services from the Commencement Date."
2. Clause 3.1 shall be replaced by the following wording:
To the extent Interxion fails to meet the Service Levels, Interxion shall grant the Customer Compensation (subject always to the limitations set out in the Service Level Agreement). The parties acknowledge that the crediting of Compensation is not an estimate of the loss or damage that may be suffered by the Customer as a result of Interxion's failure to meet the Service Levels and that the payment of Compensation is without prejudice to any other rights and/or remedies of the Customer, provided always that any Compensation paid under this Agreement in respect of Interxion's failure to meet a specific Service Level shall be deducted from the actual amount of damages that the Customer is entitled to receive in respect of a damages claim relating to the same such failure.
3. Clause 4.6 shall be replaced by the following wording:
In the event that Interxion has not received the full payment of an invoice, not subject to a good faith dispute, on the Due Date, Interxion will send a Notice to Customer, requiring such non-payment to be remedied. If the non-payment has not been remedied within 5 (five) days from the day that the Notice was sent ("Notice Date"), and without prejudice to any other right Interxion may have under the Agreement, all outstanding amounts, payable by the Customer under the Agreement, shall become immediately due and payable and, notwithstanding any other right Interxion may have under the applicable law, Interxion shall be entitled to (1) charge the Customer interest, accruing daily on all due and unpaid amounts on the rate of 2 % per annum above the interest rate stipulated in Section 6 of the Swedish Interest Act calculated as from the Notice Date and (2) compensation in respect of all costs connected with the recovery of its claim, including all legal fees and expenses and VAT. Interest on Service Fees that are subject to a good faith dispute is only payable after the dispute is resolved, on sums found or agreed to be due, from 10 days after the date such dispute is resolved until payment.
4. Clause 4.8 shall be replaced by the following wording:
Interxion has the right to increase the MRSF per 1 January of each calendar year by the higher of (i) 3 (three) % or (ii) the percentage increase from the preceding 12 (twelve) months in the official national price index as set forth in the Country Specific Special Regulations, or, if this index ceases to be published, any other retail price index published in substitution. Interxion is entitled to charge increased MRSF with retrospective effect within 4 (four) months from the beginning of the year in which the increased price would have been charged on the basis of this Clause 4.8. For Services provided in STO1 and STO2 (MRSF at Commencement Date = SEK 606,707.20) the first increase following this Clause shall apply per 1 January 2015. For Services provided in STO3 (MRSF at Commencement Date = SEK 290,300) the first increase following this Clause shall apply per 1 January 2016.
5. Clause 4.7 shall be replaced by the following wording:
As a security for all claims Interxion holds with regard to a breach or faulty performance of the Agreement by the Customer the Customer shall pay a safety deposit as indicated on the Services Form. In the event of a breach of the Agreement, Interxion

shall be entitled to forfeit the safety deposit in whole or in part apart from any amounts disputed in good faith. Payment of the safety deposit shall be made in cash, to Interxion's bank account, stated on the Services Form. If Interxion (partly) claims the safety deposit, the Customer is obliged to supplement the safety deposit to the amount as indicated on the Services Form. The safety deposit shall be paid before Customer is allowed access to the Interxion Premises. The safety deposit will be returned no later than 2 (two) months from the day the Agreement has terminated, subject to the Customer having met all its obligations under the Agreement. In the event that the Service Fees are revised and adjusted in accordance with the Agreement or in the event that the Customer agrees to purchase additional Services, the safety deposit shall be adjusted accordingly. The deposit does not pay interest to the advantage of the Customer.

6. Clause 5.1 shall be replaced by the following wording: "The Customer waives all rights to suspend any of its payment obligations for whatever reason, except for its rights to suspend amounts disputed in good faith under Clause 4.6 and to suspend with respect to claims that are undisputed between the Parties or that are upheld by a final ruling of a competent court."

7. Following wording shall be included at the beginning of Clause 5.2: "Subject to Clause 5.1, (…)".

8. Clause 6.1 shall be replaced by the following wording:
Without prejudice to Clause 6.2 and to the extent permitted by applicable law, the liability of either Party for loss or damage arising under the Agreement for all events arising in any 12 month period commencing on the Effective Date and each anniversary of the Effective Date ("Year") during the term, shall be limited to the higher of (i) the total amount of MRSF payable by the Customer in the applicable Year or (ii) euro 250,000.

9. Clause 6.2 shall be replaced by the following wording:
Subject to any provision to the contrary in the Agreement, and to the extent permitted by applicable law, neither Party shall be liable to the other Party for special, incidental, indirect, punitive or consequential damages, whether or not foreseeable, arising out or in connection with the Agreement and regardless of whether such damages:
(a) are caused by such Party itself or its employees', contractors' or subcontractors';
(b) are caused by an act, breach, omission, default or negligence;
(c) are brought in an action based on contract, statue, equity, or tort including negligence or other legal theory.
Unless such damage is the result of deliberate acts or gross negligence.

10. Clause 8 shall be amended by the following:
8.3 For any formal Notice that is required to be served to the Customer under this Agreement (e.g. termination Notice, Notice related to a breach of the Agreement) a copy of such Notice has to be served to the Customer's Chief Legal Officer at 10th Floor, Central Saint Giles, 1 St Giles High Street, London, WC2H 8AG.

11. Clause 11.2 shall be replaced by:
"The Customer shall indemnify and keep indemnified, hold harmless and defend Interxion in respect of any loss, damage or expense (including reasonable attorneys' fees) resulting from any claim brought by customers of the Customer (including the Connecting Customer) where such claim arises out of Customer's, its sub-contractors or Affiliated Companies' negligence or Customer's breach of the Agreement. The indemnification is not applicable where such claim results from gross negligence or wilful intent by Interxion. As a condition to the indemnification provided in this section with respect to any claim brought by customers of the Customer (including the Connecting Customer), (a) Interxion will notify the Customer promptly after receiving Notice of such claim; (b) Customer will have sole control over the defense and settlement thereof; and (c) Interxion will furnish (at Customer's reasonable request and expense) information within its custody or control and reasonable assistance necessary for such defense and (d) Interxion will not make any admission of liability, agreement or compromise in relation to the claim without the prior written consent of the Customer (such consent not to be unreasonably withheld or delayed)."

12. Clause 15.18 shall be replaced by the following wording:
15.18 Upon termination of the Agreement, the Customer shall have removed all Customer Equipment at its own risk and costs. The Customer shall pay for restoring the Customer Space, or any other part of the Interxion Premises used by the Customer, to the same condition as they were provided to the Customer at the Effective Date (except for normal wear and tear). For every month, or part thereof, that the Customer has failed to meet the obligations as set forth in this Clause 15.18, the Customer will be obliged to pay Interxion the MRSF as they were the month before the termination.

13. Clause 15.22 shall be replaced by the following wording:
15.22 The Customer shall at its own cost apply for, possess and maintain any authorization, license, registration, and/or permit which is required to enable it to conduct its respective businesses and to use the Services. The Customer shall comply with the conditions as set forth in such authorization, license or permit and shall indemnify and keep indemnified Interxion for any claim by a third party in respect of damages, losses or costs suffered, due to the Customer's non-compliance with the aforementioned obligations in this clause 15.22

14. Clause 16.6 shall be replaced by the following wording:
Under no condition shall the Agreement vest any rights in Interxion with respect to Customer Equipment, unless the Agreement explicitly stipulates otherwise. Interxion is not entitled to use Customer Equipment for its own purposes, use or access software on the Customer Equipment nor access data on Customer Equipment for any purposes. Interxion shall not remove, alter or obscure any proprietary notices from the Customer Equipment. Interxion shall not disable Customer's access to the Customer Equipment other than as expressly permitted under this Agreement.

C) Schedule 2 (SLA) of the Interxion Services Schedules, version 2013-1 (Annex 2) shall be amended as follows:

15. Clause 4 - Service Levels and Compensation last sentence, shall be replaced by the following wording:
The total aggregated Compensation in a given month for Service Level- power, -climate control and -Hands & Eyes Service will be limited to 75% of the MRSF.

7. Signature

As agreed by both Parties:

MIDASPLAYER AB		*INTERXION SVERIGE AB*	
Name of authorized representative	Lars Markgren	Name of authorized representative	Peder Bank
Title	Director	Title	M.D.
Signature of authorized representative	/s/ Lars Markgren	Signature of authorized representative	/s/ Peder Bank
Place	Stockholm	Place	STO
Date	8/4/2014	Date	8/4/2014

Annex 1: Interxion General Terms and Conditions for Services, version 2013-1

These Interxion General Terms and Conditions for Services, version 2013-1 (hereafter referred to as: "General Terms and Conditions") apply to and form an integral part of all Offers and Agreements and regulate the provision of Services by Interxion to the Customer. The (general) terms and conditions of the Customer are not applicable to Offers and Agreements. These General Terms and Conditions replace any terms and conditions that were declared applicable upon the conclusion of an earlier agreement.

Clause 1 Definitions

In the Agreement, including these General Terms and Conditions, the capitalised terms are defined as follows whereby the use of the singular will include the plural and vice versa:

1.1 **Agreement:** the agreement, entered into by Interxion and the Customer, the subject matter of which is the provision of the Services by Interxion to the Customer, consisting of the Services Form, these General Terms and Conditions, the Interxion Services Schedules and any additional documents as set out in the Services Form.

1.2 **Business Day** : any day which is not a Saturday, a Sunday or a public holiday in the country where the Interxion Premises is located.

1.3 **Business Hours** : the hours between 08.00 to 18.00 on a Business Day.

1.4 **Campus Cross Connect** : any type of physical connection between the Customer and a Connecting Customer between two Interxion Premises via the Interxion Patch Panel as described in Clause 3.1 of the Services Description.

1.5 **CCOF** : the cross connect order form, used by the Customer to order, inter alia, (additional) Cross Connects and/or (additional) Campus Cross Connects and, once completed by Interxion and confirmed by the Customer, amending the Agreement.

1.6 **Commencement Date** : the date stated in the Services Form under "Commencement Date".

1.7 **Compensation** : reimbursement of (part of) the MRSF as set out in Clause 4 of the SLA and subject always to the limitations set out in the SLA.

1.8 **Confidential Information** : any commercial, financial, technical, legal, marketing or other data, know-how, trade secrets, information marked as "Confidential", or any other information of whatever nature relating to a Party or any member of its group or their respective businesses which has been disclosed (whether in writing, orally or by another means and whether directly or indirectly) by or on behalf of that Party to the other Party whether before or after the date of the Agreement or issuance of an Offer (as applicable).

1.9 **Connecting Customer** : an Interxion customer that is connected to the Customer, using the Cross Connect Service.

1.10 **Country Specific Special Regulations** : the country specific variations to the General Terms and Conditions and/or the Interxion Services Schedules.

1.11 **Cross Connect Service** : the provision by Interxion of a connection from the Customer to the Connecting Customer, through the use of Cross Connects or Campus Cross Connects as opted for by the Customer and as specified in the Services Form and the CCOF.

1.12 **Cross Connect** : any type of physical connection between the Customer and a Connecting Customer inside the Interxion Premises via the Interxion Patch Panel as described in Clause 3 of the Services Description **.**

1.13 **Customer** : the party that has concluded the Agreement with Interxion.

1.14 **Customer Affiliate** : a company in which the Customer holds a majority of the voting rights and/or has the power to appoint the majority of the board.

1.15 **Customer Contacts** : The Customer's personnel and third parties appointed by Customer and as registered by the Customer at ECSC (including but not limited to: change list authorisers, access authorisers, permanent access card holders, Hands & Eyes requestors, Cross Connect approvers, maintenance contacts, emergency contacts and escalation contacts).

1.16 **Customer Equipment** : all equipment owned, leased or held by or on behalf of the Customer, which is placed, stored and/or installed in the Customer Space.

1.17 **Customer Patch Panel** : the patch panel provided by Interxion and attached to the Customer Equipment as part of the Cross Connect Service.

1.18 **Customer Patch:** the extension of the Cross Connect from the Customer Patch Panel into the Customer Equipment as requested by the Customer and provided by Interxion.

1.19 **Customer Portal Service:** an online Service provided by Interxion to its Customers through which Customer Contacts can complete a variety of tasks and access a range of information.

1.20 **Customer Portal:** means https://portal.interxion.com.

1.21 **Customer Space:** the part of the Interxion Premises where the Customer Equipment is placed.

1.22 **Due Date:** the 31 st day from the invoice date.

1.23 **ECSC:** the European Customer Service Centre of Interxion, the point of contact for (inter alia) all operational issues of the Customer, such as reporting of incidents, interruptions and requests for access and information.

1.24 **Effective Date:** the date Interxion as well as the Customer have signed the Agreement.

1.25 **Engineer:** an engineer performing the Hands & Eyes Service, acting upon the instructions of and subjected to the direct control of the Customer.

1.26 **Equipment Cabinet:** the 19-inch cabinet as in accordance with the standards of the European Telecommunications Standard Institute, or a cabinet of equivalent standard, at the Interxion Premises, used by the Customer for the installation and operation of the Customer Equipment.

1.27 **Equipment Housing Service:** the services described in Clause 2 of the Services Description.

1.28 **Force Majeure Event:** any cause preventing either Party from performing any or all of its obligations under the Agreement which arises from, or is attributable to acts, events, omissions or accidents beyond the reasonable control of the Party so prevented. Such acts, events, omissions or accidents shall include, without limitation, strikes, lockouts or other industrial disputes (whether or not involving the workforce of Parties or any other party), acts of God, embargo, war, terrorism, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood or storm or to the after effects of any of the foregoing.

1.29 **Hands & Eyes Service:** the provision of Rapid Response Service and/or Pre Scheduled Work Service by an Engineer, if opted for by the Customer and as described in Clause 4 of the Services Description.

1.30 **Initial Agreement Period:** the minimum period following Commencement Date for which the Agreement will be effective, as set forth in the Services Form.

1.31 **Interxion:** an Interxion Affiliate stated on the Services Form that has concluded the Agreement with the Customer.

1.32 **Interxion Affiliate:** a company in which Interxion Holding N.V. directly or indirectly holds a majority of the voting rights and/or has the power to appoint the majority of the board.

1.33 **Interxion Facilities:** all technical components in the Customer Space that Interxion uses for the provision of the Services, including but not limited to equipment, hardware, telecommunications networks, cables, devices and racks.

1.34 **Interxion House Rules:** Schedule 4 of the Interxion Services Schedules, regulating the use of the Interxion Premises.

1.35 **Interxion Patch Panel:** the patch panel located in a separated space within the Interxion Premises, accessible to Interxion only, where all Cross Connects are established.

1.36 **Interxion Premises:** the entire site owned or leased by Interxion, specified in the Services Form, where Interxion provides the Services to Customer as well as services to other customers of Interxion.

1.37 **Interxion Services Schedules:** the Services Description, the Service Level Agreement, the Customer Equipment Power Connection Diagram and the Interxion House Rules.

1.38 **Monthly Recurring Service Fee or MRSF:** the monthly recurring service fee related to the provision of Services, as specified in the Services Form and/or the CCOF, excluding fees for power usage.

1.39 **Notice:** a notice in writing or electronic message, sent by either Party to the other Party, regarding the Agreement.

1.40 **Occurrence:** a deviation from the Service caused by the Customer through the Customer Equipment or through a defect in any equipment under the control of or used by or on behalf of the Customer or otherwise, that may cause or threatens to cause operational disturbances.

1.41 **Offer:** an offer to enter into an Agreement issued by Interxion.

1.42 **Party** (**Parties**): Interxion and/or the Customer.

1.43 **Pre Scheduled Work Service:** the service described in Clause 4.2 of the Services Description.
1.44 **Pre-Cabling:** a bundle of cables, cabled in advance between the Customer Patch Panel and the Interxion Patch Panel, to be activated to the extent required to provide Cross Connects when and to the extent as requested by the Customer.
1.45 **Rapid Response Service:** the Service described in Clause 4.1 of the Services Description.
1.46 **Service:** the service to be provided by Interxion as set out in the Services Form and further defined in the General Terms and Conditions and in the Services Description.
1.47 **Service Fees:** MRSF and other recurring and nonrecurring fees related to the Services.
1.48 **Service Level Agreement or SLA:** Schedule 2 of the Interxion Services Schedules, containing the Service Levels against which Interxion's performance of the agreed Services shall be measured.
1.49 **Service Level:** the results marked as "Service Level" in Clause 4 of the SLA.
1.50 **Services Description:** Schedule 1 of the Interxion Services Schedules, describing the Services.
1.51 **Services Form:** the document that states the specific arrangements of the Agreement and the Services to be provided.
1.52 **Setup and Installation Service:** the service described in Clause 6 of the Services Description.

Clause 2 Term

2.1 Subject to Clause 13 of these General Terms and Conditions, the Agreement shall take effect on the Effective Date and shall remain in effect until the end of the Initial Agreement Period. The Agreement shall thereafter be automatically renewed for successive periods of 1 (one) year unless terminated by either Party by serving Notice to the other Party, not less than 3 (three) months before the end of the Initial Agreement Period or any successive period.

Clause 3 Services

3.1 To the extent Interxion fails to meet the Service Levels, Interxion shall grant the Customer Compensation (subject always to the limitations set out in the Service Level Agreement). After careful deliberations the Parties agree that such Compensation is a genuine pre-estimate of the loss suffered by the Customer in the event of such failure. Interxion does not, implicitly or explicitly, undertake to achieve or warrant any results of the Services. The Customer agrees that the Compensation shall be its sole and exclusive remedy for failure by Interxion to meet the Service Levels.

Clause 4 Service Fees, Payment Condition, Price increase

4.1 Customer shall make the payment of the Service Fees prior to the Due Date to the Interxion's bank account as set out on the invoice, in the currency as indicated on the Services Form. The receipt of the payments by Interxion and not its dispatch shall be decisive for ascertaining payment in time.
4.2 Interxion invoices the Service Fees as follows:
(a) recurring fees, including, but not limited to the MRSF, shall be invoiced in advance at the beginning of each invoice period as indicated on the Service Form;
(b) non-recurring fees, including, but not limited to the Setup and Installation fees, shall be invoiced in advance, at the beginning of each invoice period as indicated on the Services Form;
(c) fees for Services that are calculated on the basis of usage or an hourly rate are invoiced in arrears.
4.3 The Service Fees shall be exclusive of any applicable VAT (or any similar tax in any relevant jurisdiction).
4.4 Any costs, charges, expenses, taxes and stamp duties (to the extent applicable) levied by a governmental organization in connection with the execution and/or implementation of the Agreement and/or the provision of Services shall be borne by the Customer.
4.5 The Customer shall bear all costs for any changes that it requests Interxion to make to the Customer Space or the Interxion Facilities.
4.6 If the Customer fails to pay any due amount by the Due Date, it will be in default without any further Notice being required. In that event, all outstanding amounts, payable by the Customer under the Agreement, shall become immediately due and payable and, notwithstanding any other right Interxion may have under the applicable law, Interxion shall be entitled to (1) charge the Customer interest, accruing daily on all due and unpaid amounts on the rate of 2 % per annum above the legal interest rate for the applicable country calculated as from the Due Date and (2) compensation in respect of all costs connected with the recovery of its claim, including all legal fees and expenses and VAT.
4.7 As a security for all claims Interxion holds with regard to a breach or faulty performance of the Agreement by the Customer, the Customer shall pay a safety deposit as indicated on the Services Form. In the event of a breach of the Agreement, Interxion shall be entitled to forfeit the safety deposit in whole or in part. Payment of the safety deposit shall be made in cash, to Interxion's bank account, stated on the Services Form. If Interxion (partly) claims the safety deposit, the Customer is obliged to supplement the safety deposit to the amount as indicated on the Services Form. The safety deposit shall be paid before Customer is allowed access to the Interxion Premises. The safety deposit will be returned no later than 2 (two) months from the day the Agreement has terminated, subject to the Customer having met all its obligations under the Agreement. In the event that the Service Fees are revised and adjusted in accordance with the Agreement or in the event that the Customer agrees to purchase additional Services, the safety deposit shall be adjusted accordingly. The deposit does not pay interest to the advantage of the Customer.
4.8 Interxion has the right to increase the MRSF per 1 January of each calendar year, starting at least 6 months after the Effective Date, by the higher of (i) 3 (three) % or (ii) the percentage increase from the preceding 12 (twelve) months in the official national price index as set forth in the Country Specific Special Regulations, or, if this index ceases to be published, any other retail price index published in substitution. Interxion is entitled to charge increased MRSF with retrospective effect within 4 (four) months from the beginning of the year in which the increased price would have been charged on the basis of this Clause 4.8.
4.9 Notwithstanding any provision to the contrary in the Agreement, in the event that the market price for power usage (kWh) increases or the costs to Interxion of providing electricity (whether by the imposition of levies taxes, carbon taxes or other means) increases, the fees with respect to power usage will be adjusted accordingly.

Clause 5 Financial Conditions

5.1 The Customer waives all rights to suspend any of its payment obligations for whatever reason, except for its rights to suspend with respect to claims that are undisputed between the Parties or that are upheld by a final ruling of the competent court.
5.2 The Customer shall make all payments due under the Agreement in full and has no right to deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless:
(a) the Customer has a valid court order of a competent court requiring payment by Interxion of an amount equal to such deduction to the Customer; or
(b) to the extent the deduction concerns undisputed claims; or
(c) the Customer is obliged by applicable law to make payments subject to deduction or withholding, in which case the sum payable shall be increased to the extent necessary to ensure that after the required deduction and withholding Interxion receives a net sum equal to the sum which Interxion would have received if such deductions or withholding had not been required.
5.3 Each Party warrants to the other Party that it is in good financial standing and shall be able to meet its financial obligations under the Agreement.

Clause 6 Liability

6.1 Without prejudice to Clause 6.2 and to the extent permitted by applicable law, the liability of either Party for damage arising under the Agreement per event or series of related events shall in any case be limited to the higher of: (i) 3 (three) times the MRSF or (ii) euro 125,000, with a maximum of the higher of (i) 6 (six) times the MRSF or (ii) euro 250,000 in respect of all events arising in any 12 months period from (the anniversary of) the Effective Date.
6.2 Subject to any provision to the contrary in the Agreement, and to the extent permitted by applicable law, neither Party shall be liable to the other Party for special, incidental, indirect, punitive or consequential damages, including, without limitation: loss of business, revenue, interest or profits, loss of use or data, loss of savings or anticipated savings, loss of investments, loss of goodwill, loss of

reputation or cost of capital or loss of extra administrative cost, or any other financial damages, or damages suffered or claimed by third parties, whether or not foreseeable, arising out or in connection with the Agreement and regardless of whether such damages:
(a) are caused by such Party itself or its employees', contractors' or subcontractors';
(b) are caused by an act, breach, omission, default or negligence;
(c) are brought in an action based on contract, statue, equity, or tort including negligence or other legal theory.

Clause 7 Force Majeure

7.1 If a Force Majeure Event occurs the affected Party shall not be liable to the other Party and shall be released from its affected obligations for the period of the Force Majeure Event.

7.2 The Party invoking this Clause 7 shall give Notice forthwith to the other Party upon becoming aware of a Force Majeure Event, such Notice to contain details of the circumstances giving rise to the occurrence and shall use reasonable endeavors to mitigate the effect of the Force Majeure Event.

7.3 If a default due to a Force Majeure Event continues for more than 1 (one) calendar month, then the counter Party of the Party prevented shall be entitled to terminate the Agreement in respect of the Services that are affected by the Force Majeure Event without a right to any compensation or repayment arising as a result. The Agreement will stay in force with regard to the Services that are not affected by the Force Majeure Event.

Clause 8 Notices

8.1 A Notice shall be deemed received as of the following:
(a) if delivered by hand, by special delivery or by registered mail: at the time of delivery;
(b) if sent by fax: at the time of reception, if received during Business Hours of the recipient, or else one hour after commencement of the next Business Day;
(c) if sent by e-mail: at the time of reception of such e-mail if received during Business Hours, or else one hour after commencement of the next Business Day. An e-mail shall be deemed to have reached the computer system at the moment of its receipt as recorded in the receiving Party's computer system, save where evidence to the contrary is adduced by the sending Party;
(d) if delivered via a message in the Customer Portal: at the time of the display of the message.

8.2 In the event an e-mail is transmitted, the receiving Party shall acknowledge the receipt of an e-mail to the sending Party without undue delay. The mere fact that the sending Party does not receive acknowledgement of receipt shall not affect the validity of the e-mail or its effects.

Clause 9 Confidentiality

9.1 Each Party undertakes that it will not use, divulge or communicate to any person, except to its professional representatives or advisers or to Interxion Affiliates, or to Customer Affiliates, or as may be required by law or any legal or regulatory authority, any Confidential Information or information received by one Party (hereinafter referred to as: "Receiving Party") from the other Party (hereinafter referred to as: "Disclosing Party"). Each of the Parties shall use its reasonable endeavors to prevent the publication or disclosure of any Confidential Information concerning such matter.

9.2 The obligation as set forth in Clause 9.1 shall not apply to Confidential Information which:
(a) is or becomes publicly available other than by unauthorized disclosure;
(b) was provably known and in record at the Receiving Party prior to disclosure by the Disclosing Party;
(c) is completely independently developed by the Receiving Party and prior to any such disclosure by the Disclosing Party, as evidenced by written records prepared prior to the Effective Date;
(d) is ascertainable from a commercially available product; or
(e) is disclosed pursuant to administrative or judicial action, provided that the Receiving Party shall use its best efforts to maintain the confidentiality of the Confidential Information and shall, immediately after gaining knowledge or receiving notice of such action, notify the Disclosing Party thereof and give the Disclosing Party the opportunity to seek any legal remedies so as to maintain such Confidential Information in confidence.

Clause 10 Permission to Subcontract

10.1 Interxion is entitled to subcontract all or part of its obligations under the Agreement, for example security, cleaning and maintenance. Interxion will remain responsible for the fulfillment of its obligations under the Agreement.

Clause 11 Relationship

11.1 The Parties intend to record only rights and obligations between themselves in the Agreement. Therefore, the Agreement will not grant any right or protection to third parties.

11.2 The Customer shall indemnify and keep indemnified, hold harmless and defend Interxion in respect of any loss, damage or expense (including attorneys' fees) resulting from any claim brought by customers of the Customer (including the Connecting Customer) regarding the subject of the Agreement.

11.3 Nothing in these General Terms and Conditions or in other parts of the Agreement is intended to or shall operate to create nor shall be deemed to create any partnership, joint understanding or joint venture between the Parties or to authorize either Party to act as agent for the other Party, and neither Party shall have authority to act in the name or on behalf of the other Party or to bind the other Party in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

Clause 12 Assignment

12.1 Without prejudice to Clause 12.2 and 12.3, the Agreement is personal to both Parties and neither Party may assign, transfer, sublicense or otherwise part with the Agreement or any right or obligation under the Agreement to any third party without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed.

12.2 The Customer shall be entitled to transfer the Agreement as well as any and all rights and obligations arising out of or in connection with the Agreement, upon serving Notice to Interxion, to a Customer Affiliate provided that 1) the Customer Affiliate is and continues to be at least of equal financial standing as the Customer; and 2) the Customer continues to hold a majority of the voting rights and/or has the power to appoint the majority of the board. If either condition is no longer met, the Agreement will be transferred back to the Customer.

12.3 Interxion shall be entitled to transfer the Agreement as well as any and all rights and obligations arising out of or in connection with the Agreement, upon serving Notice to Customer, to another Interxion Affiliate provided that 1) the other Interxion Affiliate is and continues to be at least of equal financial standing as Interxion; and 2) Interxion Holding N.V. continues to hold a majority of the voting rights and/or has the power to appoint the majority of the board. If either condition is no longer met, the Agreement will be transferred back to Interxion.

Clause 13 Termination

13.1 Each Party may terminate the Agreement at any time by serving Notice with immediate effect in the event that:
(a) the other Party makes an assignment of all or substantially all of its assets for the benefit of its creditors or the other Party makes a likewise arrangement for the benefit of its creditor;
(b) the lease agreement between Interxion and its landlord is terminated, unless such termination is the result of a breach of the lease agreement by Interxion;
(c) the other Party becomes insolvent, or voluntary or involuntary proceedings are instituted by or against such other Party under any applicable insolvency laws;
(d) the other Party has been convicted of an offence concerning its professional conduct by a judgment that has the force of res judicata;
(e) the other Party caused damages as a result of gross negligence or willful intent; or
(f) the other Party liquidates.

13.2 Without prejudice to any other right either Party may have under the Agreement, each Party shall be entitled to terminate the Agreement or its obligations there under with immediate effect by serving Notice to the other Party in the event that the other Party causes a material breach which (i) is not capable of remedy; or (ii) if capable of remedy and after receipt of a Notice requiring such breach or failure to be remedied, is not remedied within 14 (fourteen) calendar days from the date of such Notice.

13.3 Any right to suspend its performance of the Agreement is without prejudice to the relevant Party's right to terminate the Agreement. Termination of the Agreement shall not prejudice the rights accrued up to the date of termination by either Party.

13.4 In the event that Interxion has not received the full payment of an invoice on the Due Date, Interxion will send a Notice to Customer, requiring such non-payment to be remedied. If the non-payment has not been remedied within 14 (fourteen) days from the day that the Notice was sent, and without prejudice to any other right Interxion may have under the Agreement, Interxion has the right to suspend or terminate any and all Services (including the obligation to provide the Customer Equipment with power) and deny the Customer access to the Interxion Premises, without incurring any liability.

13.5 Upon termination of the Agreement, either Party shall promptly and without charge to the other Party return to the other Party or destroy all Confidential Information including all copies thereof which are in its possession or use at that time and provided in relation to the Agreement

13.6 Expiration or termination of the Agreement shall not prejudice the terms and conditions, which by their nature must be deemed to survive such to expiration of termination, including but not limited to Clauses 1, 4, 5, 6, 7, 9, 13, 15 and 17.

Clause 14 Occurrence

14.1 In the event that an Occurrence comes to the attention of either of the Parties, that Party shall immediately inform the other Party of this fact and, if possible, on a probable cause of the Occurrence.

14.2 Promptly upon receipt of such information as referred to in Clause 14.1 hereof, the Customer shall:

(a) at its own costs initiate all reasonable measures and commit all such actions using all reasonable efforts to remove, repair, correct, undo or in any other way discontinue the fault or defect that causes the Occurrence, and inform Interxion by Notice of the measures taken in this respect;

(b) keep Interxion informed by Notice of the progress made in relation to the measures and actions as referred to under (a); and

(c) promptly upon completion of the measures and actions as referred to under (a), inform Interxion by Notice of such completion and its results.

14.3 If the Customer fails to correct the fault or defect that causes or may cause the Occurrence, or fails to do this within a period Interxion considers reasonable, or in case immediate action is required, at the sole discretion of Interxion, Interxion is entitled to correct such fault or defect itself, at the costs of the Customer.

14.4 Interxion may, at its sole discretion and without incurring any liability, for example in cases of emergency and if access is likely to cause physical harm to Customer or its employees, agents or contractors, or other customers of Interxion suspend the Customer's access to the relevant Customer Space or to the Interxion Premises. Interxion shall at all times, endeavour to minimize any such suspension of Customer's access and further consider the likely impact of any such suspension on Customer's business operations and solicit Customer's input in that respect. During the period that Customer's access to the relevant Customer Space or to the Interxion Premises is suspended on the basis of this Clause 14.4, the Customers' obligations on the basis of Clause 14.2 (a) are not applicable, provided that access to the Customer Space is critical to comply with these obligations.

Clause 15 Customer rights and obligations

Access

15.1 The Customer's personnel and third parties, appointed by the Customer as "owning a permanent right of access", and to whom the Customer has provided access passes as described in the Interxion House Rules, shall (without prior Notice being required) be entitled to enter the Interxion Premises, for the purpose of:

(a) inspecting or installing the Customer Equipment, or

(b) carrying out all necessary maintenance and repair to the Customer Equipment which Interxion is not obliged to provide under the Agreement.

15.2 Customer's personnel, not appointed by the Customer as "owning a permanent right of access" and third parties shall be granted access:

(a) under normal circumstances upon 24 (twenty four) hours' Notice from the Customer to the ECSC, and

(b) in case of (at the discretion of Interxion) urgency upon 30 (thirty) minutes' Notice by the Customer to ECSC, stating the reason for urgency.

Customer can also arrange access through the Interxion Customer Portal. Customer shall follow all instructions of Interxion with respect to access to the Interxion Premises, including but not limited to the instructions described in the Interxion House Rules and the Customer Welcome Pack.

15.3 The Customer shall allow Interxion access to the Customer Space to the extent reasonably required by Interxion for any installation, inspection or maintenance.

15.4 In the performance of its obligations under the Agreement, Interxion may process, acting as a Processor under Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("Data Directive"), personal data of personnel and third parties that are granted access to the Interxion Premises by the Customer. The Customer, acting as a Controller, and Interxion acting as a Processor under the Data Directive, will comply with the Data Directive and any local data protection legislation.

Customer Equipment

15.5 At any time during the term of the Agreement, the Customer shall ensure that all Customer Equipment is safe and fit for its purpose and that it will not cause any damage to any property, equipment, facility or software belonging to or used by Interxion or any other customer or other third parties, and that it will not hinder or impede the provision of services to any of Interxion's customers.

Insurance

15.6 Customer warrants to Interxion that, at any time during the term of the Agreement, it has in place a valid and sufficient liability insurance covering damage, in accordance with and appropriate to the nature and extent of its business activities, and should in any case cover damage to the Interxion Premises, the Interxion Facilities, and any other equipment and goods of Interxion or of its customers or other third parties. Additionally, the Customer, at any time during the term of the Agreement, will have the Customer Equipment sufficiently insured against, inter alia, physical damage and theft by way of a property damage insurance. In the event of damage to the Customer Equipment, the Customer shall in the first instance claim the damages under its own insurance.

Usage of Customer Space

15.7 The Customer Space shall only be used for the purpose(s) as agreed upon under the Agreement.

15.8 The Customer may only allow the use of the Customer Space by third parties upon prior written approval from Interxion which shall not be unreasonably be withheld.

15.9 Customer shall comply with the Interxion House Rules.

Technical Conditions

15.10 The Customer warrants that the Customer Equipment:

(a) is certified for the purposes intended and complies with relevant national and international standards, as from time to time amended and/or supplemented;

(b) is constructed, installed and maintained in such a way that failure and/or damage will not harm any other equipment or the operation of that other equipment, or endanger any personnel; and

(c) conforms to all restrictions and complies with the Interxion House Rules.

15.11 The Customer shall have the sole responsibility for the fitting and installation of the Customer Equipment in accordance with the Interxion House Rules by its own personnel or third parties at its own risk and costs.

15.12 If the Customer has caused an alarm or a gas-fire extinguishing, Interxion has the right to perform a thorough investigation of any such incident and the Customer shall cooperate fully with such investigation. Any reasonable costs incurred by Interxion in this respect shall be borne by the Customer.

15.13 The Customer acknowledges that Interxion has no control over any software applications and/or data running on or through the Customer Equipment.

15.14 The Customer shall have the sole responsibility over any software applications and/or data running on or through the Customer Equipment and shall be solely responsible for any loss or damage resulting from such applications and/or data.

Equipment Delivery

15.15 The Customer shall inform the ECSC at least 1 (one) Business Day in advance of the delivery, fitting or installation

of the Customer Equipment. The Customer shall bear all costs for deliveries outside Business Hours.

Cabling

15.16 All cabling at the Interxion Premises by or on behalf of the Customer may only take place after prior written approval of Interxion and shall only follow the routes designated by Interxion in its instructions.

Maintenance of Customer equipment

15.17 If the Customer wishes to carry out maintenance activities with regard to the Customer Equipment (whether carried out by Customer's personnel or third parties appointed by the Customer for such purposes), it shall always inform Interxion hereof if the activities may disable, interrupt or otherwise interfere with the Services provided by Interxion. The Customer shall inform Interxion of the date, start time and end time of the maintenance activities at least 10 (ten) calendar days in advance.

Obligations upon termination

15.18 Upon termination of the Agreement, the Customer shall have removed all Customer Equipment at its own risk and costs. The Customer shall pay for restoring the Customer Space, or any other part of the Interxion Premises used by the Customer, to the same condition as they were provided to the Customer at the Effective Date (except for normal wear and tear). For every month, or part thereof, that the Customer has failed to meet the obligations as set forth in this Clause 15.18, the Customer will be obliged to pay Interxion damages that amount to twice the MRSF as they were the month before the termination.

15.19 If the Customer fails to remove the Customer Equipment or to restore the Customer Space by the date the Agreement terminates, Interxion shall have the right, at the Customer's expenses, to:

(a) remove the Customer Equipment from the Interxion Premises;
(b) restore the Customer Space itself;
(c) deliver the Customer Equipment to the Customer at the address stated on the Services Form; and
(d) reinstate the Customer Space or any other part of the Interxion Premises used by the Customer to the same condition they were in at the Effective Date.

15.20 Interxion shall be entitled, at its sole discretion, to engage third party contractors to carry out the activities described in Clause 15.19 and to pass on any invoices from such third party contractors to the Customer who will pay for all reasonable charges appearing on such invoices. The Customer will not hold Interxion liable for and waives any right to claim damages with regard to damage to or loss of the Customer Equipment after the Agreement has terminated.

15.21 The Customer shall reimburse all costs, damages and expenses incurred by Interxion in connection with Clause 15.18, 15.19 and 15.20 to Interxion within 14 (fourteen) calendar days of receipt of the invoice detailing such costs and expenses.

Statutory conditions

15.22 The Customer shall at its own cost apply for, possess and maintain any authorization, license, registration, and/or permit which is required to enable it to conduct its respective businesses and to use the Services. The Customer shall comply with the conditions as set forth in such authorization, license or permit and shall indemnify and keep indemnified Interxion for any claim by a third party in respect of damages, losses or costs suffered, due to the Customer's non-compliance with the aforementioned obligations.

Clause 16 Interxion rights and obligations

Operation of environmental controls

16.1 Interxion shall ensure that the air conditioning and other environmental controls in the Interxion Premises provide a suitable environment for the operation of the Customer Equipment in accordance with the Service Levels as reflected in the SLA.

Maintenance of the Interxion Facilities

16.2 Interxion shall, from time to time, carry out preventive maintenance on the Interxion Facilities at no charge to the Customer. Such preventive maintenance includes changes necessitated by technical developments.

16.3 Interxion will perform normal maintenance and cleaning in the Interxion Premises and the Customer will allow Interxion staff access to the Customer Space to perform its obligations as stipulated in this Clause 16.

16.4 Interxion shall, in the event of expected Service interruptions due to maintenance activities which are scheduled in advance, notify the Customer 10 (ten) Business Days in advance. Interxion shall discuss its long-term maintenance schedule with the Customer on a regular basis with a view to minimize disturbances and to allow the Customer to schedule its own preventive maintenance accordingly.

16.5 Interxion shall, unless otherwise agreed between the Parties, carry out Service interrupting maintenance activities to the Interxion Facilities between 23:00 local time and 07:00 local time, unless, in Interxion's reasonable opinion, an emergency situation exists requiring essential maintenance activities to occur outside these hours. The Customer will be immediately informed by Notice of the occurrence of such an emergency situation.

Ownership of Customer Equipment

16.6 Under no condition shall the Agreement vest any rights in Interxion with respect to Customer Equipment, unless the Agreement explicitly stipulates otherwise. Interxion is not entitled to use Customer Equipment for its own purposes. Interxion shall not remove, alter or obscure any proprietary notices from the Customer Equipment.

Clause 17 Miscellaneous

17.1 If any provision in the Agreement becomes invalid, illegal, unenforceable or is declared null and void for whatever reason, the remaining provisions shall remain in full force and effect. The Parties shall consult each other in order to replace the affected provision and shall agree on a new provision, which approximates the aim and purport of affected provision as closely as possible.

17.2 The failure on the part of either Party to exercise, or any delay in exercising, any right or remedy hereunder shall not operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or future exercise thereof or the exercise of any other remedy granted hereby or by any related document or by law.

17.3 Any amendments, modifications, additions, supplements and other changes to any provision of the Agreement shall only be binding on the Parties if they are made in writing and signed by a duly authorized representative of each of the Parties. Notwithstanding the foregoing, Interxion may amend or supplement the Agreement, including the Annexes and Schedules hereto, without having to obtain the prior written consent of the Customer, to the extent that such amendments or supplements contain non-material changes or changes in order to reflect:

(a) technical and/or operational matters, provided that such changes do not materially affect the Services; and/or
(b) changes in applicable law, regulations or codes of conduct.

17.4 The Agreement shall be governed by, and construed in accordance with the law as set forth in the Country Specific Special Regulations. Interxion and the Customer irrevocably submit to the exclusive jurisdiction of the competent courts as set forth in the Country Specific Special Regulations.

Annex 2: Interxion Services Schedules, version 2013-1

Content:

Schedule 1: Services Description

Schedule 2: Service Level Agreement

Schedule 3: Customer Equipment Power Connection Diagram

Schedule 4: Interxion House Rules

Schedule 1: Services Description

Clause 1 Introduction

This Schedule describes the Services Interxion may provide to the Customer under a Services Form.

Clause 2 Equipment Housing Services

Clause 2.1 Customer Space

Interxion may provide Customer four different options for the provision of Customer Space:

1. Private Room – A Private Room provides dedicated space at the Interxion Premises.

Characteristics :

- may be tailored to the Customers' specific needs;
- is a dedicated, climate controlled area; with a room-dedicated smoke and fire detection system and a room-dedicated fire suppression system connected to the central Interxion system;
- is secured from other customers' areas by walls, installed between slab and ceiling;
- contains an exclusively dedicated power distribution unit;
- has a room-dedicated access control system connected to the central Interxion access control system.

2. Suite – A Suite provides dedicated space at the Interxion Premises.

Characteristics:

- may be tailored to the Customers' specific needs;
- is located inside a shared climate controlled area and shared smoke and fire detections system and shared fire suppression system;
- is secured from other customers' areas by walls, installed between slab and ceiling, while (i) the area below the raised floor; and (ii) a large part underneath the ceiling consist of a mesh wire area, allowing to share cooling and fire protection systems;
- may contain an exclusively dedicated power distribution unit;
- has a room-dedicated access control system connected to the central Interxion access control system.

3. Cage – A Cage provides space separated from other customers, within a shared area at the Interxion Premises.

Characteristics :

- a shared power distribution;
- a shared climate control;
- a shared common area access control system;
- is secured from other customers' areas by cage walls, secured by a door with lock.

4. Cabinet Space – Cabinet Space offers a dedicated footprint to install Equipment Cabinets at the Interxion Premises.

Characteristics :

- a shared area for an Equipment Cabinet, adjacent to other customers' equipment cabinets;
- power feed, dedicated to each separate Equipment Cabinet, coming from a shared power distribution unit;
- may include cable trays.

Clause 2.2 Power

The Interxion Premises is equipped with a power infrastructure, including diesel generators with fuel storage, Uninterruptible Power Supply (UPS) systems, various redundant elements in the distribution network throughout the Interxion Premises, as well as effective escalation procedures and 24x7 support. The Customer Space provides the following power options that may vary per Interxion Premises due to local customs and/or regulations:

- AC power voltage: 230 Volt single phase or 400 Volt three phase;
- AC 230 V power breakers: 6, 16 or 32 Ampere (Zurich 13 Ampere);
- DC power voltage: 48 Volt, DC power breakers: various sizes.

Power is provided per plug or plug set which Interxion installs under the raised floor at the location of the cabinet position or at such points in a Private Room, Suite, Cage or Cabinet Space, as requested by the Customer. The point of supply of the AC and DC power is at the installed plug or plug set, as indicated in the Customer Equipment Power Connection Diagram, Schedule 3, by "SLA Demarcation Line".

Interxion shall not be liable for any damages caused by the (lack of) distribution of power beyond the SLA Demarcation Line. Interxion shall not be liable for any damages caused by the (lack of) distribution of power if and to the extent, the current, drawn from the plug set, exceeds a total maximum continuous load of 70% from one, rated MCB (Miniature Circuit Breaker). Customer shall not exceed the total maximum of continuous load of 70% from one rated MCB. Breach of the aforesaid constitutes a material breach.

Example: The total continuous current, drawn from a 16 Amp breaker plug set, shall not exceed a maximum of 11.2 Amp.

Compliance with this requirement can be measured by Interxion using one of the following methods:

- Manual check with a clamp meter measuring and confirming the contractually agreed continuous current in Amps.
- Reading of the kWh meters (11.2 A * 230V* 24hrs * 30 days/1000 = 1,855 kWh/month).

Power usage is either included as a flat rate in the monthly rental charges for the plug or plug set, or is measured separately by a customer specific kWh meter. Private Rooms and Suites are by default equipped with a kWh meter. Cages and Cabinet Space positions do not have kWh meters, although these can be installed on request at additional cost to the Customer. In case of a Customer specific kWh meter, power usage is metered and charged according to the terms and the price as stipulated in the Services Form.

Interxion offers the following three different Services regarding power supply to meet the Customers' individual equipment housing needs:

Basic – One socket outlet per cabinet, supplied by an UPS system. Input power for the UPS system is provided by the commercial power supply system, which is backed up by stand-by generator(s).
Standard – Two socket outlets per cabinet. One socket is supplied by an UPS system. The other socket, serving as a back-up, is supplied by a normal (interruptible) power supply system. Input power for both systems is provided by the commercial power supply system, which is backed up by stand-by generator(s). DC power is provided by two feeds from one N+1 redundant DC system.
Advanced – Two socket outlets per cabinet. One socket is supplied by an UPS system. The other socket, serving as back-up is supplied by a separate but identical UPS system. Input power for the two UPS systems is provided by the commercial power supply system, which is backed up by stand-by generator(s).

Clause 2.3 Fire protection
The Interxion Premises is equipped with smoke/fire detection systems. Additionally, the Customer Space is secured by gas-based fire suppression systems as a first-line defence against fire. Which specific detection and suppression system (including the type of gas used) is used depends on the national regulations applicable to the location of the Interxion Premises. These systems are automatic and monitored 24x7. The Interxion Premises is also equipped with hand-held CO_2 fire extinguishing systems, in accordance with local fire regulations. For additional protection from fire, Interxion operates Very Early Smoke Detection Alarm (VESDA) systems. In case of fire, this system immediately alerts Interxion staff of the presence of smoke allowing it to take appropriate action.

Clause 2.4 Security
Interxion has implemented strict procedures to protect Customer's Equipment. The Interxion Premises is designed as "building within a building", and is protected by an electronic intruder system and security guards monitoring 24x7. Proof of identity is mandatory for visitors and is checked against customer-defined access lists. All visits are logged and video surveillance cameras monitor all doors of the Interxion Premises within the secured areas.

Clause 2.5 Access
Customer's personnel, not appointed by the Customer as "owning a permanent right of access" and third parties shall be granted access:

(a) under normal circumstances upon 24 (twenty four) hours' Notice from the Customer to the ECSC; and
(b) in case of (at the discretion of Interxion) urgency upon 30 (thirty) minutes' Notice by the Customer to ECSC, stating the reason for urgency.

Customer can also arrange access through the Customer Portal. Customer shall follow all instructions of Interxion with respect to access to the Interxion Premises, including but not limited to the instructions described in the Interxion House Rules and the Customer Welcome Pack.

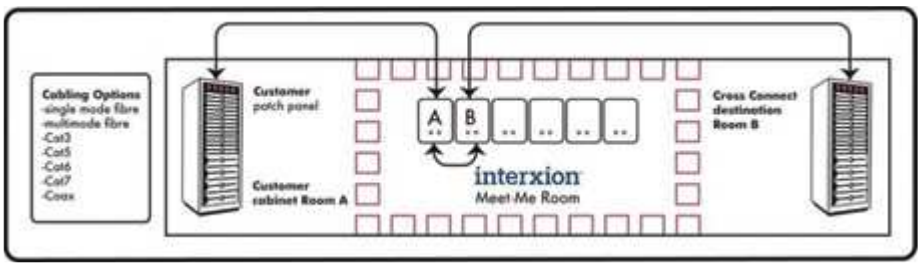
Clause 2.6 Structured Cabling
Structured Cabling (redundant cabling) is installed in accordance with industry standard performance specifications. In case of a cable failure Interxion will provide emergency patches. If the Customer has purchased Hands & Eyes Service, the Customer can call the ECSC 24x7 for trouble shooting support.

Clause 3 Cross Connect Service
Clause 3.1 Cross Connect
The Cross Connect Service provides a connection between the Customer and the Connecting Customer within the Interxion Premises from the Customer Patch Panel via the Interxion Patch Panel. In cities where Interxion is operating multiple data centres, Customer can also opt for a Campus Cross Connect between various Interxion Premises in the same city.

Clause 3.2 Cross Connect architecture
The Cross Connect architecture deployed by Interxion consists of a number of elements. These elements combine to form the end-to-end connection between a Customer and a Connecting Customer.
All Cross Connects are established via the Interxion Patch Panel and all cabling is being routed from Customer locations within the Interxion Premises to the Interxion Patch Panel. The Interxion Patch Panel is located in a highly secure and neutral area, where the actual physical interconnects are established between the Customer and Connecting Customer and which is only accessible by authorised Interxion personnel. The Cross Connect Services and Interxion's liability arising from the provision of the Cross Connect Services and limited by the Agreement, terminate at the Customer Patch Panel (the so-called "Demarcation Point").

The elements included in the Cross Connect Services are:
- Interxion Customer Patch Panel – this is installed at the Customer Space within the Interxion Premises;
- Pre-Cabling – this is routed from the Customer Space to the Interxion Patch Panel via cable trays;
- Interxion Patch Panel – Interxion managed patch panel in an Interxion managed and secured area, from where the Cross Connects are established between the Customer and the Connecting Customer.

The Cross Connect architecture is as illustrated here below:



Clause 3.3 Pre-Cabling
In order to establish a Cross Connect within the Interxion Premises, Customers are required to be present at the Interxion Patch Panel, which is the Interxion managed and secured area where the Cross Connects between Customers are established. Customers secure this presence by ordering Pre-Cabling in one of the available media types (Coax, Copper Twisted Pair or Fiber). The number of cables per Pre-Cabling depends on the bundle and media type selected. The Pre-Cabling implies the charging of a one-off set up fee. Once the Pre-Cabling is installed the Customer can order Cross Connects. The Pre-Cabling also allows for future changes to or migration of the Cross-Connects without the need to replace all of the cabling end-to-end. The average lead-time for the installation of Pre-Cabling is 15 (fifteen) Business Days. As part of the installation of the Pre-Cabling, Interxion installs a Customer Patch Panel into Customer Space, at the area, specified by the Customer. It is the obligation of the Customer to provide sufficient space, typically a 1 (one) unit or 2 (two) unit space, for the implementation of the Cross Connect.

Clause 3.4 Cross Connect Order
As soon as the Customer wants to activate a Cross Connect, the Customer will have to complete a CCOF (Cross Connect Order Form) and return this to the ECSC. The Connecting Customer will be requested to confirm its approval to the installation of the Cross Connect by returning a form to the ECSC. After receipt of the CCOF and the confirmation of the Connecting Customer, Interxion will implement the Cross Connect. Following the successful testing of the Cross Connect, the Customer will be charged with a monthly recurring service fee.

Clause 3.5 Customer Patch
The Cross Connect Service does not include the installation of cabling within the Customer Space. The Customer may opt for a Customer Patch, requesting Interxion to connect the established Cross Connect from the Customer Patch Panel to the Customer Equipment. Establishing the Customer Patch is a one-off service provided by Interxion, and is charged with a one-off fee. The Customer Patch is not included in the Cross Connect Service. Following the installation of the Customer Patch it is Customer's responsibility to manage and maintain this connection, if the Customer has purchased Hands & Eyes Services from Interxion, it can call on Interxion to perform any changes or trouble shooting on the Customer Patch.

Clause 3.6 Ordering Cross Connect Service
The Customer can, during the term of the Agreement, order (additional) Cross Connect Services by using the CCOF. To order a Cross Connect
Service, the Customer shall send a CCOF, of which the Customer's part is fully completed, to Interxion. The Customer shall provide Interxion with the confirmation of the approval of the Connecting Customer. After receipt by Interxion of such confirmation, Interxion shall complete the last part of the CCOF and send it to the Customer and, after receipt of Customer's confirmation, will start installing the requested Cross Connect Service. The Customer will grant Interxion access to the Customer Space in order to perform the necessary installation or dismantling activities, upon 24 hours' Notice.

Subject to Interxion having been granted timely access by the Connecting Customer to its Customer Space for the installation of the Cross Connect Service, Interxion will deliver the Cross Connect Service within 3 (three) Business Days from completion of the CCOF by Interxion as sent to the Customer. Interxion will send the Customer a confirmation of delivery of the Cross Connect Service. If the Customer accepts the Cross Connect Service it will sign the confirmation of delivery of the Cross Connect Service. If the Customer does not accept the Cross Connect Service it will inform Interxion by Notice of the reason of non-acceptance ("Notice of Non-Acceptance Cross Connect"). If Interxion has not received the signed confirmation of delivery of the Cross Connect Service or the Notice of Non-Acceptance Cross Connect within 3 (three) Business Days from the date of the conformation of delivery of the Cross Connect Service, the Cross Connect Service shall be deemed to be delivered ("Delivery Date"). In the event of defect to the Cross Connect, the Customer will send a Notice to Interxion. Interxion shall repair the Cross Connect in accordance with the SLA. Through the first invoice the Customer receives from the Delivery Date, Interxion shall charge the MRSF related to Cross Connect Service in the period preceding the invoice, as well as charge the MRSF related to Cross Connect Service for the next period in advance.

Clause 3.7 Changes to the Cross Connect and termination
The Customer and the Connecting Customer shall refrain from making any changes to the Cross Connect. If the Customer requests any such changes to be made by Interxion it shall inform Interxion by Notice at least 72 (seventy-two) hours before the changes are deemed to be made. The Customer shall bear all costs connected to the implementation of such changes.
During the term of the Agreement the Cross Connect Service can be terminated by Customer at any time by giving Interxion 1 (one) months advance Notice.

Clause 3.8 Connecting Customer
The Customer may qualify as a Connecting Customer due to a CCOF received by Interxion from another customer. By granting Interxion access to its Customer Space for the installation of the Cross Connect as requested under such CCOF such Customer (in his capacity of Connecting Customer):
(a) will grant such access to its Customer Space in order to perform the necessary installation or dismantling activities, upon 24 hours' Notice;
(b) shall be deemed to have accepted the installation of the Cross Connect, without any further internal authorization from the Customer being required;
(c) confirms that in relation to the provision of such Cross Connect Service, it has no contractual relationship with Interxion regarding the provision of such Cross Connect Services; and
(d) confirms that Interxion is not liable for any damages, costs, charges and expenses incurred by the Connecting Customer and resulting from or arising out of the performance of such Cross Connect Services.

Clause 4 Hands & Eyes Service
With its Hands & Eyes Service, which can be provided to customers that purchase the Equipment Housing Service, Interxion provides certain types of support to the Customer Equipment. The Hands & Eyes Service can be provided at the request of the Customer, such request is to be addressed to the ECSC. The options for Hands & Eyes Service are Rapid Response Service and Pre Scheduled Work Service. The Hands & Eyes Service is performed using skill, diligence and care, and taking all reasonable measures to provide the Hands & Eyes Service with reasonable endeavors. Notwithstanding the previous sentence, Interxion does not, implicitly or explicitly, undertake to achieve or warrant any result of any Hands & Eyes Service performed, except for the results marked as "Service Level" in the SLA.

Clause 4.1 Rapid Response Service
Rapid Response Service is the Hands & Eyes Service in the form of an immediate response, providing Customer:
- during Business Hours with an Engineer at the Customer Equipment within a response time as stipulated in the SLA;
- outside Business Hours with an Engineer by phone within a response time as stipulated in the SLA.

All requests must be submitted to the ECSC by e-mail or via the Customer Portal.
When present at the Customer Equipment, Engineers provide basic support on the Customer Equipment, such as basic configuration of systems (e.g. via console and telnet session), power on, power off equipment, setting switches, pushing buttons and reading displays.

Rapid Response Service is provided on Customer Equipment, of any make or model, provided the Customer gives specific instructions on the work that needs to be done. The Engineer has general knowledge of providing support on ICT equipment.

Customers pay as they use based on a pre-agreed hourly rate that is reflected in the Agreement. Interxion will charge Customer for a minimum of 1 (one) hour, thereafter for 30-minute increments.

Clause 4.2 Pre Scheduled Work Service
For requests that are made for future or complex requests, Interxion can provide the Customer with an estimated budget and time planning for the work requested. After acceptance by the Customer of the estimated budget and time planning, Interxion, acting as the Customer-supervised hands, will provide the work requested. This work may include maintenance, installation work, configuration or troubleshooting. Interxion can produce, in conjunction with the Customer, run books and/or cabinet documentation to provide support to the Customer's operation. An allowance of time can be agreed for the run books and/or documentation to be produced. Interxion will perform such requests during Business Hours only, unless otherwise agreed upon between the Parties.

Clause 4.3 Standby Fees and Blocks of Hours
Customers who require regular interventions on their equipment (during or outside of office hours) may reduce the hourly charge for any Hands & Eyes intervention by signing up to a monthly standby fee paid in advance.

Customers who anticipate a minimum number of Hands & Eyes interventions a month may also lower the hourly rate of charge by booking Blocks of Hours. The Blocks of Hours can be used for any Hands & Eyes intervention throughout the month. Unused hours from the block at the end of a calendar month cannot be transferred to the next month.

Clause 4.4 Special tools
Interxion has no obligation to provide the Engineer or the Customer with any special tools or any spare parts to the Customer Equipment in order to perform the Hands & Eyes Services. Customer shall be solely responsible for the availability of such special tools or spare parts to the Engineer.

Clause 4.5 Damages to third parties or damage properties of third parties
Customer shall indemnify Interxion for any and all liabilities, damages, costs, charges and expenses incurred by Interxion resulting from or arising out of or in connection with any damages to third parties or properties of third parties in the performance of the Hands & Eyes Services, unless Interxion has not acted in compliance with Customer's instructions, of which non-compliance the Customer bears the burden of proof.

Clause 4.6 implementation and installation of Customer Equipment
The Customer shall at all times remain responsible for implementation and installation of Customer Equipment. Interxion shall not, by the mere fact that it has assisted in the implementation and/or installation pursuant to the Hand & Eyes Service, be responsible or liable for the results of such implementation and/or installation.

Clause 5 Customer Portal Service
The Customer Portal is aimed at enhancing the customer experience when interacting with Interxion. The Customer Portal allows Customer Contacts as registered by the Customer at Interxion ECSC to perform a variety of tasks and enquiries related to the Services. Interxion may include additional functionality in the Customer Portal in the future. Currently, the portal functionality includes inter alia:

- creating and viewing the status of common ticket types (temporary access, deliveries, removals, hands & eyes, enquiries)
- contact management (including changes to authorisation lists)
- news and event content from Interxion

The Customer Portal Service is provided free of charge to Customers. Interxion focuses its efforts on maximum availability of the Customer Portal. However, Interxion's service offering does not include a permanent, error-free availability of the Customer Portal Service. In particular, Interxion does not warrant that the Customer Portal Service is free of system-induced failures, interruption and/or disturbance.
The Customer Portal Service allows Customer Contacts to give legally binding declarations that bind Customer and allows Interxion to give legally binding declarations that bind Interxion. Interxion's and Customer's right to give legally binding declarations with respect to the Services by other means than the Customer Portal Service remains unaffected.
The Services accessed via the Customer Portal Service and all tickets raised via the Customer Portal Service are subject to the terms and conditions of the respective Service as laid down in this Agreement or in other Interxion documents.

Clause 5.1 Security and Accessibility
The Customer Portal uses industry-standard best practices such as 128-bit SSL (secure socket layer encryption) to protect Customers' and Customer Contact's privacy. The Customer Portal can be accessed from any internet connected computer with a modern web-browser. In order to use the Customer Portal Service, the Customer Contact must sign in using the password provided by Interxion.

Clause 5.2 Interxion Customer Portal Terms and Conditions
Customer accepts that the use of the Customer Portal by the Customer Contact is governed by the Interxion Customer Portal Terms and Conditions which are available on the Customer Portal. Notwithstanding anything to the contrary in the Agreement and the Customer Portal Terms and Conditions, Customer is responsible and liable for all activities that occur under Customer's account, including but not limited to the legally binding declarations mentioned above and payments for any orders that are placed via Customer's account, regardless of whether such activities are conducted by a Customer Contact or any other party. Customer shall indemnify and keep indemnified, hold harmless and defend Interxion in respect of any loss, damage or expense (including attorneys' fees) resulting from any claim brought by third parties resulting from or arising out of or in connection with Customer Contact's breach of the Interxion Customer Portal Terms and Conditions.

Clause 5.3 Content presented on the Customer Portal
Interxion selects the content presented on the Customer Portal and it is at Interxion's option whether Interxion provides content at all. Availability of certain information is not part of the Customer Portal Service.
The content published on the Customer Portal, in particular but not limited to texts, pictures, layout, software and structure of the Customer Portal, is protected by intellectual property rights. The reproduction or other utilization or exploitation of content or data (even in extracts), protected by intellectual property rights, in particular all kinds of use of texts, parts of texts or picture- and video materials, the modification and distribution are only permitted with prior written approval of Interxion or the respective rights holders. Customer Contacts may however use the content for the purposes of using the Customer Portal Service in accordance with the Interxion Customer Portal Terms and Conditions.

Clause 5.4 Access and access list
Customer shall be responsible to keep the access list with the names of the Customer Contacts that are allowed to access the Premises or that are allowed to authorize other persons to access the Premises up to date. Interxion shall not be responsible for any damage or loss caused by Customer's non-compliance with these obligations.
Interxion may terminate Customer's access to and use of the Customer Portal (a) at any time without cause upon 14 calendar days prior notice, or (b) immediately without notice, upon termination of the Agreement. Clause 13 of the General Terms and Conditions (Termination) remains unaffected.

Clause 5.5 Unauthorised access
Interxion shall not be responsible for damage or loss caused by unauthorized access to the Customer Portal. Customer shall change the passwords regularly in order to prevent unauthorized access. Customer shall immediately report security incidents with respect to login/password data to Interxion.

Clause 5.6 Group email addresses
Interxion strongly recommends that Customers do not use group email addresses (i.e. email addresses that represent a group of employees) that allow access to the Customer Portal for security and traceability reasons. In case Customer nevertheless uses group email addresses, Customer shall (i) be responsible to change the password immediately once an employee leaves such a group and/or Customer's company, (ii) make available the Interxion Customer Portal Terms and Conditions to all members of the group, (iii) only allow access to the Customer Portal once the respective employee has accepted the Interxion Customer Portal Terms and Conditions in writing, and (iv) send the employee's written acceptance of the Interxion Customer Portal Terms and Conditions to Interxion.

Clause 5.7 Liability Customer Portal
(a) Customer acknowledges that the use of the Customer Portal is at Customer's sole risk. To the extent permitted by applicable law, the liability of Interxion to Customer under Customer Portal Service is limited to direct damages up to euro 500 per event and euro 1,000 in respect of all events arising in any 12months period from (the anniversary of) the Effective Date, irrespective of whether the liability is based on breach of contract, tort, strict liability, breach of warranties, or any other legal theory, including negligence.
(b) To the extent permitted by applicable law, Interxion will not be liable for any indirect damages (including, but not limited to, consequential or indirect damages, lost data, damages for lost profits or revenues, business interruption, or loss of business information).
(c) This limitation will not apply to liability arising in connection with the Customer Portal Service for damage caused by Interxion's willful misconduct, or to liability for personal injury or death caused by Interxion's negligence.
(d) The Customer shall indemnify and keep indemnified, hold harmless and defend Interxion in respect of any loss, damage or expense (including attorneys' fees) resulting from any claim brought by third parties (including customers of the Customer) regarding the provision by Interxion to Customer of the Customer Portal Service.
(e) Customer is obliged to provide Interxion immediately, correctly, and completely with all information that is necessary for the verification of the claims asserted and for a corresponding legal defence in case of such third party claims.

Clause 6 Setup and Installation Service
In the event that Interxion performs the Setup and Installation Service of the Customer Space it will install, configure and set-up the Customer Space between the Effective Date and the Commencement Date. The provision of Customer Space will then start at the Commencement Date.

Clause 7 Technical fact sheet
Clause 7.1 Customer Space Service fact sheet

Building	Goods storage and loading/delivery docking area, typical height 3.50m
	Parking spaces
Suite **Cage** **Cabinet Space**	Lighting 400 Lux at ground floor level prior to installation of the Equipment Cabinets
	Cleaning of the raised floor, all areas
	Maintenance of the technical infrastructure (e.g. power, air-conditioning)
	Power cabling under raised floor; data cabling overhead (optional under raised floor)
	Door width: minimum 1.75m, Door height: 2.00m
	Premises height: slab to ceiling minimum 3.00m, typical 3.80m
Floor	300kg/point, 1200 kg/m2
	ESD Raised floor
Climate	Customer rooms have n+1 redundant down flow air conditioning units
Power	Diesel generator backup, diesel fuel storage typical for 24 hours backup depending on local rules and regulations
	UPS 230V AC. Choice: Basic, Standard or Advanced service level at various fuse ratings
	48V DC. Choice: Basic, Standard or Advanced at various fuse ratings
	Clean power ground and over-voltage/surge protection
Security	Access: 24x7, based on pre-defined access list
	Only authorized staff and registered Customer staff or representatives are allowed on-site
	Surveillance: 24x7
	CCTV in reception and hallways
	Security zones using designated alarm and card-key access
	Logging of all entries
	Gas fire extinguishing system in compliance with country regulations
Fire protection	Smoke/Fire detection system
	Very early Smoke Detection Alarm (VESDA or other vendor based on laser technology)
	Fire-retarding walls minimum F60 depending on local rules and regulations

Clause 7.2 Cross Connect Service fact sheet

Parameters	Options
Media types	Single mode fiber cable Multi-mode fiber cable Cat5 cable Cat6 cable Cat7 cable 734 Coax Cable E1 – Cat5 cable ISDN/analogue – Cat3 cables
Multi-mode fiber core size	Zip cord Multi-mode 62.5 um fiber cable Zip cord Multi-mode 50um fiber cable
Connector type	ST/SC/FC/BNC/RJ45/MRTJ/OPTI-JACK/F-TYPE
Connector mode type	Single-mode/Multi-mode
Opti-jack connector gender	Male/female
MRTJ connector options	Unicam MM 62.5um MRTJ male w/pins MRTJ connector 50um
F-type connector options	Bulkhead coupler F-type connector for RJ6 cable
Location	Cage/Equipment Cabinet/ Customer/Patch panel/Port A, Port B

Schedule 2: Service Level Agreement

Clause 1 Subject
The purpose of this SLA is to describe and set down the applicable Service Levels that Interxion provides for Customer, with respect to the Services. The SLA guarantees Customer Compensation in case Interxion did not perform to Service Levels as defined in Clause 4 of this SLA. The Service Levels enable both Customer and Interxion to measure important Services provided by Interxion. The Service Levels are either measured on a calendar month basis ("Monthly Metric") or on an event basis ("Event Metric"). In the event that Interxion wishes to modify any of the Service Levels (e.g. in case the ASHRAE standard for server inlet temperature and humidity change) Customer will be given 30 days' Notice of the proposed changes. This document supersedes all previous SLA's, issued by Interxion.

Clause 2 Contact
Interxion provides the Customer with a single point of contact at the ECSC for all issues, including all technical, billing, Hands & Eyes and other Service inquiries. In case of failure, all events must be logged at the ECSC by phone.
International free phone number: **+800 INTRXION** (+800 4687 9466)
Alternative telephone number: **+44 20 7375 7070**
E-mail address: **customer.services@interxion.com**
Interxion has the right to change these contact details, subject to 30 days' Notice.

Clause 3 Incident handling
In case of any incident, partial or complete failure of Service, Interxion will notify Customer using the designated contact persons as specified by Customer. In the event of a Customer identifying an incident it can contact the ECSC 24 hours a day, 365 days a year on the telephone numbers or email address mentioned under 2 ("Contact").

Clause 4 Service Levels and Compensation
This Clause 4 describes the Service Levels and Compensation that apply to the Services. In order to determine breach of Service Level, Interxion's systems and records are leading.

The definitions used in this Clause 4 are as follows:
- **Total Period Time:** is the average total time in one month (30 days).
- **Maintenance Time:** is the scheduled shutdown as described in Clause 16.2 through 16.5 in the General Terms and Conditions which is Service affecting and for which Customer has been notified.
- **Downtime:** is the time during which the Services do not meet the Availability due to unscheduled outages.
- **Response time:** is the period of time between the moment the ECSC has logged Customer's request and the moment an Engineer is on-site and has contacted the Customer to report he is ready to start his work.
- **Closed Cabinet:** is an Equipment Cabinet with a solid (non-perforated) back and front door plus side panels.
- **Open Cabinet:** is an Equipment Cabinet with at least one door perforated or no doors at all and/or side panels .
- **Mixed Cabinet Environment:** is an area with one or more Closed Cabinets and one or more Open Cabinets.

Compensation related to Services Levels for power and climate control:
Monthly Metrics are calculated according to the following formula:

$$\text{Availability} = \frac{(\text{Total Period Time} - \text{Maintenance Time}) - \text{Downtime}}{(\text{Total Period Time} - \text{Maintenance time})} * 100\%$$

A Compensation of 1 week is defined as 7/30 of the MRSF.
The total aggregated Compensation in a given month for Service Level- power, -climate control and -Hands & Eyes Service will be limited to 50% of the MRSF.

Service Level power

Service	**Advanced Power**
Description	Two socket outlets per Equipment Cabinet. One socket is supplied by an UPS system. The other socket, serving as back-up, is supplied by a separate but identical UPS system. Input power for the two UPS systems is provided by the commercial power supply system, which is backed up by stand-by generator(s).
Service Level	99.999 % power Availability for AC or DC over the period of one calendar month. Unavailability is solely considered to be Downtime if power is unavailable on both power plugs.
Compensation	Downtime gives the Customer the right to a Compensation equalling 1 (one) week of MRSF for the Equipment Cabinet(s) that is directly affected by the power failure, subject to Clause 5 of this SLA.
Reference	Schedule 3, figure CEPCD/A

Service	**Standard Power**
Description	Two socket outlets per Equipment Cabinet. One socket is supplied by an UPS system. The other socket, serving as a backup, is supplied by a normal (interruptible) power supply system. Input power for both systems is provided by the commercial power supply system, which is backed up by stand-by generator(s). DC power is provided by two feeds from one N+1 redundant DC system.
Service Level	99.99 % power Availability for AC or DC over the period of one calendar month. Unavailability is solely considered to be Downtime if power is unavailable on both power plugs.
Compensation	Downtime gives the Customer the right to a Compensation equalling 1 (one) week of MRSF for the Equipment Cabinet(s) that is directly affected by the power failure, subject to Clause 5 of this SLA.
Reference	Schedule 3, figure CEPCD/S

Service	**Basic Power**
Description	One socket outlet per Equipment Cabinet, supplied by an UPS system. Input power for the UPS system is provided by the commercial power supply system, which is backed up by stand-by generator(s).
Service Level	99.9 % power Availability for AC or DC over the period of one calendar month.
Compensation	Downtime gives Customer the right to a Compensation equalling 1 (one) week of MRSF for the Equipment Cabinet(s) that is directly affected by the power failure, subject to Clause 5 of this SLA.
Reference	Schedule 3, figure CEPCD/B

Service Level climate control

Interxion is following the ASHRAE standard for server inlet temperature and humidity.

Service	Climate control for Closed Cabinet, Open Cabinet and Mixed Cabinet Environment
Description	Climate control maintains the temperature and humidity in the Private Rooms, Suites, Cages and Cabinet Spaces.
Service Level	In each climate controlled area, Interxion will keep the temperature and humidity within ranges as specified below: ➢ Temperature on average 24 ºC (+/- 5 ºC), measured at the intake of the Equipment Cabinet (for Open Cabinet between 110cm and 200cm height); ➢ Relative humidity on average between 25% - 75%, measured at the intake of the Equipment Cabinet (for Open Cabinet between 110cm and 200cm height). Explicitly excluded from the Service Level is failure to meet the Service Level: ➢ caused by changes to the layout by Customer that were not submitted to Interxion for advice regarding airflow and cooling before implementation of such changes; ➢ cause by the climate inside individual Equipment Cabinets; ➢ caused by breach of the Interxion House Rules. In order to activate the Service Level, the use of a closed corridor setup and blanking panels as needed for specific hot spot issues, is mandatory. Parties acknowledge that climate control is a critical variable, which can be influenced by changes to the infrastructure and layout. Therefore Parties agree that optimising airflow and cooling is a mutual responsibility. The availability of sufficient cooling capacity in terms of kW is the sole responsibility of Interxion. The Service Level is not applicable during the initial implementation time of Customer (Customer installing servers in the Equipment Cabinets) as this period will be used for mutual fine tuning of perforated tiles and air flow. Customer will inform Interxion by Notice when the initial implementation by the Customer is finalized. Subsequently Interxion will inform the Customer by Notice from which date and time the Service Level is applicable.
Compensation	Downtime in any calendar month entitles Customer to a Compensation equalling 1 (one) week of MRSF for the Equipment Cabinet(s) that is directly affected by the climate failure, subject to Clause 5 of this SLA.

Service Level Hands & Eyes Services

Service	Hands & Eyes Rapid Response
Description	An Engineer will be available to respond to Customer requests for assistance within the response time.
Service Level	Response Time: During Business Hours an Engineer will be present at the Customer Equipment within a response time of 1 (one) hour from the moment of the request. Outside Business Hours an Engineer will be available by phone within a response time of 2 (two) hours from the moment of the request. Notwithstanding the aforementioned, at the Interxion Premises located in Paris an Engineer will be present at the Customer Equipment outside Business Hours within a response time of 2 (two) hour from the moment of the request.
Compensation	Not meeting the Service Level entitles Customer to claim 1x the pre-agreed hourly rate for Hands & Eyes Services (as specified in the Services Form), subject to Clause 5 of this SLA.

Service Level Cross Connect Services

Service	Restoration Time for Cross Connect and Campus Cross Connect
Description	Mean Time to Restore ("MTTR"), or the time between a service outage reported by the Customer by Notice to the ECSC and the time of a service restoration by Interxion.
Service Level	8 (eight) hours from receipt of the Notice, reporting the service outage.
Compensation	2/30 of the Cross Connect Services Fees in the relevant month for every hour the MTTR exceeds the Guarantee for the Cross Connect that is directly affected by the failure, subject to Clause 5 of this SLA. Aggregated Compensation in a given month for Cross Connect Services will be limited to 100% of the Cross Connect Services Fees in the relevant month.
MTTR is calculating according to the following formula: $\text{MTTR (month)} = \frac{\text{(total non-operational hours per month)}}{\text{(total number of reported service outages per month)}}$	

Clause 5 Exceptions

Customer shall not receive any Compensation under this SLA in connection with any failure to meet the Service Level that is caused by or associated with any of the following circumstances:

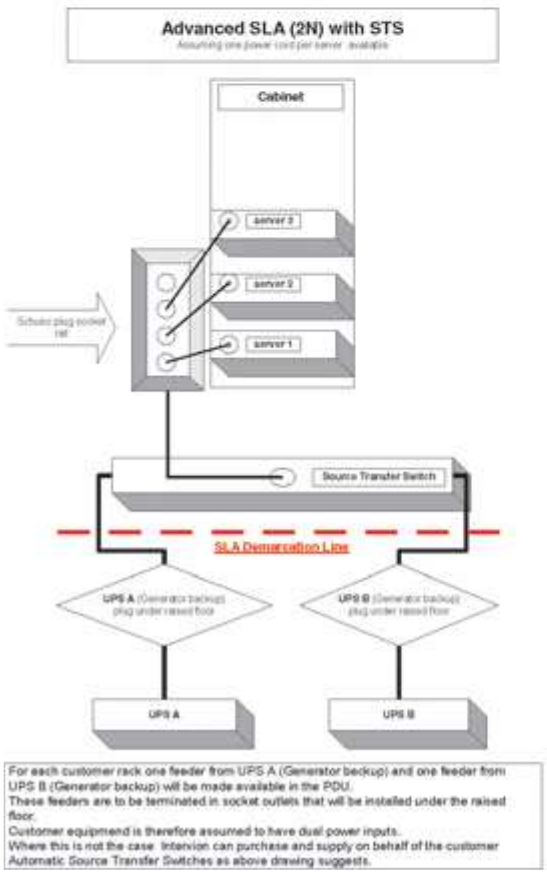
- Failure to meet the Service Levels caused by Customer or (maintenance to) the Customer Equipment;
- Customer Equipment not connected according to applicable CEPCD (Schedule 3, figure CEPCD);
- If Service Levels "Basic" or "Standard" apply: scheduled or emergency maintenance of the Interxion Facility;
- Failure to meet the Service Levels caused by Force Majeure.

Clause 6 Claims Procedure

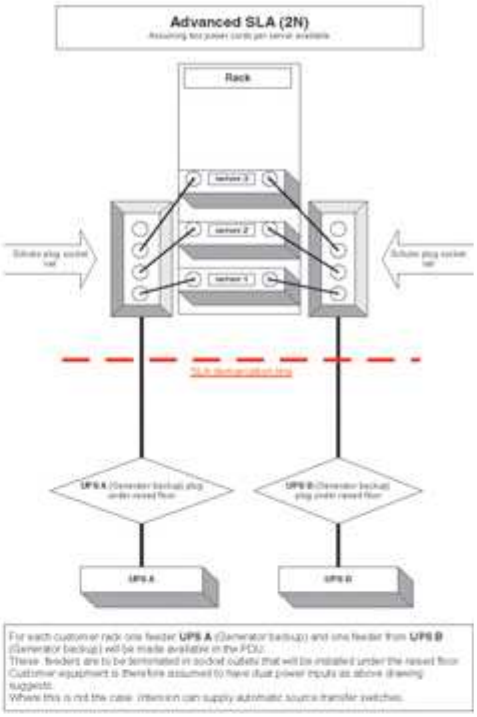
To receive Compensation the Customer should contact Interxion in writing within 30 days of the event (in case of an Event Metric) or month (in case of a Monthly Metric) in which Interxion failed to meet the relevant Service Level(s). Approved claims for Compensation will be deducted from the Customers next invoice. Interxion will calculate the Compensation on the basis of the MRSF due by the Customer during the month in which Interxion failed to meet the Service Levels.

Schedule 3: Customer Equipment Power Connection Diagram

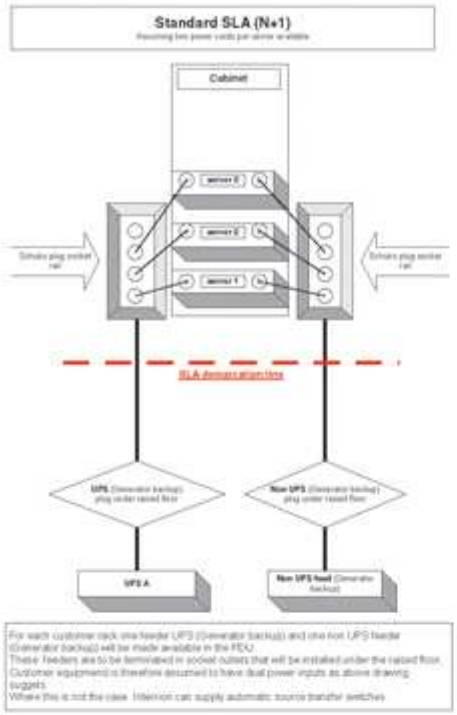
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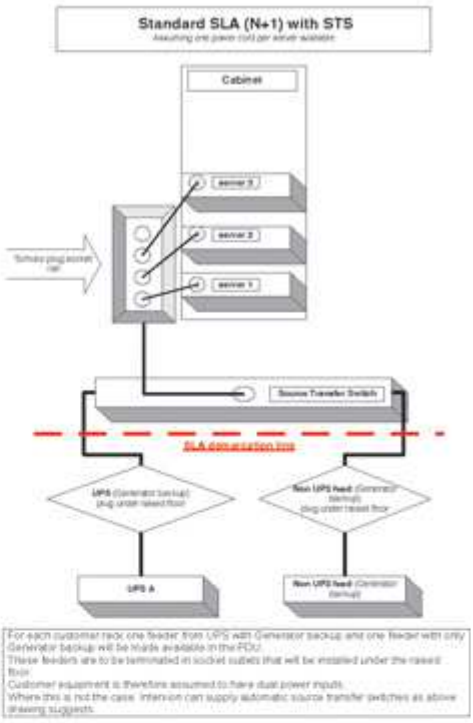
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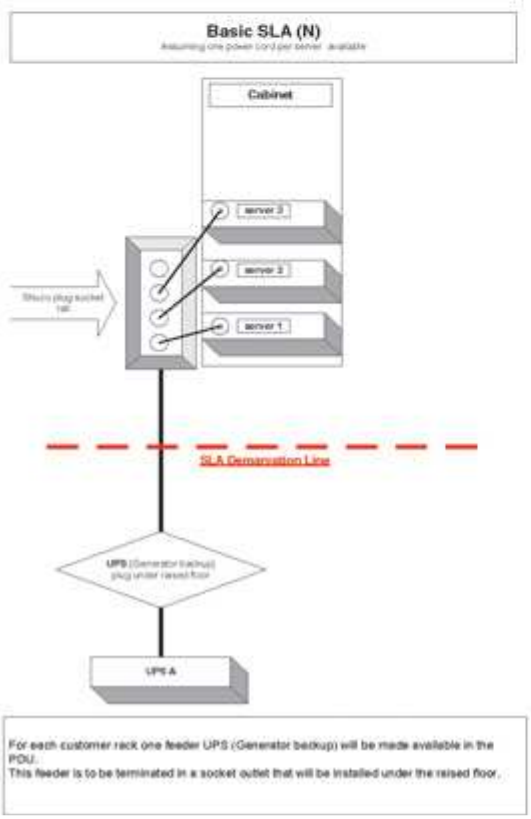
CEPCD/S



CEPCD/S



CEPCD/B



Schedule 4: Interxion House Rules

Clause 1 Introduction
These Interxion House Rules apply on the Interxion Premises. Customer will ensure that its employees, contractors and subcontractors comply with this policy.

Clause 2 House rules
Interxion maintains the following rules in order to comply with local and national laws, guidelines for installation works, working environment, safety and fire regulations. Each person entering the Interxion Premises is required to follow these rules:

- Only Customer's personnel and third parties who are authorised by the Customer are allowed into the Interxion Premises. Every visitor must have a personal access pass and must wear his or her badge visibly and follow the instructions of the Interxion security personnel at all times. Access to other customer's rooms is prohibited. Tailgating is not permitted.
- Inform the Interxion security personnel which goods Customer will take in and take out of the Interxion Premises. The Customer shall not bring any furniture, equipment or other goods onto the Interxion Premises without the prior written consent of Interxion, except to the extent that this is necessary for the exercise of the rights given to the Customer pursuant to the Agreement. The Customer is obliged to remove any other goods or waste material it has brought onto the Interxion Premises immediately.
- Report the start and end of activities to the Interxion security desk
- Avoid hazardous situations. Do not operate any equipment that may constitute a safety hazard. If in doubt, consult the Interxion facility manager.
- Close all doors. Doors must be closed at all times in order to optimise the efficiency of the gas extinguishing systems in case of an eventual fire. Outside doors must be closed and locked for security reasons.
- Evacuate immediately when the alarm (slow whoop) goes off. In case of a fire alarm, the gas extinguishing system will automatically activate.
- Keep the Interxion Premises clean and tidy. Inside the Equipment Rooms clean work is essential for the function of the Customers Equipment.
- Do not smoke. The whole building is a no smoking area.
- Do not bring food. Do not eat or drink in the Customer Spaces or the corridors.
- Any activity causing dust particles is not allowed. Please consult the Interxion facility manager for assistance. The automatic alarm may be triggered if you do not follow this instruction.
- Packaging and flammable materials, like carton and plastics are not allowed inside our customer rooms, as it may obstruct the airflow resulting in hotspots causing fire or dust. Please unwrap boxes in the docking area / un-packing area. Packaging materials shall be removed without delay from the Interxion Premises.
- Storage of Customer Equipment is only allowed in the Customer Space or storage rooms. Please contact the Interxion facility manager if you require assistance.
- If applicable, switch your alarm system on when leaving the Interxion Premises.
- Report all irregularities and alarms to the ECSC, number +44 20 73757070 or the international toll free number +800 INTRXION (+800 4687 9466).
- Connect your Customer Equipment in line with the agreed SLA (reference Schedule 3, figure CEPCD)
- Take due note of the information contained in the "Customer Welcome Pack" and act in accordance with it.
- Inside the Equipment Cabinet the Customer shall:
  - carry out proper data and power cable wiring, using a proper system and methodology to bundle and support cabling, to avoid obstruction of airflow and hotspots;
  - install blanking plates in open, unused server space to avoid short-circuiting of air resulting in hotspots and lower efficiency of the installed room CRAC units;
  - install CE approved plug connectors to avoid power fluctuations, server outages and fire;
  - if the Customer has a rack monitor or other temporary device in the Equipment Cabinet, the Customer shall remove it directly after use, as it may obstruct the airflow to the inlet of the server resulting in hotspots at server level;
  - when using Open Cabinets, make sure that no old roof fans are used in Closed Cabinets or are still running causing unnecessary energy consumption;
  - make sure that the percentage of the door grid opening is sufficient to cool the rack servers to avoid hotspots and extra server fan energy to force the air through the doors (suction force);
  - avoid installing an Equipment Cabinet partially on a ventilated or louvered tile to avoid server air intake limitations, hotspots and raised floor access issues.
- Inside the Customer Space the Customer shall:
  - not place packing materials like carton and plastics on ventilated or louvered tiles as it may obstruct the airflow resulting in hotspots causing fire or dust;
  - not install ventilated or louvered tiles in the hot aisle as the hot aisle is intended to be hot and by changing the layout of the ventilated or louvered tiles, the whole or part of the room and the Equipment Cabinets may suffer from hotspots and cooling inefficiencies of the installed CRAC units;
  - not close off or remove ventilated or louvered tiles in the cold aisle as the cold aisle is intended to be cold and by changing the layout of the ventilated or louvered tiles, the whole or part of the room and the Equipment Cabinets may suffer from hotspots and cooling inefficiencies of the installed CRAC units;
  - not leave the Customer Space door(s) open as the overpressure inside the Customer Space may disappear resulting in dust inside the Customer Space, servers and CRAC filters leading to malfunction of the servers. This may further lead to inefficiency of the CRAC units, extra opening of the chilled water valve, extra chiller compressor activity resulting in unnecessary energy consumption;
  - not leave the Customer Space doors open as this may lead to hotspots. This may further lead to extra de-humidification, re-heating and humidification and consequently unnecessary energy consumption;
  - tie up all cables to bundles underneath the raised floor avoiding curtains of cables blocking the airflow resulting in hotspots above the raised floor and more CRAC unit capacity than the actual IT hardware load in N+1 (N represents the actual IT hardware load in CRAC unit capacity and +1 represents the redundant CRAC unit);
  - not open the raised floor as this may result in an unstable raised floor, loss of cooling capacity, short-circuiting of air, extra re-heating, de-humidification and security breach;
  - not change the setting of the CRAC units (if possible) as it may result in hotspots and extra loss of cooling energy.

Clause 3 Use Policy Radio Devices
Inside the Interxion Premises the use of electronic devices that communicate through radio signals over, for example, GSM, GPRS, UMTS and WIFI networks ("Radio Devices") is prohibited to:

- prevent the unauthorized transfer of information that is of a business sensitive nature to Interxion or its customers. Business sensitive refers to any information stored or processed by Interxion, its customers or on behalf of its customers that is transferred to unauthorized parties would cause a loss of reputation and business opportunity to either Interxion or its customers;
- Prevent the possibility of electronic or radio interference with equipment of Interxion or its customers.

Visitors of the Interxion Premises need to switch off all Radio Devices, including the standby mode, or leave them outside the Interxion Premises. On request, Interxion will provide visitors with alternative means of communications for use inside the Interxion Premises. Notwithstanding the foregoing the use of Radio Devices is allowed in the Customer Space and the reception area of the Interxion Premises.

Clause 4 Consequences of non-compliance

Violation of these Interxion House Rules is strictly prohibited. In the event of any actual or potential violation, Interxion reserves the right to suspend or terminate, either temporarily or permanently, any or all Services provided by Interxion, to block any abusive activity, or to take any other actions as deemed appropriate by Interxion in its sole discretion.

Customers who violate these Interxion House Rules may incur criminal or civil liability. Interxion may refer violators to civil or law enforcement for prosecution and will cooperate fully with applicable government authorities in connection with the civil or crime investigations of violations.

Exhibit 4.15

MASTER SERVICES AGREEMENT

DATE : 12/15/2014

PARTIES

(1) **JoshSthlm AB** , a company with limited liability, incorporated under the laws of Sweden, having its registered office in Gävlegatan 12B, 113 30 Stockholm. (" **Supplier** ").

(2) **Midasplayer AB** , a company with limited liability, incorporated under the laws of Sweden, having its registered office at Sankt Eriksgatan 113, 113 43 Stockholm (" **Client** ").

RECITALS

a) The Supplier and the Client entered into a consultancy agreement dated 7 January 2013 for the provision of certain services (the "Consultancy Agreement").

b) The Client now wishes to receive website development, design and other services from the Supplier as more specifically set out in statements of work and work orders and the Supplier wishes to provide such services subject to and in accordance with the terms of this Agreement.

c) By agreement between the Parties the Consultancy Agreement is hereby terminated and replaced by this Agreement.

d) In addition, the Supplier and Client entered into a licence agreement dated 25 October 2011 for the provision of a licence to Client covering certain interactive platform software known as XCAP (the "XCAP Licence Agreement"), as set out at Schedule 1.

e) By agreement between the Parties, the XCAP Licence Agreement is hereby amended in accordance with the terms set out at Schedule 2.

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** In addition to capitalised terms defined elsewhere in this Agreement, the following definitions apply:

Affiliate: means, with respect to a Party, any entity directly or indirectly Controlling, or Controlled by, or under direct or indirect common Control with such Party.

Agreement: means, together, the provisions of this Master Services Agreement, any Schedules to this Agreement, and all Statement(s) of Work all as from time to time amended by agreement between the Parties.

Branding Guidelines: means the branding guidelines relating to the use of the Client Brand as may be notified by the Client to the Supplier from time to time.

Charges: means the charges for the Services as set out in the applicable Statement of Work.

Client Brand: means any Client or Client Affiliate trade marks and logos whether registered or unregistered.

Client Materials: all documents, information and materials provided by Client to Supplier, including without limitation the Client Brand, content and images.

Commencement Date: the date of signature of this Agreement by both Parties.

Confidential Information: any information relating to the business, customers, clients, or suppliers of a Party or a Party's Affiliates which is not publicly available including, but not limited to: (a) the existence and terms of this Agreement; (b) any information that would be regarded as confidential by a reasonable business person relating to the operations, processes, product information, know-how, designs, trade secrets or software of a Party; (c) any information specifically designated by a Party as confidential; and (e) any information supplied to a Party by any third party in relation to which a duty of confidentiality is owed or arises.

Control: means a direct or indirect ownership of fifty per cent (50%) or more of the voting shares of any entity, or the possession, directly or indirectly, of the power to direct such entity.

Data Protection Regulations: means EU Data Protection Directive 95/46/EC on the protection of individuals with regard to the processing of personal data, as the same may be amended, modified or replaced from time to time.

Deliverables: means any manuals, reports, drawings, specifications, software, programs, data, plans, designs, or any other product, material or output of the Services to be delivered by the Supplier to the Client under this Agreement.

Intellectual Property Rights: all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in Confidential Information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Key Personnel means those Personnel specified in a Statement of Work.

Milestone: means an event or task set out in the applicable Statement of Work which must be completed by the corresponding Milestone Date.

Milestone Date: means the date by which the Parties agree that a Milestone shall be completed, as set out in a Statement of Work.

Open Source Software: each of (i) any software that contains, or is derived in any manner (in whole or in part) from, any software that is distributed as free software, open source software (e.g., Linux) or similar licensing or distribution models; and (ii)

any software that requires as a condition of use, modification and/or distribution of such software that other software distributed with such software (A) be disclosed or distributed in source code form; (B) be licensed for the purpose of making derivative works; or (C) be redistributable at no charge. Open Source Software includes, without limitation, software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (i) GNU General Public License (GPL) (ii) GNU Lesser General Public License (LGPL); (iii) The Artistic License (e.g., PERL), (iv) the Mozilla Public License (MPL), (v) the Apache License, (vi) the Common Public License (CPL).

Personnel: means the Supplier's directors, officers, employees, subcontractors, agents or other personnel.

Services: means all work to be carried out, all services and Deliverables to be provided and obligations to be performed by or on behalf of the Supplier in accordance with this Agreement, as set out in each applicable Statement of Work or otherwise determined between the parties at the start of a project.

Statement of Work or SOW: means a statement of work or work order agreed between the Parties in writing from time to time.

Supplier Account Manager: shall be as set out in a SOW.

Term: has the meaning given to it in Clause 5.1.

Third Party IPR: has the meaning given to it in Clause 3.6.

1.2 Reference to the words "include" or "including" shall be construed without limitation to the generality of the preceding words. The headings are inserted for convenience and shall not be taken into consideration in interpretation or construction of this Agreement. Except as expressly otherwise provided in this Agreement, any reference to "writing" or "written" includes faxes and any legible reproduction of words delivered in permanent and tangible form. A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being. References in this Agreement to Clauses and Schedules are references to clauses of and schedules to this Agreement.

1.3 In the event of any conflict or inconsistency between any Statement of Work and the other terms and conditions of this Agreement, the provisions of the other terms and conditions of this Agreement shall prevail except to the extent that the applicable Statement of Work expressly and specifically states intent to supersede the Agreement.

2. SUPPLIER'S OBLIGATIONS

2.1 The Supplier shall perform the Services and provide the Deliverables in accordance with the terms of this Agreement and the appropriate SOW and/or Client instructions.

2.2 The specific details of the Services shall be agreed and, if necessary, set out in a SOW. Each SOW forms part of and is subject to the provisions of this Agreement.

2.3 In performing its obligations, the Supplier shall:

(a) co-operate with Client in all matters relating to Client Materials, and comply with all reasonable Client instructions;

(b) provide all equipment and such other items as are required to perform its obligations;

(c) ensure all goods and materials supplied and used will be free from defects in workmanship, installation and design;

(d) obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;

(e) ensure that it has obtained the Client's prior approval on all matters as required under this Agreement;

(f) ensure that any Deliverables comply in all material respects with any specification agreed between the Parties and to the extent the Deliverables contain any software, be virus free and as free from defects and bugs as is reasonably acceptable; and

(g) where the Services being provided are hosting services, comply with the provisions of Schedule 3.

2.4 At all times during the Term and for a period of six (6) months following termination of this Agreement, the Supplier shall not provide services the same as or similar to the Services to the following organisations without the Client's prior written consent: (a) WorldWinner; (b) GameDuell; (c) PopCap; (d) Zynga; (e) Wooga; (f) SuperCell; (g) SocialPoint; and (h) Rovio.

2.5 The Supplier shall perform its obligations so as to achieve each Milestone by the Milestone Date in accordance with a SOW (if applicable). If, at any time, the Supplier becomes aware that it will not or is unlikely to achieve any Milestone by the Milestone Date it shall as soon as reasonably practicable notify the Client in writing of the fact of the delay and summarise the reasons for it and shall solve any delay at its own cost.

2.6 The Deliverables shall be subject to acceptance tests in accordance with the relevant SOW (if applicable).

3. I NTELLECTUAL PROPERTY RIGHTS

3.1 The Client owns the Intellectual Property Rights in the Client Materials. Nothing in this Agreement constitutes assignment of any Intellectual Property Rights in the Client Materials all of which remain the exclusive property of the Client.

3.2 Subject to the Supplier's compliance with the terms of this Agreement, the Client hereby grants to the Supplier a non-exclusive, non-transferable royalty-free licence for the Term to use the Client Materials strictly for the purposes of and to the extent necessary to perform this Agreement. The Supplier shall ensure that the Client Brand is reproduced in accordance with the Branding Guidelines.

3.3 The Parties acknowledge and agree that all Deliverables shall be the property of the Client and shall vest in the Client upon their creation. The Supplier hereby:

(a) assigns with full title guarantee by way of present and future assignment to the Client all right, title and interest in any Deliverables;

(b) undertakes to procure that all its personnel unconditionally, irrevocably and in perpetuity waive (in so far as possible at law) all moral and author's rights and rights of a similar nature under the laws of any jurisdiction in respect of the Deliverables; and

(c) agrees to perform (and to procure that its personnel shall perform) all further acts necessary to perfect any of the foregoing, including by the execution of any and all deeds and documents, at the request of the Client but at the Supplier's own expense.

3.4 The Client shall (and shall procure that its personnel shall) do nothing (whether by omission or commission) during the Term or at any time thereafter to affect or imperil the validity of any Intellectual Property Rights obtained, applied for or to be applied for by the Client or its nominee.

3.5 Notwithstanding any other term of this Agreement, the Supplier shall not use or claim any right or license to use any trademark, trade name, logo or service mark of Client or of any of the Client Affiliates for any purpose whatsoever. The Supplier shall not use the Client as a reference or include the Client in any customer lists, marketing, promotion or other advertising or trade materials.

3.6 The Supplier shall not use any Intellectual Property Rights which exist prior to the Commencement Date (or any Intellectual Property Rights whereby ownership of which will not be assigned to the Client in accordance with Clause 3.3 (a) ("Third Party IPR")) to provide the Deliverables and/or the Services without the prior written consent of the Client. If the Client consents to the use of any Third Party IPR by the Supplier the Supplier shall use all reasonable endeavours to obtain an assignment of the Third Party IPR under the same terms as the assignment granted by the Supplier to the Client under Clause 3.3 (a). If despite using all reasonable endeavours the Supplier is unable to obtain such an assignment, the Supplier shall obtain for the Client a perpetual, irrevocable, sub-licensable, royalty-free, worldwide licence to use, reproduce, copy, broadcast, distribute and exploit the Third Party IPR for any purpose. In the event that despite the Supplier's reasonable endeavours, it is unable to procure the grant of licence as set out above, it shall provide details of any alternative licence terms in respect of a licence to use any such Third Party IPR and the Client may at its discretion decide to accept such licence terms. If the Client accepts such licence terms, the Supplier shall procure the relevant licence. If the Client does not accept such alternative licence terms or if the Supplier is unable to provide such alternative licence terms, the Supplier shall develop the required Deliverables itself, and shall assign the Intellectual Property Rights in such Deliverables to the Client in accordance with this Agreement, or shall obtain alternative Third Party IPR for use by the Client. The Supplier shall procure that the assignor or licensor of the Third Party IPR (as applicable) undertakes to unconditionally, irrevocably and in perpetuity waive (in so far as possible at law) all moral and author's rights and rights of a similar nature under the laws of any jurisdiction in respect of the Third Party IPR.

3.7 The Supplier shall not use any Open Source Software to provide the Services and/or Deliverables without the Client's prior written consent. If the Client consents to the use of any Open Source Software then the Supplier shall not use such Open Source

Software in any way that might make third party license provisions (including Open Source Software license provisions) applicable to the Deliverables or any Client proprietary software or any part thereof.

4. CONFIDENTIALITY

4.1 All Confidential Information shall remain the property of the disclosing Party.

4.2 The receiving Party may use the Confidential Information only for the performance of its obligations and the exercise of its rights under or pursuant to this Agreement.

4.3 The receiving Party may disclose the Confidential Information to those of its and its Affiliates' personnel, auditors and professional advisers that have a need to know the Confidential Information for the purposes of this Agreement provided that it obtains from such persons enforceable undertakings in terms at least as strict and binding upon such persons as the receiving Party is bound to the other Party hereunder.

4.4 The foregoing provisions shall not prevent the disclosure or use of any Confidential Information that:

(a) was known or available on a non-confidential basis to the receiving Party before it was disclosed to it by the disclosing Party;

(b) is or becomes generally available to the public (otherwise than through a breach of this Clause 4);

(c) the Parties agree in writing is not confidential or may be disclosed; or

(d) the receiving Party is required to disclose by law, court order, or any governmental or regulatory authority provided that, if it is legally permitted to do so, it gives the disclosing Party as much notice of that disclosure as possible and takes into account the reasonable requests of the disclosing Party in relation to the content of that disclosure.

4.5 The receiving Party shall take all reasonable measures available to it to keep Confidential Information safe and free from unauthorised access and in any event shall take measures no less stringent than those used to protect its own most valuable Confidential Information.

4.6 In the event that the receiving Party learns of any unauthorised use or disclosure, or threatened unauthorised use or disclosure, of any Confidential Information, the receiving Party shall as soon as reasonably practicable notify the disclosing Party of the particulars of such use or disclosure.

4.7 A receiving Party's obligation to maintain the confidentiality of the Confidential Information and the restrictions on such receiving Party's use of the Confidential Information, as provided in this Clause 4, shall survive for a period of five years following the termination of this Agreement.

5. TERM AND TERMINATION

5.1 This Agreement shall commence on the Commencement Date and shall continue in force unless terminated in accordance with this Clause 5 ("Term").

5.2 Each SOW shall commence on the date specified in the SOW and shall continue until the first to occur of:

(a) expiry of the period specified in the SOW;

(b) completion of the Services; or

(c) the SOW is terminated pursuant to this Clause 5.

5.3 The Client shall be entitled to terminate any SOW at any time and with immediate effect for any reason by giving the Supplier not less than thirty (30) days' prior written notice. If the Client has paid for the Services under an SOW in advance upon any termination, the Supplier shall refund the Client any prepaid fees for the Services which were to be provided after the date of termination.

5.4 Either Party shall be entitled to terminate this Agreement with immediate effect:

(a) upon a material breach by the other Party of any of its obligations under this Agreement that has not been remedied (if capable of being remedied) within thirty (30) days after written notice of such breach; or

(b) if the other Party becomes insolvent or seeks protection under any bankruptcy, receivership, trust, deed, creditor's arrangement, or comparable proceeding, or if any such proceeding is instituted against the other Party and not dismissed within fourteen (14) days.

5.5 Either Party shall be entitled to terminate a SOW with immediate effect upon a material breach by the other Party of any of its obligations under this Agreement that has not been remedied (if capable of being remedied) within thirty (30) days after written notice of such default.

6. CONSEQUENCES OF TERMINATION

6.1 If this Agreement is terminated, any SOW that is in effect at the time and any obligations thereunder shall continue in effect until the expiry and/or termination of that SOW. The terms of this Agreement shall continue to apply to any such SOW until the expiry and/or termination of such SOW.

6.2 The Supplier shall return (or at the Client's request destroy) all Confidential Information in a format acceptable to the Client within thirty (30) working days of the termination or expiry of this Agreement for any reason. Where the Client requests the destruction of any Confidential Information pursuant to this Clause 6.2 the Supplier shall warrant and provide to the Client within five (5) days of a request by the Client a certificate (in a format approved by the Client) confirming the said destruction.

6.3 Any expiry or termination of this Agreement and/or any SOW shall not affect any accrued rights or liabilities of either of the Parties nor shall it affect the coming into force or continuance in force of any provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after such expiry or termination including Clauses 3, 4, 5, 7, 9, 10, 11 and 12.

7. DISPUTE RESOLUTION

7.1 Any dispute or difference between the parties relating to this Agreement shall be dealt with as follows:

(a) the dispute shall first be referred to the Supplier Account Manager and the Client representative set out in the applicable SOW who shall promptly use all reasonable endeavours to resolve such matter as soon as reasonable practicable;

(b) if the representatives referred to in Clause 7.1 (a) above have not been appointed by the parties, or are unable or unwilling to resolve the matter between themselves, the parties may request a meeting of at least two senior representatives of both the Client and the Supplier to be convened by the parties at the earliest practicable time;

(c) if following proper use of the procedures set out in this Clause 7, any dispute under or in relation to this Agreement is not resolved, the Parties may commence proceedings in accordance with Clause 12.5. Nothing in this Clause 7 shall prevent the parties from commencing any proceedings if in that Party's opinion such action is necessary to mitigate the harm suffered or preserve its rights.

8. CHARGES

8.1 In consideration of the Services to be provided by the Supplier, the Client shall pay to the Supplier the undisputed Charges due no later than thirty (30) days after receipt of a valid VAT invoice to a bank account nominated in writing by the Supplier.

8.2 The Supplier shall be responsible for its expenses in providing the Services unless otherwise specified in a SOW. If the Client agrees to pay any expenses, such payment shall be subject to:

(a) the Client's prior written approval;

(b) the Client's general expense policy as generally applicable to its contractors; and

(c) the Supplier's production of written evidence of receipts for each expense item.

8.3 The Client shall reimburse such expenses no later than thirty (30) days after receipt of a valid VAT invoice in accordance with Clause 8.1.

Minimum Spend Commitment

8.4 During the Minimum Spend Period (as defined below), the Client shall commit to accruing Charges per month under this Agreement of at least 109,199.16 EUR (the "Minimum Spend Commitment") and the Supplier shall commit to providing the following:

1	Total number of full time personnel	6
2	Total hourly rate per employee (EUR)	105
3	Total hours per employee per calendar month spent on Client work (40 hours x 4.3333 weeks)	173.332
	Total (EUR)	**109,199.16**

8.5 The Parties shall regularly discuss in good faith the calculation of the Minimum Spend Commitment and in particular whether any changes are required to its calculation or its implementation in order to ensure the best value for the Client.

8.6 The Minimum Spend Period shall commence on the date of execution of the first Statement of Work under the Agreement and, subject to Clause 8.7, shall continue for a period of 12 months, following which date it shall automatically renew for an additional period of 60 days unless the Client provides 30 days' written notice to the other of its intention not to so renew (the "Minimum Spend Period").

8.7 The Minimum Spend Period may be temporarily suspended for any period: (1) during the months of July and December, in which case the Supplier shall provide the Client with reasonable prior notice of such suspension; or (2) at any time by written agreement of the parties.

8.8 The Minimum Spend Period shall automatically expire, and the provisions of Clauses 8.4 to 8.7 shall cease to apply, in the event that:

(a) the Supplier is in breach of any term of this Agreement; or

(b) the Agreement expires or is terminated for whatever reason,

in which case the Client shall pay any remaining Minimum Spend Commitment on a pro-rata basis.

9. INDEMNITIES

9.1 The Supplier shall indemnify the Client and its Affiliates against all against all losses, liabilities, costs and expenses brought or made against or incurred or suffered by the Client (or, as appropriate, its Affiliates) arising out of or based upon:

(a) any claim that any Services, the Deliverables or Client's or its Affiliates' use thereof, infringe, misappropriate or violate a third party's Intellectual Property Right; and

(b) any breach by the Supplier of Clause 10.

10. DATA PROTECTION

10.1 For the purposes of this Clause 10, the terms "personal data", "data processor" and "processing" shall have the meanings given to them in the Data Protection Regulations.

10.2 To the extent the Supplier in performing its obligations under this Agreement, is acting as a data processor of the Client in its processing of personal data, it shall (and shall procure that any sub-contractors shall) ensure that at all times:

(a) all appropriate technical and organisational measures are in place against unauthorised or unlawful processing of, and against accidental loss or destruction or, or damage to, such personal data;

(b) reasonable steps are taken to ensure the reliability of any staff that it permits to have access to such personal data;

(c) only act on the instructions of the Client in relation to the processing of such personal data (it being agreed that the performance of obligations or exercise of

rights in accordance with, and for purposes specifically contemplated by this Agreement shall be deemed to be acting on the instructions of the Client);

(d) at all times comply with all Data Protection Regulations and other requirements under applicable law in connection with the processing of such personal data; and

(e) only process such personal data as is necessary to perform its obligations under this Agreement.

10.3 In performing its obligations under this Agreement the Supplier shall not (and shall procure that no subcontractor shall) transfer any personal data to any country or territory outside the European Economic Area, unless with the express prior consent of the Client.

11. PERSONNEL

11.1 If specified in an SOW, the Supplier shall appoint a competent dedicated account manager ("Account Manager") reasonably acceptable to the Client. The Account Manager shall be responsible for the overall management of the Services and shall act as the primary point of contact between the Parties in relation to management issues. The Supplier shall give at least six (6) weeks notice of any change in Account Manager with a hand over period of two (2) weeks to run concurrently. The Supplier shall ensure continuity of Service for the Client between changes in Account Manager.

11.2 Throughout the Term, the Supplier shall at its own cost and expense, provide and make available a reasonably adequate number of appropriately trained, skilled and qualified Personnel who shall perform the Services with reasonable skill and diligence in accordance with best practice in the Supplier's industry, profession or trade. The Client may request at any time that the Supplier refrain from using particular Personnel in the performance of the Services.

11.3 The Supplier acknowledges that the Client considers that any Key Personnel specified in a SOW are of central importance to the provision of the Services. Accordingly, the Supplier shall, insofar as it is able, ensure that the Key Personnel provide the Services during the term of a SOW.

11.4 Key Personnel shall not be substituted by the Supplier during the term of a SOW unless at the reasonable request of the Client or where required by the Supplier or the Key Personnel as a result of illness or death, maternity leave or other long term leave or promotion or with the express prior written consent of the Client, such consent not to be unreasonably withheld. In the event of a change in Key Personnel, the Supplier shall submit to the Client the names and qualifications of other candidates, and shall permit the Client an opportunity to consult with the Supplier as to which candidate replaces the Key Personnel. If, in the reasonable opinion of the Client the candidates are unsuitable, the Client shall request that further candidates be submitted until a suitable candidate is selected as a Key Personnel. Once such replacement Key Personnel have been approved by the Client, the Supplier shall ensure that the existing Key Personnel continue to provide the Services alongside the replacement Key Personnel for a transition period which is of sufficient duration to ensure the continued

provision of the Services in accordance with this Agreement, and such transition period shall be provided at no additional cost to the Client.

11.5 Under no circumstances or in any event shall the Client be obliged to employ the Key Personnel, the Account Manager or any other Personnel or employee of the Supplier who has been engaged in the performance of the Services provided under this Agreement. Should the Client be obliged to employ or take over any employee from the Supplier due to statutory legislation the Supplier shall indemnify and hold the Client harmless from any and all costs related to such employments, whether the cost will consist of salary, benefits, severance pay, damages (financial as well as non-financial), legal fees or any other costs associated with the termination of the transferred employees' employments.

12. GENERAL

12.1 Neither Party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected Party shall be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for three months, the Party not affected may terminate this Agreement by giving written notice to the affected Party.

12.2 The Supplier shall not assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under this Agreement without the prior written consent of the Client.

12.3 Any notice or other communication required to be given to a Party under or in connection with this Agreement shall be in writing and shall be delivered to the other Party personally or sent by prepaid first-class post, recorded delivery or by commercial courier to the address below:

If to the Supplier:
[***insert details***]

Gävlegatan 12B / 113 30 Stockholm / Sweden

If to Client:

King
10 th Floor, 1 Central St Giles,
London WC2H 8AG
Attention: Latoya Edwards
With a copy to: Chief Legal Officer

12.4 No variation of this Agreement shall be effective unless it is in writing and signed by, or on behalf of, all Parties.

12.5 This Agreement shall be interpreted and construed in accordance with Swedish law. The courts of Sweden shall have exclusive jurisdiction to settle any dispute or claim arising out of this Agreement.

12.6 This Agreement constitutes the entire agreement between the Parties in relation to its subject matter, and replaces and extinguishes all prior agreements, arrangements, undertakings or collateral contracts of any nature made by the Parties, whether oral or written, in relation to such subject matter. Each Party acknowledges that it is not relying on, and shall have no remedy in respect of, any statements, warranties, undertakings or representations given or made by the other Party regarding the subject-matter of this Agreement, except for those expressly set out in this Agreement. Nothing in this Clause shall exclude or restrict the liability of either Party arising out of fraud or fraudulent misrepresentation.

12.7 Except as otherwise expressly provided in this Agreement, each and all of the rights and remedies provided in this Agreement, and each and all of the remedies allowed at law or in equity, shall be cumulative, and the exercise of one right or remedy shall not be exclusive of the right to exercise or resort to any and all other rights or remedies provided in this Agreement, at law or in equity.

12.8 If any provision of this Agreement is held to be invalid or unenforceable that provision will be severed from the Agreement and the remainder of the Agreement will remain in full force and effect. The Parties shall use their respective reasonable endeavours to negotiate in good faith so as to agree on a valid clause to replace any invalid clause.

12.9 The Supplier is an independent contractor and nothing in this Agreement shall be deemed to constitute a partnership or any employment relationship between the Parties, nor shall anything in this Agreement be deemed to constitute one Party the agent of the other for any purpose.

12.10 The Parties to this Agreement do not intend that any term of this Agreement should be enforceable by any person who is not a Party to this Agreement other than any Client Affiliate which shall be entitled to any actions and rights as Client.

12.11 This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts each of which when executed and delivered shall be an original but all these counterparts shall together constitute one and the same instrument.

12.12 If either Party delays in enforcing, or does not enforce, any right, which either Party may have under this Agreement, this does not imply that that right has been waived. If either Party waives any specific obligation or liability under the Agreement, such waiver will not extend to any other obligations or liabilities under this Agreement.

Signed by Kai Groundstroem	/s/ Kai Groundstroem
for and on behalf of JoshSthlm AB	Director
	12/15/2014
Signed by Lars Markgren	/s/ Lars Markgren
for and on behalf of Midasplayer AB	Director
	12/13/2014



LICENSE AGREEMENT

5.4 END USER SUPPORT

Midsphyxe is entitled at its own discretion to provide unprompted first line support to its own customer/users.

6 DELIVERY

JOSH, provided that all reasonable support from Midsphyxe is given to JOSH, will deliver a complete installation of XCAP within four (4) weeks following the date of signing this Agreement.

7 SERVICES & OBLIGATIONS

7.1 MAINTENANCE

JOSH shall, at its own discretion and/or when needed by Midsphyxe, provide maintenance of all Services/Modules ordered by Midsphyxe and supplied by JOSH.

7.2 ERROR CORRECTION

JOSH shall, provided that the License Fees have been duly paid by Midsphyxe, provide maintenance with regard to all reported errors, defects etc. pertaining to XCAP for as long as the Agreement stays in force.

JOSH undertakes to correct all the errors and defects in a professional manner and in accordance with what is customary in the software industry. Bug fixes and correction of errors that do not affect the functionality of XCAP shall be made without undue delay. Should such bugs be of significant importance to the overall usage of XCAP, error correction of such flaws shall be made immediately.

8 MISCELLANEOUS

8.1 OWNERSHIP

Midsphyxe acknowledges that, as between Midsphyxe and JOSH, JOSH owns all right, title and interest in and all software, systems and interfaces provided to Midsphyxe under this Agreement. JOSH shall retain all intellectual property rights, title and interest in and to XCAP and its connection with XCAP, its services and content etc, as well as to the JOSH's trademarks.

Midsphyxe retains the ownership to any and all information with regard to, including but not limited to, its customers and/or business pursuits ("Midsphyxe Information") that, if any, Midsphyxe provides JOSH with or such Midsphyxe Information is administered through XCAP. JOSH is entitled to use Midsphyxe Information only to the extent absolutely necessary for performance its duties under this Agreement.

JOSH acknowledges and agrees that this Agreement does not establish JOSH any rights to any trademark, trade name, logo type, copyright or other intellectual property right belonging to Midsphyxe, unless otherwise agreed between the Parties.

Notwithstanding the above, in respect of content created or generated on the Sites by Midsphyxe by means of XCAP, Midsphyxe shall have title, copyright and other intellectual property rights, if any, to such content.

8.2 WARRANTIES

The Parties represent and warrant each other as follows and acknowledge that the other Party is relying on such representations and warranties as a precondition for entering into this Agreement.

JOSH represents and warrants that it has all necessary corporate power and authority to enter into and perform this Agreement, and to license the product to Midsphyxe, and that such license does not conflict with or infringe any rights of any third party (including, without limitation, any copyrights, patent rights or trade secrets), or any agreement to which JOSH is bound or the product is subject.

The Parties further represent and warrant they have and will throughout the Term continue to hold and comply with all permits and/or licenses required to carry out their respective businesses and that they will comply with the applicable laws and regulations, including but not limited to in respect of providing XCAP pursuant to this Agreement.

8.3 LIMITATION

Unless otherwise provided herein, there are no warranties, representations or conditions, express or implied, written or oral, arising by statute, operation of law or otherwise, regarding the performance of this Agreement and the Parties disclaim any implied warranty or condition of merchantable quality, merchantability, durability or fitness for a particular purpose.

Each Party acknowledges and agrees that it will be solely responsible for the financial and legal consequences resulting from both its assertion of any representations or provision of any warranties to Midsphyxe or end users, in connection with XCAP, that exceed the mutually agreed scope of the Parties responsibilities for such representations and warranties.

8.4 SITE CONTENT

JOSH reserves the right, after having consulted the matter with Midsphyxe, to deny Midsphyxe the use of XCAP on any of the Sites in case they contain explicit material or other content that can be considered explicit, offensive or otherwise improper provided, furthermore, that such content is published by law, or can reasonably be determined to JOSH, as determined by JOSH at its reasonably and well-founded discretion. Midsphyxe shall bear any and all costs, if any, incurred by JOSH pertaining to the removal of XCAP and/or its components from the Sites.

8.5 INFRINGEMENT, DEFENSE AND SETTLEMENT

JOSH shall indemnify and hold Midsphyxe harmless for all damages, costs, charges, losses, liabilities and expenses incurred by Midsphyxe arising from or incurred by reason of any third party claim or suit alleging that the use or possession of any intellectual property or XCAP supplied by JOSH infringes any intellectual property rights belonging to a third party. Furthermore, JOSH agrees to be responsible for any reasonable costs (including reasonable attorneys' fees) involved and pay any damages finally awarded against Midsphyxe in any such claim.

8.6 LIMITATION OF LIABILITY

Unless otherwise stated in this Agreement, neither Party shall be liable for any incidental, indirect, special or consequential damages or any damages whatsoever resulting from loss of use, data or profits, arising out of or relating to this Agreement.

Neither Party shall have liability over any third parties' misuse or infringement of the other Party's intellectual property in relation to this Agreement if the Party in question has engaged in measures that can be deemed reasonably precautionary to protect the other Party's intellectual property.

No limitations shall apply, in case the losses and/or damages are caused by a Party's willful misconduct or gross negligence or is based on infringement of any third party's intellectual property rights, on the breach of the duty of confidentiality pursuant to Clause 8.11, or on a breach of any representations or warranties made herein.

8.7 AGGREGATE LIABILITY

The aggregate liability of either Party for any loss arising out of or relating to this Agreement whether for negligence, breach of contract, misrepresentation or otherwise, shall in respect of a single occurrence or a series of occurrences in no circumstances exceed the amount equal to the payments made by Midsphyxe to JOSH under this Agreement during the twelve (12) month period preceding the date when the claim in question arose.

8.8 ACTION TO PROTECT

Each Party shall promptly report to the other any actual or suspected violation of the terms of this Agreement, and shall take all reasonable actions to prevent, control and/or remedy such violation.

8.9 NO PARTNERSHIP

Nothing in this Agreement shall be construed as constituting a partnership or joint venture between the Parties nor as rendering either Party as the agent of the other. Neither Party shall enter into, incur liabilities or present itself to third parties as having the authority to enter into or incur any commercial obligations, expenses or liabilities on behalf of the other Party.

8.10 CONFIDENTIALITY

All information that has been disclosed, in writing or otherwise, as confidential by the disclosing Party (regardless of its form, manifestation or how it has come to be known to the other Party) concerning either Party to this Agreement, including without limitation the source code for the Parties' respective software, technology, data, business, financial affairs, and operations, is hereby deemed, for the purposes of this Clause 8.10, to be confidential and proprietary to such respective Party (later referred to as "Confidential Information").

Confidential Information shall not include information or part of which the receiving Party can establish before a court of competent jurisdiction (i) was in the possession of the receiving Party at the time of disclosure, (ii) prior to or after the time of disclosure becomes part of the public domain without the act or omission of the Party to whom it was disclosed; (iii) is disclosed to the receiving Party by a third party under no legal obligations to maintain the

This License agreement (later the "Agreement") has been entered into on this date, the 25th of October 2011 by and between Joshuthim AB, reg. no. 556655 2948, Gävlegatan 12B, 113 30 Stockholm, Sweden (later the "JOSH") and Midasplayer AB, reg. nr 556653 2064, St. Eriksg. 113, 113 43 Stockholm, Sweden (later the "Midasplayer", which expression shall include its successors and assignees, as well as subsidiaries and/or affiliated companies).

Later the JOSH and Midasplayer are also jointly referred to as the "Parties" and solely as a "Party".

1 INTRODUCTION

JOSH owns and develops interactive platform software (the interactive platform software including any and all parts, software, plug-ins, modules or similar is here-forth referred to as "XCAP") provided under the Agreement.

This agreement provides a license that enables Midasplayer to offer the functionality of XCAP on all such properties owned by a minimum of 51 % by Midasplayer.

NOW THEREFORE, in consideration of the mutual promises, covenants and obligations contained herein, the parties agree as follows:

2 RIGHTS

2.1 FULL SERVICE LICENSE

JOSH hereby grants to Midasplayer and Midasplayer accepts from JOSH, subject to the terms and conditions set out herewithin, a non-exclusive, non-assignable Full Service License for the duration of the Term to use XCAP to the extent specified in this Agreement. For the avoidance of doubt, the license applies only to Midasplayer's own use of XCAP and Midasplayer is not entitled to sell or market XCAP to third parties, such as Midasplayer's customers or consumers in general, unless such sale or offering is expressly permitted by JOSH.

2.2 XCAP VERSION AND UPDATES

This agreement shall apply to version 2.7 of XCAP and shall include all future versions of XCAP during the Term.

2.3 INSTALLATION

Installation of XCAP shall be made by JOSH.

Upgrades cannot be scheduled according to specific requests from Midasplayer. JOSH will however in accordance with Midasplayer release updated versions of the software as well as, if applicable, future changes in structure and functionalities.

3 TERM AND TERMINATION

3.1 TERM

This Agreement shall, with regard to the Full Service License, remain in force for an initial period of twelve (12) months, (the "Term") from the date of signing this Agreement, and shall thereafter continue on a current basis, subject to 3 months notice from either party.

3.2 TERMINATION

Each party shall have the right to terminate this Agreement immediately upon written notice in the event that the other party becomes insolvent, files for any form of bankruptcy, enters any assignment for the benefit of creditors, has a receiver, administrative receiver or officer appointed over the whole or a substantial part of its assets (other than for the purpose of solvent amalgamation), or ceases to conduct business.

Each party shall have the right to terminate this Agreement if the other party is in material breach of its obligations hereunder and fails to remedy such breach (if capable of remedy) within thirty (30) days from the written notice by the other party, which notice shall specify the breach in reasonable detail.

Upon termination according to the Clause 3.2 and according to Clause 3.1 above, Midasplayer will immediately cease using XCAP and shall promptly and without further delay destroy any and all copies of XCAP.

Within thirty (30) days of termination, each party will return or destroy all Confidential Information of the other party in its possession and will not make or retain any copies of such Confidential Information except as required to comply with any applicable legal or supervisory requirement.

4 FEES

4.1 LICENSE FEE

The Variable License Fee shall be based on the average number of monthly Unique Visitors to the service UBL where XCAP is used. It shall be calculated on a monthly basis starting on the date of signing this Agreement with renewal as long as the contract is valid.

Max Unique Visitors	Monthly Fee (SEK)
25 000	2 000
50 000	4 000
100 000	8 000
200 000	16 000
300 000	24 000
400 000	32 000
500 000	40 000
600 000	48 000
700 000	56 000

When reaching **700 000 Unique Visitors** the price goes over to a **fixed monthly fee** at a minimum of 56 000 SEK with unlimited number of Unique Visitors. The number of Unique Visitors is audited using Google Analytics. Midasplayer shall inform JOSH about any changes to the Statistics or additional services where XCAP is being used that will affect the License Fee.

All the above mentioned fees are exclusive of VAT.

In the event that the Term of this Agreement has exceeded three (3) years from the date the Agreement entered into force, the Parties, if deemed equitable, shall have the right to renegotiate the License Fees.

4.2 PAYMENT

The License Fees shall be paid against invoice on a quarterly basis with interest as long as the contract is valid.

All invoices are due to 30 day net. If Midasplayer is overdue on any payment due under this Agreement, Midasplayer shall pay interest on the overdue amount at an annual rate of eight percent (8 %). If Midasplayer is overdue on any payment due under this Agreement for more than sixty (60) days from receiving the invoice, JOSH shall have the right to discontinue the services specified herein without further notice until all overdue invoices are paid.

5 SUPPORT

5.1 TECHNICAL SUPPORT

JOSH shall, within the frame of the applicable License Fee according to Clause 4.1 above, provide technical support to Midasplayer. Support, which covers questions from the Midasplayer's representative or technical contact to JOSH, will be available on working days during normal business hours. Support requests are to be made by phone and/or e-mail and only in matters concerning XCAP. JOSH shall respond to the support request at the latest during the next working day.

JOSH will provide technical support on a monthly basis within the hour limits specified below. Unused support hours are voided at the end of the month, and may not be transferred to the next period.

Min Unique Visitors	Support hours per month
300 000	1
400 000	2
500 000	3
600 000	4
700 000	5

5.2 ADDITIONAL TECHNICAL SUPPORT

Additional technical support exceeding the time limits specified above will be provided at an hourly fee of 950 SEK (exclusive of VAT).

5.3 DOCUMENTATION

JOSH shall provide Midasplayer with all the relevant documentation with regard to the use of XCAP.

confidentiality of such information; or (iv) was independently developed by the receiving Party.

All Confidential Information shall be treated as strictly confidential by the receiving Party and its employees, contractors, and agents, who on a need to know basis receive such Confidential Information, and shall not be disclosed to any third parties by the receiving Party without the disclosing Party's prior written consent. However, the receiving Party may disclose Confidential Information in accordance with judicial or other governmental order, provided that the receiving Party gives the disclosing Party a reasonable notice prior to such disclosure and complies with all applicable protective order or equivalent.

Midasplayer may disclose Confidential Information also in connection with a corporate transaction or competitive bidding related to this Agreement, assuming that the recipients of the information are committed to confidentiality relating to Confidential Information.

This Clause 8.10 shall survive the termination of this Agreement and shall remain in full force and effect thereafter.

8.11 TREATMENT OF CONFIDENTIAL INFORMATION

Neither Party shall in any way duplicate any part of the other Party's Confidential Information, unless otherwise expressly stipulated in this Agreement. Each Party shall enter into an appropriate agreement with each of its employees, contractors and agents having access to the other Party's Confidential Information sufficient to enable that party to comply with confidentiality obligations similar to this Agreement. Each Party agrees to protect the other's Confidential Information with a fiduciary duty and shall *inter alia* maintain procedures to protect Confidential Information commensurate with such duty.

8.12 ASSIGNMENT

The Parties shall not have the right to assign this Agreement or any part thereof or their rights, duties or obligations thereunder without the other Party's prior written consent.

8.13 ENTIRE AGREEMENT

This Agreement together with its appendices constitutes the entire agreement between the Parties on all issues, relating to the Agreement. Unless specifically provided for herein, all prior agreements, communications and understandings between the Parties with respect to such subject matter are superseded by this Agreement.

8.14 NO VARIATION

No agreements or other understandings varying or extending the foregoing rights and obligations will be binding on either Party unless made in writing and signed by authorized representatives of both Parties.

8.15 TAXES

Each Party shall, in connection with its performance of and benefits accrued from this Agreement, bear the sole expense of all applicable duties and foreign, federal, state, county, local income taxes, value added taxes and other related taxes and amounts.

8.16 NOTICES

Any notice required or contemplated by this Agreement to be given by either Party shall be deemed to be duly delivered and effective when made via e-mail to the addresses mentioned in Clause 1.4 above, unless otherwise specifically stated herein.

8.17 GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement and any and all extensions and/or modifications thereof shall be governed by and construed in accordance with the laws of Sweden, excluding its choice of law provisions.

All disputes, claims, or controversies arising out of or in connection with this Agreement shall be referred to the District Court of Stockholm.

This Agreement has been drawn up and duly executed in two (2) copies of which the Parties have taken one each.

On behalf of JOSH

28-10-2011

Date

Stockholm / Sweden

Place

/S/Andreas Ströberg

Andreas Ströberg

On behalf of Midasplayer

28-10-2011

Date

KING'S CROSS LONDON OFFICE

Place

/S/Angus Lovitt

ANGUS LOVITT

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On behalf of Midasplayer

28. 10 2011

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KING'S CROSS LONDON OFFICE

Place

/S/Angus Lovitt

ANGUS LOVITT

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Midasplayer may disclose Confidential Information also in connection with a corporate transaction or competitive bidding related to this Agreement, assuming that the recipients of the information are committed to confidentiality relating to Confidential Information.

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On behalf of JOSH

28 - 10 - 2011

Date

Stockholm / Sweden

Place

/S/Andreas Ströberg

Andreas Ströberg

On behalf of Midasplayer

28. 10 2011

Date

KING'S CROSS LONDON OFFICE

Place

/S/Angus Lovitt

ANGUS LOVITT

1.1 With effect from the Commencement Date, the parties agree to amend the terms of the XCAP Licence Agreement as follows:

a) Clause 3.1 shall be deemed deleted in its entirety and replaced with the following wording: “This Agreement shall, with regard to the Full Service License, remain in force for an initial period of twelve (12) months, (the “Term”) from the date of signing of this Agreement, and shall thereafter continue on a current basis, subject to 12 months’ notice from either party.”

1.2 The parties agree that all other terms of the XCAP Licence Agreement shall continue in full force and effect.

SLA for OS
24/7 service desk
Support hotline
Tailored technical monitoring (database (MySQL), server/s (Tomcat), application (about.king.com)
Resolution of incidents free of charge during weekdays 0830-11,30 1300-1630 CET

SLA
If a hardware failure occurs, Supplier will try to restart the server elsewhere in our clusters to restore services. Servers without high-availability do not have reserved capacity for failover. In the event of a hardware failure where capacity prohibits restarting the machine elsewhere, Supplier will allow up to 6 hours of downtime (circa 0.85% monthly time) for restoring services.
Compensation is 2.5% per full hour below the guaranteed uptime.

Service availability
Supplier guarantees the following service availabilities:

- Standard server – 99.9% availability for services measured on a calendar-month basis.

SLA uptime definition
Definition of uptime:

- Uptime = (total time – downtime) / total time (measured on calendar month).

SLA Downtime definition
Downtime is when the server is not available on the Internet as intended, excluding:

- Planned maintenance during our maintenance window 05.00-08.00 CET;
- Necessary emergency maintenance;
- Downtime caused by clients actions;
- Internet connectivity issues not caused by Supplier or its suppliers; and
- Downtime due to force majeure.

STATEMENT OF WORK NO 1

DATE : 12/15/2014

This Statement of Work ("SOW") is entered into pursuant and subject to the terms and conditions defined in the Master Services Agreement between JoshSthlm AB and Midasplayer AB and dated 12/15/2014 (the "Agreement").

1. DEFINITIONS

Terms defined in the Agreement, where used in this SOW will have the same meaning unless otherwise defined in this SOW. Should any term used in this SOW contradict that of the Agreement then the Agreement meaning will be used.

2. INTRODUCTION

This SOW sets out the Services that the Supplier shall provide to the Client and determines how the Services will be provided.

3. TERM

This SOW shall commence on the date set out above and shall continue until it is terminated in accordance with the Agreement.

4. OVERVIEW

4.1 The Supplier shall provide the following Services in respect of the Websites (which, for the purposes of this SOW, shall mean any of the Client's websites in respect of which the Supplier provides the Services):

a) website development including developing new features and releasing updates;

b) website design;

c) project management;

d) integration services in respect of third party software to be integrated with the Websites;

e) localisation of content on the Websites;

f) migration of hosting of the Websites from the Supplier's hosting environment to the Client's hosting environment.

[Please insert any other applicable services.]

5. DELIVERABLES

The Supplier shall provide such Deliverables as are agreed with the Client from time to time.

6. PROCESS FOR AGREEING SERVICES AND DELIVERABLES

6.1 The Client shall from time to time during the term of this SOW request specific Services and/or Deliverables from the Supplier which the Supplier shall provide. The Client may request that the Services are completed by certain Milestone Dates.

6.2 Upon receipt of a request from the Client, the Supplier shall determine the resource required for the provision of the Services by the Milestone Dates (if applicable) and the related Charges and shall provide the Client with an estimate of the Charges. If no specific Milestone Dates are required by the Client, the Supplier shall provide the Client with an estimated timescale for completion of the project.

6.3 The Supplier shall not commence provision of the Services until the estimate has been agreed by the Client.

6.4 If the Client wishes to change the scope of the Services and/or Deliverables during an agreed project period, the Client shall notify the Supplier of such request. The Supplier shall consider such request and if the change results in an increase to the estimated Charges, the Supplier shall notify the Client and such increase shall be subject to the prior agreement of the Client.

6.5 The Supplier shall not be responsible for any delay caused by any change in the scope of the Services requested by the Client and agreed between the Parties.

7. KEY PERSONNEL AND CLIENT REPRESENTATIVE

Supplier Account Manager:

Anna Spångberg - project manager
phone +46 735 356 560 / skype anna_vesslan

Key Personnel: Ermioni Zacahrouli – Front End Developer ***[please insert any other key employees who currently provide the services.]***

Client Representative: Latoya

Latoya Edwards
Forums & Digital Marketing Manager
King, London
M: +44 (0)7539 389 602
latoya.edwards@king.com

8. CHARGES

8.1 The Charges payable by the Client in consideration for the performance of the Services by the Supplier shall be one hundred and five EUR (105) per hour per person.

8.2 Estimates for the Charges shall be provided to the Client in accordance with paragraph 6.2 above.

8.3 The Supplier shall send a receipt at the end of each month for all Services supplied by Personnel during that month. The Client shall pay invoices in accordance with Clause 11 of the Agreement.

9. ACCEPTANCE TESTS

If required by the Client, the Client shall carry out acceptance tests on any Deliverables in a format to be agreed between the parties and the Parties shall agree in writing the acceptance criteria for any acceptance tests.

Signed by Kai Groundstroem	/s/ Kai Groundstroem
for and on behalf of JoshSthlm AB	Director 12/15/2014
Signed by Lars Markgren	/s/ Lars Markgren
for and on behalf of Midasplayer AB	Director 12/13/2014

APPLE INC.
REGISTERED APPLE DEVELOPER AGREEMENT

THIS IS A LEGAL AGREEMENT BETWEEN YOU AND APPLE INC. (“APPLE”) STATING THE TERMS THAT GOVERN YOUR PARTICIPATION AS A REGISTERED APPLE DEVELOPER. PLEASE READ THIS REGISTERED APPLE DEVELOPER AGREEMENT (“AGREEMENT”) BEFORE PRESSING THE “AGREE” BUTTON AND CHECKING THE BOX AT THE BOTTOM OF THIS PAGE. BY PRESSING “AGREE,” YOU ARE AGREEING TO BE BOUND BY THE TERMS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, PRESS “CANCEL” AND YOU WILL BE UNABLE TO BECOME A REGISTERED APPLE DEVELOPER.

Registered Apple Developer Agreement

1. Relationship With Apple; Apple ID and Password. You understand and agree that by becoming a Registered Apple Developer, no legal partnership or agency relationship is created between you and Apple. Neither you nor Apple is a partner, an agent or has any authority to bind the other. You agree not to represent otherwise. You also certify that you are of the legal age of majority in the jurisdiction in which you reside (at least 18 years of age in many countries) and you represent that you are legally permitted to become a Registered Apple Developer. This Agreement is void where prohibited by law and the right to become a Registered Apple Developer is not granted in such jurisdictions. Unless otherwise agreed or permitted by Apple in writing, you cannot share or transfer any benefits you receive from Apple in connection with being a Registered Apple Developer. The Apple ID and password you use to login as a Registered Apple Developer cannot be shared in any way or with any one. You are responsible for maintaining the confidentiality of your Apple ID and password and for any activity in connection with your account. Notwithstanding the foregoing restrictions in this Section 1, if you are the parent or legal guardian of individuals between the ages of 13 and the legal age of majority in the jurisdiction in which you reside, you may allow such individuals to share your Apple ID and password for their use solely under your supervision and only in accordance with this Agreement. You are responsible for such individuals’ compliance with and violations of this Agreement and any other Apple agreements.

2. Developer Benefits. As a Registered Apple Developer, you may have the opportunity to attend certain Apple developer conferences, technical talks, and other events (including online or electronic broadcasts of such events) (“ **Apple Events** ”). In addition, Apple may offer to provide you with certain services (“ **Services** ”), as described more fully herein and on the Registered Apple Developer web pages (“ **Site** ”), solely for your own use (except as otherwise permitted in the last two sentences of Section 1) in connection with your participation as a Registered Apple Developer. Services may include, but not be limited to, any services Apple offers at Apple Events or on the Site as well as the offering of any content or materials displayed on the Site (“ **Content** ”). Apple may change, suspend or discontinue providing the Services, Site and Content to you at any time, and may impose limits on certain features and materials offered or restrict your access to parts or all of materials without notice or liability.

3. Restrictions . You agree not to exploit the Site, or any Services, Apple Events or Content provided to you as a Registered Apple Developer, in any unauthorized way, including but not limited to, by trespass, burdening network capacity or using the Services, Site or Content other than for authorized purposes. Copyright and other intellectual property laws protect the Site and Content provided to you, and you agree to abide by and maintain all notices, license information, and restrictions contained therein. Unless expressly permitted herein or otherwise permitted in a separate agreement with Apple, you may not modify, publish, network, rent, lease, loan, transmit, sell, participate in the transfer or sale of, reproduce, create derivative works based on, redistribute, perform, display, or in any way exploit any of the Site, Content or Services in whole or in part. You may not decompile, reverse engineer, disassemble, attempt to derive the source code of any software or security components of the Services, Site, or of the Content (except as and only to the extent any foregoing restriction is prohibited by applicable law or to the extent as may be permitted by any licensing terms accompanying the foregoing). Use of the Site, Content or Services to violate, tamper with, or circumvent the security of any computer network, software, passwords, encryption codes, technological protection measures, or to otherwise engage in any kind of illegal activity, or to enable others to do so, is expressly prohibited. Apple retains ownership of all its rights in the Site, Content, Apple Events and Services, and except as expressly set forth herein, no other rights or licenses are granted or to be implied under any Apple intellectual property.

4. Confidentiality. You agree that any Apple pre-release software and/or hardware (including related documentation and materials) provided to you as a Registered Apple Developer (“ **Pre-Release Materials** ”) and any information disclosed by Apple to you in connection with Apple Events or Paid Content (defined below) will be considered and referred to as “ **Apple Confidential Information** ”. Notwithstanding the foregoing, Apple Confidential Information will not include: (i) information that is generally and legitimately available to the public through no fault or breach of yours, (ii) information that is generally made available to the public by Apple, (iii) information that is independently developed by you without the use of any Apple Confidential Information, (iv) information that was rightfully obtained from a third party who had the right to transfer or disclose it to you without limitation, or (v) any third party software and/or documentation provided to you by Apple and accompanied by licensing terms that do not impose confidentiality obligations on the use or disclosure of such software and/or documentation.

5. Nondisclosure and Nonuse of Apple Confidential Information . Unless otherwise expressly agreed or permitted in writing by Apple, you agree not to disclose, publish, or disseminate any Apple Confidential Information to anyone other than to other Registered Apple Developers who are employees and contractors working for the same entity as you and then only to the extent that Apple does not otherwise prohibit such disclosure. Except for your authorized purposes as a Registered Apple Developer or as otherwise expressly agreed or permitted by Apple in writing, you agree not to use Apple Confidential Information in any way, including, without limitation, for your own or any third party’s benefit without the prior written approval of an authorized representative of Apple in each instance. You further agree to take reasonable precautions to prevent any unauthorized use, disclosure, publication, or dissemination of Apple Confidential Information. You acknowledge that unauthorized disclosure or use of Apple Confidential Information could cause irreparable harm and significant injury to Apple that may be difficult to

ascertain. Accordingly, you agree that Apple will have the right to seek immediate injunctive relief to enforce your obligations under this Agreement in addition to any other rights and remedies it may have. If you are required by law, regulation or pursuant to the valid binding order of a court of competent jurisdiction to disclose Apple Confidential Information, you may make such disclosure, but only if you have notified Apple before making such disclosure and have used commercially reasonable efforts to limit the disclosure and to seek confidential, protective treatment of such information. A disclosure pursuant to the previous sentence will not relieve you of your obligations to hold such information as Apple Confidential Information.

6. Confidential Pre-Release Materials License and Restrictions. If Apple provides you with Pre-Release Materials, then subject to your compliance with the terms and conditions of this Agreement, Apple hereby grants you a nonexclusive, nontransferable, right and license to use the Pre-Release Materials only for the limited purposes set forth in this Section 6; provided however that if such Pre-Release Materials are accompanied by a separate license agreement, you agree that the license agreement accompanying such materials in addition to Sections 4 and 5 of this Agreement shall govern your use of the Pre-Release Materials. You further agree that in the event of any inconsistency between Section 4 and 5 of this Agreement and the confidentiality restrictions in the license agreement, the license agreement shall govern. You agree not to use the Pre-Release Materials for any purpose other than testing and/or development by you of a product designed to operate in combination with the same operating system for which the Pre-Release Materials are designed. This Agreement does not grant you any right or license to incorporate or make use of any Apple intellectual property (including for example and without limitation, trade secrets, patents, copyrights, trademarks and industrial designs) in any product. Except as expressly set forth herein, no other rights or licenses are granted or to be implied under any Apple intellectual property. You agree not to decompile, reverse engineer, disassemble, or otherwise reduce the Pre-Release Materials to a human-perceivable form, and you will not modify, network, rent, lease, transmit, sell, or loan the Pre-Release Materials in whole or in part.

7. Paid Content License and Restrictions. As a Registered Apple Developer, you may have access to certain proprietary content (including, without limitation, video presentations and audio recordings) that Apple may make available to you from time to time for a separate fee (" **Paid Content** "). Paid Content shall be considered Apple Confidential Information, unless otherwise agreed or permitted in writing by Apple. You may not share the Paid Content with anyone, including, without limitation, employees and contractors working for the same entity as you, regardless of whether they are Registered Apple Developers. Subject to these terms and conditions, Apple grants you a personal and nontransferable license to access and use the Paid Content for authorized purposes as a Registered Apple Developer; provided that you may only download one (1) copy of the Paid Content and such download must be completed within the time period specified by Apple for such download. Except as expressly permitted by Apple, you shall not modify, translate, reproduce, distribute, or create derivative works of the Paid Content or any part thereof. You shall not rent, lease, loan, sell, sublicense, assign or otherwise transfer any rights in the Paid Content. Apple and/or Apple's licensor(s) retain ownership of the Paid Content itself and any copies or portions thereof. The Paid Content is licensed, not sold, to you by Apple for use only under this Agreement, and Apple reserves all rights not expressly granted to you. Your rights under this license to use and access the Paid Content will terminate automatically without notice from Apple if you fail to comply with any of these provisions.

8. Compatibility Labs; Developer Technical Support (DTS). As a Registered Apple Developer, You may have access to Apple's software and hardware compatibility testing labs (" **Compatibility Labs** ") and/or developer technical support incidents (" **DTS Services** ") that Apple may make available to you from time to time as an Apple developer benefit or for a separate fee. You agree that all use of such Compatibility Labs and DTS Services will be in accordance with Apple's usage policies for such services, which are subject to change from time to time, with or without prior notice to you. Without limiting the foregoing, Apple may post on the Site and/or send an email to you with notices of such changes. It is your responsibility to review the Site and/or check your email address registered with Apple for any such notices. You agree that Apple shall not be liable to you or any third party for any modification or cessation of such services. As part of the DTS Services, Apple may supply you with certain code snippets, sample code, software, and other materials (" **Materials** "). You agree that any Materials that Apple provides as part of the DTS Services are licensed to you and shall be used by you only in accordance with the terms and conditions accompanying the Materials. Apple retains ownership of all of its right, title and interest in such Materials and no other rights or licenses are granted or to be implied under any Apple intellectual property. You have no right to copy, decompile, reverse engineer, sublicense or otherwise distribute such Materials, except as may be expressly provided in the terms and conditions accompanying the Materials. You agree that when requesting and receiving TECHNICAL SUPPORT FROM DTS SeRVICES, you will not provide Apple with any INFORMATION, including that incorporated in your software, that is confidential to you or any third party. YOU AGREE THAT Any notice, legend, or label to the contrary contained in any SUCH materials provided by you to Apple shall be without effect. Apple shall be free to use all information it receives from you in any manner it deems appropriate, subject to any applicable patents or copyrights. Apple reserves the right to reject a request for DTS Services at any time and for any reason, in which event Apple may credit you for the rejected support request. You shall be solely responsible for any restoration of lost or altered files, data, programs or other materials provided.

9. Amendment; Communication. Apple reserves the right, at its discretion, to modify this Agreement, including any rules and policies at any time. You will be responsible for reviewing and becoming familiar with any such modifications (including new terms, updates, revisions, supplements, modifications, and additional rules, policies, terms and conditions) (" **Additional Terms** ") communicated to you by Apple. All Additional Terms are hereby incorporated into this Agreement by this reference and your continued use of the Site will indicate your acceptance of any Additional Terms. In addition, Apple may be sending communications to you from time to time. Such communications may be in the form of phone calls and/or emails and may include, but not be limited to, marketing materials, technical information, and updates and/or changes regarding your participation as a Registered Apple Developer. By agreeing to this Agreement, you consent that Apple may provide you with such communications.

10. Term and Termination. Apple may terminate or suspend you as a Registered Apple Developer at any time in Apple's sole discretion. If Apple terminates you as a Registered Apple Developer, Apple reserves the right to deny your reapplication at any time in Apple's sole discretion. You may terminate your participation as a Registered Apple Developer at any time, for any reason, by notifying Apple in writing of your intent to do so. Upon any termination or, at Apple's discretion, suspension, all rights and licenses granted to you by Apple will cease, including your right to access the Site, and you agree to destroy any and all Apple Confidential Information that is in your possession or control. At Apple's request, you agree to provide certification of such destruction to Apple. No refund or partial refund of any fees paid hereunder or any other fees will be made for any reason. Following termination of this Agreement, Sections 1, 3-5, 7 (but only for so long as the duration specified by Apple for such usage), 10-19 shall continue to bind the parties.

11. Apple Independent Development. Nothing in this Agreement will impair Apple's right to develop, acquire, license, market, promote or distribute products, software or technologies that perform the same or similar functions as, or otherwise compete with, any other products, software or technologies that you may develop, produce, market, or distribute. In the absence of a separate written agreement to the contrary, Apple will be free to use any information, suggestions or recommendations you provide to Apple pursuant to this Agreement for any purpose, subject to any applicable patents or copyrights.

12. Use Of Apple Trademarks, Logos, etc. You agree to follow Apple's Guidelines For Using Apple Trademarks and Copyrights as published on Apple's website at www.apple.com/legal/guidelinesfor3rdparties.html (" **Guidelines** ") and as may be modified from time to time. You agree not to use the marks "Apple," the Apple Logo, "Mac", "iPhone," "iPod touch" or any other marks belonging or licensed to Apple in any way except as expressly authorized in writing by Apple in each instance or as permitted in Apple's Guidelines. You agree that all goodwill arising out of your authorized use of Apple's marks shall inure to the benefit of and belong to Apple.

13. No Warranty. APPLE AND ITS AFFILIATES, SUBSIDIARIES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, PARTNERS, AND LICENSORS (COLLECTIVELY, " **APPLE** " FOR PURPOSES OF THIS SECTION 13 AND 14) DO NOT PROMISE THAT THE SITE, CONTENT, SERVICES (INCLUDING, FUNCTIONALITY OR FEATURES OF THE FOREGOING), COMPATIBILITY LABS, DTS SERVICES, OR ANY OTHER INFORMATION OR MATERIALS THAT YOU RECEIVE AS A REGISTERED APPLE DEVELOPER (COLLECTIVELY, THE " **SERVICE** " FOR PURPOSES OF THIS SECTION 13 AND 14) WILL BE ACCURATE, RELIABLE, TIMELY, SECURE, ERROR-FREE OR UNINTERRUPTED, OR THAT ANY DEFECTS WILL BE CORRECTED. THE SERVICE IS PROVIDED ON AN "AS-IS" AND "AS-AVAILABLE" BASIS AND THE SERVICE IS SUBJECT TO CHANGE WITHOUT NOTICE. APPLE CANNOT ENSURE THAT ANY CONTENT (INCLUDING FILES, INFORMATION OR OTHER DATA) YOU ACCESS OR DOWNLOAD FROM THE SERVICE WILL BE FREE OF VIRUSES, CONTAMINATION OR DESTRUCTIVE FEATURES. FURTHER, APPLE DOES NOT GUARANTEE ANY RESULTS OR IDENTIFICATION OR CORRECTION OF PROBLEMS AS PART OF THE SERVICE AND APPLE DISCLAIMS ANY LIABILITY RELATED THERETO. APPLE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF ACCURACY, NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. APPLE DISCLAIMS ANY AND ALL LIABILITY FOR THE ACTS, OMISSIONS AND CONDUCT OF ANY THIRD PARTIES IN CONNECTION WITH OR RELATED TO YOUR USE OF THE SERVICE. YOU ASSUME TOTAL RESPONSIBILITY AND ALL RISKS FOR YOUR USE OF THE SERVICE, INCLUDING, BUT NOT LIMITED TO, ANY INFORMATION OBTAINED THEREON. YOUR SOLE REMEDY AGAINST APPLE FOR DISSATISFACTION WITH THE SERVICE IS TO STOP USING THE SERVICE. THIS LIMITATION OF RELIEF IS A PART OF THE BARGAIN BETWEEN THE PARTIES. To the extent that Apple makes any pre-release or other products, services or information related thereto available to you as a Registered Apple Developer, you understand that Apple is under no obligation to provide updates, enhancements, or corrections, or to notify you of any product or services changes that Apple may make, or to publicly announce or introduce the product(s) or service at any time in the future.

14. Disclaimer of Liability. TO THE EXTENT NOT PROHIBITED BY LAW, UNDER NO CIRCUMSTANCES SHALL APPLE BE LIABLE WITH RESPECT TO THE SERVICE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES RESULTING FROM DELAY OF DELIVERY OR FROM LOSS OF PROFITS, DATA, BUSINESS OR GOODWILL, ON ANY THEORY OF LIABILITY, WHETHER ARISING UNDER TORT (INCLUDING NEGLIGENCE), CONTRACT OR OTHERWISE, WHETHER OR NOT APPLE HAS BEEN ADVISED OR IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES. IF, NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, APPLE IS FOUND TO BE LIABLE TO YOU FOR ANY DAMAGE OR LOSS THAT ARISES OUT OF OR IS IN ANY WAY CONNECTED TO YOUR USE OF THE SERVICE, APPLE'S ENTIRE LIABILITY FOR DIRECT DAMAGES UNDER THIS AGREEMENT SHALL BE LIMITED TO FIFTY DOLLARS ($50.00).

15. Third-Party Notices. Third party software provided by Apple to you as a Registered Apple Developer may be accompanied by its own licensing terms, in which case such licensing terms will govern your use of that particular third party software. Mention of third parties and third party products in any materials, advertising, promotions or coupons provided to you as a Registered Apple Developer is for informational purposes only and constitutes neither an endorsement nor a recommendation. All third party product specifications and descriptions are supplied by the respective vendor or supplier, and Apple shall have no responsibility with regard to the selection, performance, or use of these vendors or products. All understandings, agreements, or warranties, if any, take place directly between the vendors and the prospective users.

16. Export Control. You may not use or otherwise export or re-export any Apple Confidential Information received from Apple except as authorized by United States law and the laws of the jurisdiction in which the Apple Confidential Information was obtained. In particular, but without limitation, the Apple Confidential Information may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. By becoming a Registered Apple Developer or using any Apple Confidential Information, you represent and warrant that you are not located in any such country or on any such list. You also agree that you will not use any Apple Confidential Information for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture or production of nuclear, chemical or biological weapons.

17. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, excluding its conflict of law provisions. The parties further submit to and waive any objections to personal jurisdiction of and venue in any of the following forums: U.S. District Court for the Northern District of California, California Superior Court for Santa Clara County, Santa Clara County Municipal Court, or any other forum in Santa Clara County, for any disputes arising out of this Agreement.

18. Government End Users. Certain Apple Confidential Information may be considered "Commercial Items", as that term is defined at 48 C.F.R. §2.101, consisting of "Commercial Computer Software" and "Commercial Computer Software Documentation", as such terms are used in 48 C.F.R. §12.212 or 48 C.F.R. §227.7202, as applicable. Consistent with 48 C.F.R. §12.212 or 48 C.F.R. §227.7202-1 through 227.7202-4, as applicable, the Commercial Computer Software and Commercial Computer Software Documentation are being licensed to U.S. Government end users (a) only as Commercial Items and (b) with only those rights as are granted to all other end users pursuant to the terms and conditions herein. Unpublished-rights reserved under the copyright laws of the United States.

19. Miscellaneous. No delay or failure to take action under this Agreement will constitute a waiver unless expressly waived in writing, signed by a duly authorized representative of Apple, and no single waiver will constitute a continuing or subsequent waiver. This Agreement will bind your successors but may not be assigned, in whole or part, by you without the written approval of an authorized representative of Apple. Any nonconforming assignment shall be null and void. If any provision is found to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior or contemporaneous understandings regarding such subject matter. No addition to or removal or modification of any of the provisions of this Agreement will be binding upon Apple unless made in writing and signed by an authorized representative of Apple. The parties hereto confirm that they have requested that this Agreement and all attachments and related documents be drafted in English. Les parties ont exigé que le présent contrat et tous les documents connexes soient rédigés en anglais.

EA0588
Rev. 3/1/10

Exhibit 4.17

Google Play Developer Distribution Agreement

Last modified: 25 September 2014 (view archived version)

Definitions

Authorised Operator: A mobile network operator who is authorised to receive a distribution fee for Products that are sold to users of Devices on its network.

Brand Features: The trade names, trademarks, service marks, logos, domain names and other distinctive brand features of each party, respectively, as owned (or licensed) by such party from time to time.

Developer or You: Any person or company who is registered and approved by the Store to distribute Products in accordance with the terms of this Agreement.

Developer Account: A publishing account issued to Developers, which enables the distribution of Products via the Store.

Developer Console : The console or other online tool provided by Google to developers to manage the distribution of Products and related administrative functions.

Device: Any device that can access the Store, as defined herein.

Google: Google Inc., a Delaware corporation with principal place of business at 1600 Amphitheatre Parkway, Mountain View, CA 94043, United States; Google Ireland Limited, a company incorporated in Ireland with principal place of business at Gordon House, Barrow Street, Dublin 4, Ireland; Google Commerce Limited, a company incorporated in Ireland with principal place of business at Gordon House, Barrow Street, Dublin 4, Ireland; and Google Asia Pacific Pte. Limited, a company incorporated in Singapore with principal place of business at 8 Marina View, Asia Square 1 #30-01, Singapore 018960.

Payment Account: A financial account issued by a Payment Processor to a Developer that authorises the Payment Processor to collect and remit payments on the Developer's behalf for Products sold via the Store. Developers must be approved by a Payment Processor for a Payment Account and maintain their account in good standing to charge for Products distributed in the Store.

Payment Processor(s) : As specified and designated in the Developer Programme Policies, a party authorised by Google to provide services that enable Developers with Payment Accounts to charge users for Products distributed via the Store.

Products: Software, content and digital materials distributed via the Store.

Store: The marketplace that Google has created and operates, which allows registered Developers in certain countries to distribute Products directly to users of Devices.

1. Introduction

1.1 The Store is a publicly available site where Developers can distribute Products for Devices. In order to distribute Products on the Store, you must acquire and maintain a valid Developer Account.

1.2 If you want to charge a fee for your Products, you must also acquire and maintain a valid Payment Account from an authorised Payment Processor.

2. Accepting this Agreement

2.1 This agreement ("Agreement") forms a legally binding contract between you and Google in relation to your use of the Store to distribute Products. You acknowledge that Google will, solely on your behalf, and not on Google's behalf, display and make Products available for download and purchase by users. In order to use the Store to distribute Products, you must accept this Agreement and provide complete and accurate information in the Developer Console. You may not distribute Products on the Store if you do not accept this Agreement.

2.2 You may not use the Store to distribute Products and may not accept the Agreement unless you are verified as a Developer in good standing. This Agreement will automatically terminate if you are (a) not a Developer in good standing, or (b) a person or entity that is barred from using Android software under the laws of the United States or other countries, including the country in which you are a resident or from which you use the Android software.

2.3 If you agree to be bound by this Agreement on behalf of your employer or any other entity, you represent and warrant that you have full legal authority to bind your employer or such entity to this Agreement. If you do not have the requisite authority, you may not accept the Agreement or use the Store on behalf of your employer or any other entity.

3. Pricing and Payments

3.1 This Agreement covers both Products you choose to distribute for free and Products for which you charge a fee. In order to charge a fee for your Products, you must have a valid Payment Account under a separate agreement with a Payment Processor. If you have an existing Payment Account with a Payment Processor before signing up for the Store, then the terms of that agreement will apply except in the event of a conflict with this Agreement (in which case the terms of this Agreement shall apply).

3.2 Products are displayed to users on your behalf, at prices that you establish at your sole discretion. Google may include applicable taxes in the price charged to users on the Store. You may set the price for your Products in the currencies permitted by the Payment Processor. Google may display the price of Products to users in their native currency, but it is not responsible for the accuracy of currency rates or currency conversion.

3.3 You are the merchant of record for Products you sell through the Store. The price you set for Products will determine the amount of payment you will receive. A Transaction Fee, as defined below, will be charged on the sales price and apportioned to the Payment Processor and, if one exists, the Authorised Operator. Where either Google, the Payment Processor or the Authorised Operator are required by applicable (local) legislation to withhold any taxes ("Withholding Taxes") on payments made or received by anyone of them, Google will also deduct an amount equal to such Withholding Taxes from the sales

price. For the avoidance of doubt, Withholding Taxes include, but are not limited to, withholding tax obligations on cross-border payments or imposed by telecommunications taxes. The remainder (sales price less Transaction Fee, and less the amount equal to any Withholding Taxes) will be remitted to you. The “Transaction Fee” is set forth hereand may be revised by Google from time to time. You are responsible for providing any applicable tax residency certificates to Google. If Google or its service provider does not receive such documentation, Google will withhold at the domestic withholding tax rate.

3.4 Developer is responsible for determining if a Product is taxable and the applicable tax rate for the Payment Processor to collect for each taxing jurisdiction where Products are sold. The Developer is responsible for remitting taxes to the appropriate taxing authority. Where Google, the Payment Processor or the Authorised Operator is required by applicable (local) legislation to determine, apply and pay the applicable tax rate, Google, the Payment Processor or the Authorised Operator (and not Developer) will be responsible for applying and collecting and remitting the taxes to the appropriate taxing authority. If Google collects and remits value-added taxes on customer payments (where required of Google by applicable local law) and this remittance fulfils the applicable requirements for value-added taxes on those customer payments, such taxes will not be passed on to Developer by Google. Where Google is required to collect and remit taxes as described in this section, Developer and Google will recognise a supply from Developer to Google for tax purposes, and developer will comply with the relevant tax obligations arising from this additional supply.

3.5 You may also choose to distribute Products for free. If the Product is free, you will not be charged a Transaction Fee. You may not start charging a user for a Product that was initially free unless the charge correlates with an alternative version of the Product. The Payment Processor must process all fees that a Developer receives for any version of a Product distributed via the Store.

3.6 **You Support Your Product.** Buyers are instructed to contact the developer concerning any defects or performance issues in applications downloaded and installed from the Google Play Store. You will be solely responsible for, and Google will have no responsibility to undertake or handle, support and maintenance of your Products and any complaints about your Products. You must supply and maintain valid and accurate contact information that will be displayed in each application detail page on the Store and made available to users for customer support and legal purposes. For paid Products or in-app transactions, you must respond to customer support inquiries within three (3) working days, and within 24 hours to any support or Product concerns stated to be urgent by Google. Failure to provide adequate information or support for your Products may result in low Product ratings, less prominent product exposure, low sales, billing disputes or removal from the Store.

3.7 **Authority to Refund** . You authorise Google to give the buyer a full refund of the price of a Product or in-app transaction on your behalf if the buyer requests the refund at any time within 48 hours after purchase. In all other respects, the Payment Processor’s standard terms and conditions regarding refunds will apply. User refunds may be exclusive of taxes previously charged to users for Product purchases. Except in cases when multiple disputes are initiated by a user, billing disputes for Products sold for less than USD $10, and any handling fees charged by the Payment Processor, may be automatically charged back to the Developer except in cases when Google determines at its sole discretion that the user initiating the dispute has an abnormal dispute history. Chargeback requests for Products of USD $10 or more will be handled in accordance with the Payment Processor’s standard policy.

3.8 **Reinstalls.** Users are allowed unlimited reinstalls of each Product distributed via the Store, provided however that if you remove a Product (s) from the Store pursuant to clauses (i), (ii), (iii) or (iv) of Section 7.1, such Product(s) shall be removed from all portions of the Store and users shall no longer have a right or ability to reinstall the affected Products.

4. Use of the Store by You

4.1 Except for the licence rights granted by you in Section 5 below, Google agrees that it obtains no right, title or interest from you (or your licensors) under this Agreement in or to any of Products, including any intellectual property rights which subsist in those Products.

4.2 You agree to use the Store only for purposes that are permitted by (a) this Agreement and (b) any applicable law, regulation or generally accepted practices or guidelines in the relevant jurisdictions (including any laws regarding the export of data or software to and from the United States or other relevant countries).

4.3 You agree that if you use the Store to distribute Products, you will protect the privacy and legal rights of users. If the users provide you with, or your Product accesses or uses, user names, passwords or any other login information or personal information, you must make the users aware that the information will be available to your Product and you must provide a legally adequate privacy notice and protection for those users. Furthermore, your Product may only use that information for the limited purposes for which the user has given you permission to do so. If your Product stores personal or sensitive information provided by users, it must do so securely and only for as long as it is needed. But if the user has opted into a separate agreement with you that allows you or your Product to store or use personal or sensitive information directly related to your Product (not including other products or applications) then the terms of that separate agreement will govern your use of such information. If the user provides your Product with Google Account information, your Product may only use that information to access the user's Google Account when, and for the limited purposes for which, the user has given you permission to do so.

4.4 **Prohibited Actions.** You agree that you will not engage in any activity with the Store, including the development or distribution of Products, that interferes with, disrupts, damages or accesses in an unauthorised manner the devices, servers, networks or other properties or services of any third party including, but not limited to, Android users, Google or any mobile network operator. You may not use customer information obtained from the Store to sell or distribute Products outside of the Store.

4.5 **Alternative Stores.** You may not use the Store to distribute or make available any Product which has a purpose that facilitates the distribution of software applications and games for use on Android devices outside of the Store.

4.6 You agree that you are solely responsible for (and that Google has no responsibility to you or to any third party for) any Products you distribute through the Store including use of any Google Play Store APIs and for the consequences of your actions (including any loss or damage which Google may suffer) by doing so. These consequences include, but are not limited to, product liability, consumer protection and/or intellectual property claims relating to your products.

4.7 You agree that you are solely responsible for (and that Google has no responsibility to you or to any third party for) any breach of your obligations under this Agreement, any applicable third-party contract or terms of service or any applicable law or regulation and for the consequences (including any loss or damage which Google or any third party may suffer) of any such breach.

4.8 **Product Ratings.** The Store will allow users to rate and review Products. Only users who download the applicable Product will be able to rate and review it on the Store. Product ratings may be used to determine the placement of Products on the Store, subject to Google's ability to change placement at Google's sole discretion. The Store may also assign you a composite score for any Product that has not received user ratings. A Developer Composite Score will be a representation of the quality of your Product based on your history and will be determined at Google's sole discretion. For new Developers without Product history, Google may use or publish performance measurements such as uninstall and/or refund rates to identify or remove Products that do not meet acceptable standards, as determined by Google. Google reserves the right to display Products to users in a manner that will be determined at Google's sole discretion.

Your Products may be subject to user ratings to which you may not agree. You may contact Google if you have any questions or concerns regarding such ratings.

4.9 **Marketing Your Product.** You will be responsible for uploading your Products to the Store, providing required Product information and support to users, and accurately disclosing the security permissions necessary for the Product to function on user Devices. Products that are not uploaded in accordance with this clause will not be published in the Store.

4.10 Restricted Content. Any Product you distribute on the Store must adhere to the Developer Programme Policies.

5. Licence Grants

5.1 You grant to Google a non-exclusive, worldwide and royalty-free licence to: reproduce, perform, display and use the Products for administrative and demonstration purposes in connection with (i) the operation and marketing of the Store; (ii) the marketing of devices and services that support the use of the Products and (iii) making improvements to the Android platform.

5.2 You grant to Google a non-exclusive and royalty-free licence to distribute the Products in the manner indicated in the Developer Console.

5.3 Google may use consultants and other contractors in connection with the performance of obligations and exercise of rights under this agreement, provided that such consultants and contractors are subject to the same obligations as Google. After termination of this Agreement, Google will not distribute your Product, but may retain and use copies of the Product for support of the Store and the Android platform.

5.4 You grant to the user a non-exclusive, worldwide and perpetual licence to perform, display and use the Product on the Device. If you choose, you may include a separate end user licence agreement (EULA) in your Product that will govern the user's rights to the Product in lieu of the previous sentence.

5.5 You represent and warrant that you have all the intellectual property rights, including all necessary patents, trademarks, trade secrets, copyrights or other proprietary rights, in and to the Product. If You use third-party materials, you represent and warrant that you have the right to distribute the third-party material in the Product. You agree that you will not submit material to Store that is copyrighted, protected by trade secret or otherwise subject to third-party proprietary rights, including patent, privacy and publicity rights, unless you are the owner of such rights or have permission from their rightful owner to submit the material.

6. Brand Features and Publicity

6.1 Each party shall own all right, title and interest, including without limitation all intellectual property rights, relating to its Brand Features. With the exception of the limited extent expressly provided in this Agreement, neither party grants, nor shall the other party acquire, any rights, title or interest (including, without limitation, any implied licence) in or to any Brand Features of the other party. Subject to the terms and conditions of this Agreement, Developer grants to Google and its affiliates a limited, non-exclusive, royalty-free licence during the term of this Agreement to display Developer Brand Features, submitted by Developer to Google, for use solely online or on mobile devices and in either case solely in connection with the distribution and sale of Developer's Product through the Store, or to otherwise fulfil its obligations under this Agreement. If Developer discontinues the distribution of specific Products on the Store, Google will cease use of the discontinued Products' Brand Features pursuant to this Section 6.1, except as necessary to allow Google to effectuate Section 3.8. Nothing in this Agreement gives Developer a right to use any of Google's trade names, trademarks, service marks, logos, domain names or other distinctive brand features.

6.2 **Publicity.** In addition to the licence granted in 6.1 above, for purposes of marketing the presence, distribution and sale of the Developer's Product in the Store and its availability for use on devices and through other Google services, Google and its affiliates may include Developer Brand Features, submitted by Developer to Google: (i) within the Store and in any Google-owned online or mobile properties; (ii) in online, mobile, television, out of home (e.g. billboard), and print advertising formats outside the Store when mentioned along with other Store Products; (iii) when making announcements of the availability of the Product; (iv) in presentations; and (v) in customer lists which appear either online or on mobile devices (which includes, without limitation, customer lists posted on Google websites). If Developer discontinues the distribution of specific Products on the Store, Google will cease further use of the discontinued Products' Brand Features for such marketing purposes. Google grants to Developer a limited, non-exclusive, worldwide, royalty-free licence to use the Android Brand Features for the term of this Agreement solely for marketing purposes and only in accordance with the Android Brand Guidelines).

7. Product Takedowns

7.1 **Your Takedowns.** You may remove your Products from future distribution via the Store at any time, but you must comply with this Agreement and the Payment Processor's Payment Account terms of

service for any Products distributed through the Store, including but not limited to refund requirements. Removing your Products from future distribution via the Store does not (a) affect the licence rights of users who have previously purchased or downloaded your Products, (b) remove your Products from Devices or from any part of the Store where previously purchased or downloaded applications are stored on behalf of users, or (c) change your obligation to deliver or support Products or services that have been previously purchased or downloaded by users. Notwithstanding the foregoing, in no event will Google maintain on any portion of the Store (including, without limitation, the part of the Store where previously purchased or downloaded applications are stored on behalf of users) any Product that you have removed from the Store and provided written notice to Google that such removal was due to (i) an allegation of infringement, or actual infringement, of any copyright, trademark, trade secret, trade dress, patent or other intellectual property right of any person, (ii) an allegation of defamation or actual defamation, (iii) an allegation of violation, or actual violation, of any third-party's right of publicity or privacy, or (iv) an allegation or determination that such Product does not comply with applicable law.

If you remove a Product from the Store pursuant to clauses (i), (ii), (iii) or (iv) of this Section 7.1, and an end user purchased such Product within a year before the date of takedown, at Google's request, you must refund to the affected end user all amounts paid by such end user for such affected Product, less the portion of the Transaction Fee specifically allocated to the credit card/payment processing for the associated transaction.

7.2 **Google Takedowns.** While Google does not undertake an obligation to monitor the Products or their content, if Google is notified by you or otherwise becomes aware and determines at its sole discretion that a Product or any portion thereof, or your Brand Features; (a) violates the intellectual property rights or any other rights of any third party; (b) violates any applicable law or is subject to an injunction; (c) is pornographic, obscene or otherwise violates Google's hosting policies or other terms of service as may be updated by Google from time to time at its sole discretion; (d) is being distributed by you improperly; (e) may create liability for Google or Authorised Operators; (f) is deemed by Google to have a virus or is deemed to be malware, spyware or have an adverse impact on Google's or an Authorised Operator's network; (g) violates the terms of this Agreement or the Developer Programme Policies for Developers; or (h) the display of the Product is impacting the integrity of Google servers (i.e. users are unable to access such content or otherwise experience difficulty), Google may remove the Product from the Store or reclassify the Product at its sole discretion. Google reserves the right to suspend and/or bar any Developer from the Store at its sole discretion. If your Product contains elements that could cause serious harm to user devices or data, Google may at its discretion disable the Product or remove it from devices on which it has been installed. Google may suspend or terminate distribution of your Products if you materially breach the terms of any non-disclosure agreement or other agreement relating to the Store or the Android platform.

Google enters into distribution agreements with device manufacturers and Authorised Operators to place the Store software client application for the Store on Devices. These distribution agreements may require the involuntary removal of Products in violation of the Device Manufacturer's or Authorised Operator's terms of service.

In the event that your Product is involuntarily removed because it is defective, malicious, infringes the intellectual property rights of another person, defames, violates a third party's right of publicity or privacy

or does not comply with applicable law and an end user has purchased such Product within a year before the date of the removal: (i) you must refund to Google all amounts received, plus any associated fees (i.e. chargebacks and payment transaction fees) and (ii) Google may, at its sole discretion, withhold from your future sales the amount in sub-section (i) above.

8. Your Developer Credentials

8.1 You agree that you are responsible for maintaining the confidentiality of any developer credentials that Google may issue to you or which you may choose yourself and that you will be solely responsible for all Products that are developed under your developer credentials. Google may limit the number of Developer Accounts issued to you or to the company or organisation for which you work.

9. Privacy and Information

9.1 In order to continually innovate and improve the Store, Google may collect certain usage statistics from the Store and Devices, including but not limited to, information on how the Store and Devices are being used.

9.2 The data collected is examined in the aggregate to improve the Store for users and Developers and is maintained in accordance with Google's Privacy Policy. To ensure the improvement of Products, limited aggregate data may be available to you upon written request.

10. Terminating this Agreement

10.1 This Agreement will continue to apply until terminated by either you or Google as set out below.

10.2 If you want to terminate this Agreement, you must provide Google with thirty (30) days' prior written notice (unless this Agreement is terminated under Section 14.1) and cease your use of any relevant developer credentials.

10.3 Google may at any time, terminate this Agreement with you if:

(A) you have breached any provision of this Agreement or

(B) Google is required to do so by law or

(C) you cease being an Authorised Developer or

(D) Google decides to no longer provide the Store.

11. DISCLAIMER OF WARRANTIES

11.1 YOU EXPRESSLY UNDERSTAND AND AGREE THAT YOUR USE OF THE STORE IS AT YOUR SOLE RISK AND THAT THE STORE IS PROVIDED "AS IS" AND "AS AVAILABLE" WITHOUT WARRANTY OF ANY KIND.

11.2 YOUR USE OF THE STORE AND ANY MATERIAL DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE STORE IS AT YOUR OWN DISCRETION AND RISK AND YOU ARE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR OTHER DEVICE OR LOSS OF DATA THAT RESULTS FROM SUCH USE.

11.3 GOOGLE FURTHER EXPRESSLY DISCLAIMS ALL WARRANTIES AND CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

12. LIMITATION OF LIABILITY

12.1 YOU EXPRESSLY UNDERSTAND AND AGREE THAT GOOGLE, ITS SUBSIDIARIES AND AFFILIATES, AND ITS LICENSORS SHALL NOT BE LIABLE TO YOU UNDER ANY THEORY OF LIABILITY FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL CONSEQUENTIAL OR EXEMPLARY DAMAGES THAT MAY BE INCURRED BY YOU, INCLUDING ANY LOSS OF DATA, WHETHER OR NOT GOOGLE OR ITS REPRESENTATIVES HAVE BEEN ADVISED OF, OR SHOULD HAVE BEEN AWARE OF, THE POSSIBILITY OF ANY SUCH LOSSES ARISING.

13. Indemnification

13.1 To the maximum extent permitted by law, you agree to defend, indemnify and hold harmless Google, its affiliates and their respective directors, officers, employees and agents, and Authorised Operators from and against any and all third-party claims, actions, suits or proceedings, as well as any and all losses, liabilities, damages, costs and expenses (including reasonable solicitor's fees) arising out of or accruing from (a) your use of the Store in violation of this Agreement, and (b) your Product that infringes any copyright, trademark, trade secret, trade dress, patent or other intellectual property right of any person or defames any person or violates their rights of publicity or privacy.

13.2 To the maximum extent permitted by law, you agree to defend, indemnify and hold harmless the applicable Payment Processors (which may include Google and/or third parties) and the Payment Processors' affiliates, directors, officers, employees and agents from and against any and all third-party claims, actions, suits or proceedings, as well as any and all losses, liabilities, damages, costs and expenses (including reasonable solicitor's fees) arising out of or accruing from taxes related to Your distribution of Products distributed via the Store.

14. Changes to the Agreement

14.1 Google may make changes to this Agreement at any time by sending the Developer notice by email describing the modifications made. Google will also post a notification on this page and/or on the Developer Console describing the modifications made. You should look at the Agreement, and check for notice of any changes, regularly. Changes will not be retroactive. They will become effective, and will be deemed accepted by Developer, (a) immediately for those who become Developers after the notification is posted, or (b) for pre-existing Developers, on the date specified in the notice, which will be no sooner than 30 days after the changes are posted (except changes required by law which will be effective immediately). If you do not agree with the modifications to the Agreement, you must terminate your use of the Store, which will be your sole and exclusive remedy. You agree that your continued use of the Store constitutes your agreement to the modified terms of this Agreement.

15. General legal terms

15.1 This Agreement constitutes the whole legal agreement between you and Google and governs your use of the Store, and completely replaces any prior agreements between you and Google in relation to the Store.

15.2 You agree that if Google does not exercise or enforce any legal right or remedy which is contained in this Agreement (or which Google has the benefit of under any applicable law), this will not be taken to be a formal waiver of Google's rights and that those rights or remedies will still be available to Google.

15.3 If any court of law, having the jurisdiction to decide on this matter, rules that any provision of this Agreement is invalid, then that provision will be removed from this Agreement without affecting the rest of this Agreement. The remaining provisions of this Agreement will continue to be valid and enforceable.

15.4 You acknowledge and agree that each member of the group of companies of which Google is the parent shall be third-party beneficiaries to this Agreement and that such other companies shall be entitled to directly enforce, and rely upon, any provision of this Agreement that confers a benefit on (or rights in favour of) them. Other than this, no other person or company shall be third-party beneficiaries of this Agreement.

15.5 EXPORT RESTRICTIONS. PRODUCTS ON THE STORE MAY BE SUBJECT TO UNITED STATES EXPORT LAWS AND REGULATIONS. YOU MUST COMPLY WITH ALL DOMESTIC AND INTERNATIONAL EXPORT LAWS AND REGULATIONS THAT APPLY TO YOUR DISTRIBUTION OR USE OF PRODUCTS. THESE LAWS INCLUDE RESTRICTIONS ON DESTINATIONS, USERS AND END USE.

15.6 The rights granted in this Agreement may not be assigned or transferred by either you or Google without the prior written approval of the other party. Neither you nor Google shall be permitted to delegate the responsibilities or obligations under this Agreement without the prior written approval of the other party.

15.7 All claims arising out of or relating to this Agreement or your relationship with Google under this Agreement, shall be governed by the laws of the State of California excluding California's conflict of laws provisions. You and Google further agree to submit to the exclusive jurisdiction of the federal or state courts located within the county of Santa Clara, California to resolve any legal matter arising from, or relating to this Agreement or your relationship with Google under this Agreement, except that you agree that Google shall be allowed to apply for injunctive relief in any jurisdiction.

15.8 The obligations in Sections 5, 6.1 (solely as necessary to permit Google to effectuate Section 3.8), 7, 11, 12, 13 and 15 will survive any expiration or termination of this Agreement.



Google Play Developer Program Policies

The policies listed below play an important role in maintaining a positive experience for everyone using Google Play. Defined terms used here have the same meaning as in the Developer Distribution Agreement . Be sure to check back from time to time, as these policies may change.

Content Policies

Our content policies apply to any content your app displays or links to, including any ads it shows to users and any user-generated content it hosts or links to. Further, they apply to any content from your developer account which is publicly displayed in Google Play, including your developer name and the landing page of your listed developer website. In addition to complying with these policies, the content of your app must be rated in accordance with our Content Rating Guidelines .

- **Sexually Explicit Material:** Apps that contain or promote pornography are prohibited; this includes sexually explicit or erotic content, icons, titles, or descriptions. Google has a zero-tolerance policy against child sexual abuse imagery. If we become aware of content with child sexual abuse imagery, we will report it to the appropriate authorities and delete the Google Accounts of those involved with the distribution.
- **Violence and Bullying:** Depictions of gratuitous violence are not allowed. Apps should not contain materials that threaten, harass or bully other users.
- **Hate Speech:** We don't allow content advocating against groups of people based on their race or ethnic origin, religion, disability, gender, age, veteran status, or sexual orientation/gender identity.
- **Impersonation or Deceptive Behavior:** Don't pretend to be someone else, and don't represent that your app is authorized by or produced by another company or organization if that is not the case. Products or the ads they contain also must not mimic functionality or warnings from the operating system or other apps. Products must not contain false or misleading information in any content, title, icon, description, or screenshots. Developers must not divert users or provide links to any other site that mimics or passes itself off as another app or service. Apps must not have names or icons that appear confusingly similar to existing products, or to apps supplied with the device (such as Camera, Gallery or Messaging).
- **Intellectual Property:** Don't infringe on the intellectual property rights of others, (including patent, trademark, trade secret, copyright, and other proprietary rights), or encourage or induce infringement of intellectual property rights. We will respond to clear notices of alleged copyright infringement. For more information or to file a DMCA request, please visit our copyright procedures .
- **Personal and Confidential Information:** We don't allow unauthorized publishing or disclosure of people's private and confidential information, such as credit card numbers, government identification numbers, driver's and other license numbers, non-public contacts, or any other information that is not publicly accessible.

- **Illegal Activities:** Keep it legal. Don't engage in unlawful activities on this product, such as the sale of prescription drugs without a prescription.
- **Gambling:** We don't allow content or services that facilitate online gambling, including but not limited to, online casinos, sports betting and lotteries, or games of skill that offer prizes of cash or other value.
- **Dangerous Products:** We don't allow content that harms, interferes with the operation of, or accesses in an unauthorized manner, networks, servers, or other infrastructure.
    - Don't transmit or link to viruses, worms, defects, Trojan horses, malware, or any other items that may introduce security vulnerabilities to or harm user devices, apps, or personal data.
    - Apps that collect information (such as the user's location or behavior) without the user's knowledge (spyware) are prohibited.
    - Malicious scripts and password phishing scams are also prohibited on Google Play, as are apps that cause users to unknowingly download or install apps from sources outside of Google Play.
    - An app downloaded from Google Play may not modify, replace or update its own APK binary code using any method other than Google Play's update mechanism.
- **System Interference:**
    - An app downloaded from Google Play (or its components or derivative elements) must not make changes to the user's device outside of the app without the user's knowledge and consent.
    - This includes behavior such as replacing or reordering the default presentation of apps, widgets, or the settings on the device. If an app makes such changes with the user's knowledge and consent, it must be clear to the user which app has made the change and the user must be able to reverse the change easily, or by uninstalling the app altogether.
    - Apps and their ads must not modify or add browser settings or bookmarks, add homescreen shortcuts, or icons on the user's device as a service to third parties or for advertising purposes.
    - Apps and their ads must not display advertisements through system level notifications on the user's device, unless the notifications derive from an integral feature provided by the installed app (e.g., an airline app that notifies users of special deals, or a game that notifies users of in-game promotions).
    - Apps must not encourage, incentivize, or mislead users into removing or disabling third-party apps except as part of a security service provided by the app.

Network Usage and Terms

Apps must not create unpredictable network usage that has an adverse impact on a user's service charges or an Authorized Carrier's network. Apps also may not knowingly violate an Authorized Carrier's terms of service for allowed usage or any Google terms of service.

Spam and Placement in the Store

Developers are important partners in maintaining a great user experience on Google Play.

- Do not post repetitive content.
- Do not use irrelevant, misleading, or excessive keywords in apps descriptions, titles, or metadata.
- Developers must not attempt to change the placement of any Product in the Store, or manipulate any product ratings or reviews by unauthorized means such as fraudulent installs, paid or fake reviews or ratings, or by offering incentives to rate products.
- Apps that are created by an automated tool or wizard service must not be submitted to Google Play by the operator of that service on behalf of other persons.
- Do not post an app where the primary functionality is to:
    - Drive affiliate traffic to a website or
    - Provide a webview of a website not owned or administered by you (unless you have permission from the website owner/administrator to do so)
- Do not send SMS, email, or other messages on behalf of the user without providing the user with the ability to confirm content and intended recipient.

App Promotion

Apps published on Google Play may not directly or indirectly engage in or benefit from the following behavior:

- Promotion via deceptive ads on websites, apps or other properties, including simulated system, service, or app notifications or alerts.
- Promotion or install tactics which cause redirection to Google Play or the download of the app without informed user action.
- Unsolicited promotion via SMS services.

It is your responsibility to ensure that no ad network or affiliate uses such methods to direct users to pages that make your app available for download.

Paid and Free Apps

- **App purchases:** Developers charging for apps and downloads from Google Play must do so by using Google Play's payment system.
- **In-app purchases:**
    - Developers offering virtual goods or currencies within a game downloaded from Google Play must use Google Play's in-app billing service as the method of payment.
    - Developers offering additional content, services or functionality within another category of app downloaded from Google Play must use Google Play's in-app billing service as the method of payment, except:
        - where payment is primarily for physical goods or services (e.g., buying movie tickets, or buying a publication where the price also includes a hard copy subscription); or
        - where payment is for digital content or goods that may be consumed outside of the app itself (e.g., buying songs that can be played on other music players).
- Developers must not mislead users about the apps they are selling nor about any in-app services, goods, content or functionality they are selling. If your product description on Google Play refers to in-app features to which a specific or additional charge applies, your description must clearly notify users that payment is required to access those features.

Subscriptions and Cancellations

Google's subscription cancellation policy is that a user will not receive a refund for the current billing period when canceling a subscription, but will continue to receive issues and updates of the relevant subscription content (if any) for the remainder of the billing period, regardless of the cancellation. You (as the content or access provider) may implement a more flexible refund policy with your users directly, and it is your responsibility to notify your users of those policies and ensure that the policies comply with applicable law.

Ad Policy

The policy below covers all ads that are implemented in and bundled with apps. These rules are important in maintaining a positive experience for everyone using Android apps from Google Play. Be sure to check back from time to time, as these policies may change.

1. **Developer Terms apply to the entire user experience of your app**

   Please be aware that Google's Developer Distribution Agreement and Developer Program Policies (together, "Developer Terms") apply to each app as well as any ads or third-party libraries bundled or made available through the app. Offer your users a consistent, policy compliant, and well communicated user experience.

   Ads are considered part of your app for purposes of content review and compliance with the Developer Terms. Therefore all of the policies referenced above also apply. Please take care to use advertising which does not violate the Developer Terms.

   Ads which are inconsistent with the app's content rating also violate our Developer Terms.

2. **Ads Context**

   Ads must not simulate or impersonate the user interface of any app, or notification and warning elements of an operating system. It must be clear to the user which app each ad is associated with or implemented in.

3. **Ad Walls and Interstitial Ads**

   Interstitial ads may only be displayed inside of the app they came with. Forcing the user to click on ads or submit personal information for advertising purposes in order to fully use an app is prohibited. A prominent and accessible target must be made available to users in any interstitial ad so they may dismiss the ad without penalty or inadvertent click-through.

4. **Interfering with Apps and Third-party Ads**

   Ads associated with your app must not interfere with other apps or their ads.

5. **Usage of Android advertising ID**

Google Play Services version 4.0 introduced new APIs and an ID for use by advertising and analytics providers. Terms for the use of these APIs and ID are below.

- **Usage** . The Android advertising identifier must only be used for advertising and user analytics. The status of the "Opt out of Interest-based Advertising" setting must be verified on each access of the ID.
- **Association with personally-identifiable information or other identifiers** . The advertising identifier must not be connected to personally-identifiable information or associated with any persistent device identifier (for example: SSAID, MAC address, IMEI, etc.,) without the explicit consent of the user.
- **Respecting users' selections** . Upon reset, a new advertising identifier must not be connected to a previous advertising identifier or data derived from a previous advertising identifier without the explicit consent of the user. Furthermore, you must abide by a user's "opt out of interest-based advertising" setting. If a user has enabled this setting, you may not use the advertising identifier for creating user profiles for advertising purposes or for targeting users with interest-based advertising. Allowed activities include contextual advertising, frequency capping, conversion tracking, reporting and security and fraud detection.
- **Transparency to users** . The collection and use of the advertising identifier and commitment to these terms must be disclosed to users in a legally adequate privacy notification.
- **Abiding by the terms of use** . The advertising identifier may only be used in accordance with these terms, including by any party that you may share it with in the course of your business. Beginning August 1st 2014, all updates and new apps uploaded to the Play Store must use the advertising ID (when available on a device) in lieu of any other device identifiers for any advertising purposes.

Policy Enforcement

In the event that your app is removed from Google Play, you will receive an email notification to that effect. If you have any questions or concerns regarding a removal or a rating/comment from a user, you may contact us at http://support.google.com/googleplay/android-developer. Serious or repeated violations of the Developer Distribution Agreement or this Content Policy will result in account termination. Repeated infringement of intellectual property rights, including copyright, will also result in account termination. For more information on Google's copyright policies, please see here .

Brand Guidelines

We encourage you to use the Android and Google Play brands with your Android app promotional materials. You can use the icons and other assets on this page provided that you follow the guidelines.

Use of the Android or Google Play brands must be reviewed by the Android Partner Marketing team. Use the Android and Google Play Brand Permissions Inquiry form to submit your marketing for review.

Android

The following are guidelines for the Android brand and related assets.

Android in text



- Android™ should have a trademark symbol the first time it appears in a creative.
- Android should always be capitalized and is never plural or possessive.
- "Android" cannot be used in names of applications or accessory products, including phones, tablets, TVs, speakers, headphones, watches, and other devices. Instead use "for Android".
    - Incorrect: "Android MediaPlayer"
    - Correct: "MediaPlayer for Android"

  If used with your logo, "for Android" should be no larger than 90% of your logo's size. First instance of this use should be followed by a TM symbol, "for Android™".
- Android may be used as a descriptor, as long as it is followed by a proper generic term. (Think of "Android" as a term used in place of "the Android platform.")
    - Incorrect: "Android MediaPlayer" or "Android XYZ app"
    - Correct: "Android features" or "Android applications"

Any use of the Android name needs to include this attribution in your communication:

Android is a trademark of Google Inc.

Android robot



100x118 | 200x237
Illustrator (.ai)

The Android robot can be used, reproduced, and modified freely in marketing communications. The color value for print is PMS 376C and the online hex color is#A4C639.

When using the Android Robot or any modification of it, proper attribution is required under the terms of the Creative Commons Attribution 3.0 license:

The Android robot is reproduced or modified from work created and shared by Google and used according to terms described in the Creative Commons 3.0 Attribution License.

You may not file trademark applications incorporating the Android robot logo or derivatives thereof within your company logo or business name. We want to ensure that the Android robot remains available for all to use.

Android logo



The Android logo may not be used.

The custom typeface may not be used.

Google Play

The following are guidelines for the Google Play brand and related assets.

Google Play in text

Always include a TM symbol on the first or most prominent instance of Google Play™ in text.

When referring to the mobile experience, use “Google Play” unless the text is clearly instructional for the user. For example, a marketing headline might read “Download our games on Google Play™,” but instructional text would read “Download our games using the Google Play™ store app.”

Any use of the Google Play name or icon needs to include this attribution in your communication:

Google Play is a trademark of Google Inc.



48x48 | 96x96
600x576

Google Play store icon

You may use the Google Play store icon, but you may not modify it.

As mentioned above, when referring to the Google Play store app in copy, use the full name: “Google Play store.” However, when labeling the Google Play store icon directly, it’s OK to use “Play Store” alone to accurately reflect the icon label as it appears on a device.

Google Play badge



129x45 | 172x60



129x45 | 172x60

The “Get it on Google Play” and “Android App on Google Play” logos are badges that you can use on your website and promotional materials, to point to your products on Google Play. Additional Google Play badge formats and badges for music, books, magazines, movies, and TV shows are also available. Use the Android and Google Play Brand Permissions Inquiry form to request those badges.

- Don’t modify the color, proportions, spacing, or any other aspect of the badge image.
- When used alongside logos for other application marketplaces, the Google Play logo should be of equal or greater size.
- When used online, the badge should link to either:
  - A list of products published by you, for example: http://play.google.com/store/search?q= *publisherName*
  - A specific app product details page within Google Play, for example: http://play.google.com/store/apps/details?id= *packageName*

To quickly create a badge that links to your apps on Google Play, use the Google Play badge generator (provides the badge in over 40 languages).

To create your own size, download an Adobe® Illustrator® (.ai) file for the Google Play badge in over 40 languages.

For details on all the ways that you can link to your product details page in Google Play, see Linking to your products.

Marketing Reviews and Brand Inquiries

Use the Android and Google Play Brand Permissions Inquiry form to submit any marketing reviews or brand inquires. Typical response time is at least one week.

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Facebook Platform Policy

Other Languages

1. Build a quality product

1. Build an app that is stable and easily navigable.
2. Ensure that your app's content (including ads and user-generated content) meets our Community Standards.
3. Follow our Advertising Guidelines for your app name, icons, and description.
4. Keep your app's description and categorization up-to-date.
5. Don't confuse, deceive, defraud, mislead, spam or surprise anyone.
6. Keep your app's negative feedback below our thresholds.
7. Follow any instructions we include in our technical documentation.

2. Give people control

1. Obtain consent from people before publishing content on their behalf.
2. Use publishing permissions to help people share on Facebook, not to send people messages from your app.
3. Don't prefill captions, comments, messages, or the user message parameter of posts with content a person didn't create, even if the person can edit or remove the content before sharing.
4. Provide a publicly available and easily accessible privacy policy that explains what data you are collecting and how you will use that data.
5. You may use Account Information in accordance with your privacy policy and other Facebook policies. All other data may only be used outside your app after you have obtained explicit user consent.
6. Include your privacy policy URL in the App Dashboard.
7. Link to your privacy policy in any app marketplace that allows you to.
8. Comply with your privacy policy.
9. Delete all of a person's data you have received from us (including friend data) if that person asks you to, unless you are required to keep it by law, regulation, or separate agreement with us. You may keep aggregated data only if no information identifying a specific person could be inferred or created from it.
10. Obtain consent from people before using their data in any ad.
11. Obtain consent from people before you give us information that you independently collected from them.
12. If you are tracking a person's activity, provide an opt-out from that tracking.
13. Provide meaningful customer support for your app, and make it easy for people to contact you.

14. If people come to your app from the Facebook app on iOS, give them an option to go back to the Facebook app by using the Back to Facebook banner provided in our SDK.

15. If people come to your app from the Facebook app on Android, don't prevent them from going back to Facebook when they press the system back button.

3. Protect data

1. Protect the information you receive from us against unauthorized access or use.

2. Only show data obtained from a user access token on the devices associated with that token.

3. Only use friend data (including friends list) in the person's experience in your app.

4. If you cache data you receive from us, use it to improve your app's user experience and keep it up to date.

5. Don't proxy, request or collect Facebook usernames or passwords.

6. Keep private your secret key and access tokens. You can share them with an agent acting to operate your app if they sign a confidentiality agreement.

7. If you use any partner services, make them sign a contract to protect any information you obtained from us, limit their use of that information, and keep it confidential.

8. Keep Facebook user IDs within your control. Contract with any providers who help you build or run your app to ensure that they keep the user IDs secure and confidential and comply with our policies. If you need an anonymous unique identifier to share with third parties, use our mechanism.

9. Don't sell, license, or purchase any data obtained from us or our services.

10. Don't transfer any data that you receive from us (including anonymous, aggregate, or derived data) to any ad network, data broker or other advertising or monetization-related service.

11. Don't put Facebook data in a search engine or directory, or include web search functionality on Facebook.

12. If you are acquired by or merge with a third party, you can continue to use our data only within your app.

13. If you stop using Platform, promptly delete all user data you have received from us (absent explicit consent from people). You can keep Account Information if you have presented your privacy policy within your app.

14. If you use friend data from Facebook to establish social connections in your app, only do so if each person in that connection has granted you access to that information.

4. Encourage proper use

1. Add something unique to the community. Don't replicate core functionality that Facebook already provides.

2. Respect the way Facebook looks and functions. Don't offer experiences that change it.

3. If you're building an app with a personalized or social experience, enable people to easily share on Facebook content they've created.

4. Respect the limits we've placed on Facebook functionality.

5. Only incentivize a person to log into your app, enter a promotion on your app's Page, or check-in at a place. Don't incentivize other actions.

6. Encourage people to accurately tag and share content.

7. If your service integrates a person's data into a physical product, only create a physical product for that person's personal and non-commercial use.

8. Don't build an app whose primary purpose is to redirect people off of Facebook.

9. If you want to use our logos or brand, follow the guidelines in the Facebook Brand Resource and Permissions Center. Ad networks and data brokers must get our written permission before using our Platform, logos, or trademarks.

10. Don't sell, transfer or sublicense our code, APIs, or tools to anyone.

11. Only use our SDKs to develop and distribute apps for use with the Facebook Platform. You may also distribute any code libraries or sample source code included in the SDKs for inclusion in such apps.

12. Don't modify, translate, create derivative works of, or reverse engineer any SDK or its components.

13. Be honest about your relationship with Facebook when talking to the press or users. Comply with our Developer PR Guidelines and get approval from us before issuing any formal press release or blog post mentioning Facebook.

14. If you use the Like button on iOS or Android, don't collect or use any information from it.

5. Follow the law

1. You are responsible for restricting access to your content in accordance with all applicable laws and regulations, including geo-filtering or age-gating access where required.

2. Don't provide or promote content that infringes upon the rights of any third party.

3. Ensure that you own or secure all rights necessary to display, distribute and deliver all content in your app.

4. Satisfy all licensing, reporting and payout obligations to third parties in connection with your app.

5. If your app contains content submitted or provided by third parties:

    a. In the United States, you must take all steps required to fall within the applicable safe harbors of the Digital Millennium Copyright Act including designating an agent to receive notices of claimed infringement, instituting a repeat infringer termination policy and implementing a notice and takedown process.

    b. In other countries, you must comply with local copyright laws and implement an appropriate notice and takedown process for when you receive a notice of claimed infringement.

6. Don't knowingly share information with us that you have collected from children under the age of 13.

7. Web sites or services directed to children under 13: If you use Social Plugins or our JavaScript SDK for Facebook on sites and services that are directed to children under 13, you are responsible for complying with all applicable laws. For example, if your web site or service is directed to children in the United States, or knowingly collects personal information from children in the United States, you must comply with the U.S. Children's Online Privacy Protection Act. You must also adhere to our usage notes.

8. Comply with all applicable laws and regulations in the jurisdiction where your app is available. Do not expose Facebook or people who use Facebook to harm or legal liability as determined by us in our sole discretion.

9. If applicable, comply with the Video Privacy Protection Act (VPPA) and obtain any opt-in consent necessary to share data on Facebook.

10. You agree to indemnify and hold us harmless from and against all damages, losses, and expenses of any kind (including reasonable legal fees and costs) related to any claim against us related to your service, actions, content or information.

6. Things you should know

1. We can analyze your app, content, and data for any purpose, including commercial.

2. We can monitor or collect data related to your use of SDKs.

3. We will use information we receive from you or in connection with your Platform integration in accordance with our Data Policy.

4. You give us all rights necessary to enable your app to work with Facebook, including the right to incorporate information you provide to us into other parts of Facebook, and the right to attribute the source of information using your name or logos.

5. We may share your contact info with people who want to contact you.

6. We may use your name, logos, content, and information, including screenshots and video captures of your app, to demonstrate or feature your use of Facebook, worldwide and royalty-free.

7. You give us the right to link to or frame your app, and place content, including ads, around your app. If you use our social plugins, feed dialog or share button, you also give us permission to use and allow others to use such links and content on Facebook.

8. We can audit your app to ensure it is safe and does not violate our Terms. If requested, you must provide us with proof that your app complies with our terms.

9. We can create apps or products that offer features and services similar to your app.

10. We don’t guarantee that Platform will always be free.

11. If you exceed 5M MAU, 100M API calls per day, or 50M impressions per day, you may be subject to additional terms.

12. Facebook and its licensors reserve all right, title and interest, including all intellectual property and other proprietary rights, in and to all SDKs.

13. Any SDKs you receive from us are provided to you on an “as is” basis, without warranty of any kind.

14. We can issue a press release describing our relationship with you.

15. We may enforce against your app or web site if we conclude that your app violates our terms or is negatively impacting the Platform. We may or may not notify you in advance.

16. Enforcement is both automated and manual, and can include disabling your app, restricting you and your app's access to platform functionality, requiring that you delete data, terminating our agreements with you or any other action that we deem appropriate.

17. We communicate with developers through Developer Alerts and email from the fb.com or facebookmail.com domain. Ensure that the email address associated with your Facebook account and the email address registered to the app are current and that you don't filter out these messages.

18. We may change these terms at any time without prior notice. Please check them regularly. Your continued use of Platform constitutes acceptance of those changes.

19. If you use Social Plugins, Facebook SDKs, or operate a Platform app or website, you must follow our Statement of Rights and Responsibilities and these additional rules unless you have our written permission to do otherwise.

7. Login

1. Verify that you have integrated Login correctly. Your app shouldn't crash or hang during the testing process.

2. Native iOS and Android apps that implement Facebook Login must use our official SDKs for login.

3. Use a clearly branded "Login with Facebook" button and follow the Facebook Brand Guidelines.

4. Request only the data and publishing permissions your app needs.

5. If a person declines a permission, you can prompt them again after they indicate an intent to grant you the permission.

6. Provide a "Log Out" option that functions properly and is easy to find.

8. Ads

1. If you have ads in your app on Facebook, comply with our Advertising Guidelines.

2. Avoid excessive ads. Don't let ads distract from your app's functionality.

3. Don't include ads in Page Tab apps.

4. If you use a third party ad provider to include ads in your app on Facebook, only use a provider from this list.

5. Don't include third-party ads (including for other apps) in posts, notifications, or requests.

6. Don't include or pair Platform Integrations with non-Facebook ads.

7. If you run a promotion, contest, competition, or sweepstake on Facebook, comply with our Promotions Policies.

9. Games

1. Games on Facebook.com:

    a. Don't share the same app ID with a desktop web game off of Facebook.com.

    b. Don't use your Facebook.com game or email addresses you've obtained from us to promote or link to a desktop web game off of Facebook.

c. Use Facebook Payments as your only payment method for all in-game purchases.

d. Use Facebook Payments offers if you reward people for actions involving third parties.

2. Desktop web games off Facebook.com:

a. Only use Facebook Login, social plugins, and publishing channels. Don't use connections such as friends lists.

b. During authentication, only request age, email, and publishing permissions.

3. Games on mobile:

a. Don't share the same app ID with a desktop web game off of Facebook.com.

b. Don't use your mobile game or email addresses you've obtained from us to promote or link to a web game off of Facebook.

4. If you want to promote online gambling, online real money games of skill, or online lotteries, first get our written permission.

5. If your game includes mandatory or optional in-app charges, explain this in your app's description.

10. Payments

1. If you use Facebook Payments, comply with the Facebook Developer Payments Terms.

2. Don't use Facebook Payments to solicit, collect or transfer funds for charitable causes without our prior permission.

3. If you're using iOS to run your app, use an iOS approved payment method.

4. If you accept payments on Facebook, only do so in your app.

11. App Center

1. Apps eligible for the Facebook App Center must use Facebook Login or have a Facebook Canvas or Page Tab app.

2. App Detail and Description:

a. Ensure the app's name and information are grammatically correct.

b. Ensure the app's language matches the App Center locale.

c. Don't include URLs or use the Facebook brand.

d. Don't include keyword lists, excessive punctuation, or non-standard symbols.

3. All Images:

a. Use high quality, relevant images that reflect the app experience.

b. Keep any image text concise. Don't obstruct images with text.

c. Don't include ads, URLs or gimmicks such as Play buttons.

4. Icons:
    a. Use a transparent or colored background. If your icon requires a white background, use a colored border.
    b. If your logo has a drop shadow, use a colored background.
5. Banners:
    a. Don’t include rounded edges or borders.
    b. Don’t include third party logos.
6. Videos:
    a. Display the app’s name.
    b. Clearly represent the purpose of the app and show accurate, relevant in-app experiences.
    c. Keep your video high-quality and high-resolution.
    d. Your video and its video cover image should be clear and recognizable. Don’t include ads.

12. Open Graph

1. Open Graph Custom Actions:
    a. Don’t recreate actions that are already supported.
    b. Write the action and object in a clear and simple way.
    c. Make sure the story is grammatically correct.
    d. Use English for your submission.
    e. Don’t indicate a person’s consumption, browsing, discovering, or viewing of content.
    f. Don’t indicate a person has installed, visited, or connected to your app.
2. Read and Watch Actions:
    a. Publish actions only after a person has been on a page for more than 10 seconds.
    b. Allow people to remove stories published to Facebook on the same page where the content is hosted.

13. Social Plugins

1. Don’t include or pair Platform Integrations with non-Facebook advertisements.
2. Don’t sell or purchase placement of social plugins or sharer.php.
3. Don’t participate in any “like” or “share” exchange programs.

4. Don’t obscure or cover elements of social plugins.

14. Ads API

1. Basic and Standard Ads API access may be downgraded to Development access after 30 days of non-use.

2. Don’t use the Ads API if you’re an ad network or data broker.

3. Don’t promote content, services, or activities contrary to our competitive position, interests, or advertising philosophy.

4. Don’t provide Partner Category targeting options that differ from those offered by Facebook.

5. Don’t combine multiple end-advertisers or their Facebook connections (i.e. Pages) in the same ad account.

6. Free or trial versions of an ads API app:

    a. Don’t allow more than 50 ad creations a day per customer.

    b. Require phone or email verification on new accounts.

    c. Don’t allow affiliate networks to use your technology.

7. Pricing transparency:

    a. Only charge fees for the use of your tools and managed services with a fixed fee or variable percentage of ad spend.

    b. Proactively disclose to end advertisers the amount that you spent on Facebook advertising, using Facebook metrics (e.g., CPC, CPM rate), separate from your fees.

    c. Disclose the amount you charged as fees on Facebook advertising.

    d. We may disclose fees or the amount you spent on Facebook advertising to your clients if they request it.

    e. We may require documentation from you to ensure your compliance with these terms.

    f. Don’t sell ads on a fixed CPM or CPC basis when using the Facebook advertising auction.

8. Data Collection and Use:

    a. If you have Standard Ads API access and our prior written permission, you can place 1x1 pixel view tags on advertisements.

    b. Ensure that any data that is collected is anonymous.

    c. Only use data from an end-advertiser’s campaign to optimize or measure the performance of that end-advertiser’s Facebook campaign.

    d. Don’t use data to retarget on or off of Facebook.

    e. Don’t mix data obtained from us with advertising campaigns on different platforms.

f. Don’t use data to build or augment any user profiles.

g. Don’t use piggybacking or redirects.

h. Don’t let people other than those acting on an end-advertiser’s behalf access Facebook ad statistics.

9. Implement all bidding types including Optimized CPM.

10. Custom Audiences:

a. If you use custom audiences, comply with the Custom Audience Terms.

b. Only use a client’s data when creating custom audiences on their behalf.

c. Only use a Facebook User ID to create custom audiences when the person whose User ID is being used has logged into the client’s app and has given the necessary consent.

d. Don’t sell or transfer custom audiences.

11. Revoke an end-advertiser’s access to your app if we request it.

15. Definitions

1. “App” means any technical integration we have assigned an app identification number.

2. “Account information” consists of: name, email, gender, birthday, current city and profile picture URL.

3. “User data” means any data, including a person’s content or information that you or third parties obtain from or through Facebook.

4. “SDK” means any object code library, sample source code, or documentation you receive from us that helps you create apps for use within the Facebook Platform.

This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version controls. Please note that Section 16 contains certain changes to the general terms for users outside the United States.

Date of Last Revision: January 30, 2015

Statement of Rights and Responsibilities

This Statement of Rights and Responsibilities ("Statement," "Terms," or "SRR") derives from the Facebook Principles, and is our terms of service that governs our relationship with users and others who interact with Facebook, as well as Facebook brands, products and services, which we call the "Facebook Services" or "Services". By using or accessing the Facebook Services, you agree to this Statement, as updated from time to time in accordance with Section 13 below. Additionally, you will find resources at the end of this document that help you understand how Facebook works.

Because Facebook provides a wide range of Services, we may ask you to review and accept supplemental terms that apply to your interaction with a specific app, product, or service. To the extent those supplemental terms conflict with this SRR, the supplemental terms associated with the app, product, or service govern with respect to your use of such app, product or service to the extent of the conflict.

1. Privacy

Your privacy is very important to us. We designed our Data Policy to make important disclosures about how you can use Facebook to share with others and how we collect and can use your content and information. We encourage you to read the Data Policy, and to use it to help you make informed decisions.

2. Sharing Your Content and Information

You own all of the content and information you post on Facebook, and you can control how it is shared through your privacy and application settings. In addition:

1. For content that is covered by intellectual property rights, like photos and videos (IP content), you specifically give us the following permission, subject to your privacy and application settings: you grant us a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use any IP content that you post on or in connection with Facebook (IP License). This IP License ends when you delete your IP content or your account unless your content has been shared with others, and they have not deleted it.

2. When you delete IP content, it is deleted in a manner similar to emptying the recycle bin on a computer. However, you understand that removed content may persist in backup copies for a reasonable period of time (but will not be available to others).

3. When you use an application, the application may ask for your permission to access your content and information as well as content and information that others have shared with you. We require applications to respect your privacy, and your agreement with that application will control how the application can use, store, and transfer that content and information. (To learn more about Platform, including how you can control what information other people may share with applications, read our Data Policy and Platform Page.)

4. When you publish content or information using the Public setting, it means that you are allowing everyone, including people off of Facebook, to access and use that information, and to associate it with you (i.e., your name and profile picture).

5. We always appreciate your feedback or other suggestions about Facebook, but you understand that we may use your feedback or suggestions without any obligation to compensate you for them (just as you have no obligation to offer them).

3. Safety

We do our best to keep Facebook safe, but we cannot guarantee it. We need your help to keep Facebook safe, which includes the following commitments by you:

1. You will not post unauthorized commercial communications (such as spam) on Facebook.

2. You will not collect users' content or information, or otherwise access Facebook, using automated means (such as harvesting bots, robots, spiders, or scrapers) without our prior permission.

3. You will not engage in unlawful multi-level marketing, such as a pyramid scheme, on Facebook.

4. You will not upload viruses or other malicious code.

5. You will not solicit login information or access an account belonging to someone else.

6. You will not bully, intimidate, or harass any user.

7. You will not post content that: is hate speech, threatening, or pornographic; incites violence; or contains nudity or graphic or gratuitous violence.

8. You will not develop or operate a third-party application containing alcohol-related, dating or other mature content (including advertisements) without appropriate age-based restrictions.

9. You will not use Facebook to do anything unlawful, misleading, malicious, or discriminatory.

10. You will not do anything that could disable, overburden, or impair the proper working or appearance of Facebook, such as a denial of service attack or interference with page rendering or other Facebook functionality.

11. You will not facilitate or encourage any violations of this Statement or our policies.

4. Registration and Account Security

Facebook users provide their real names and information, and we need your help to keep it that way. Here are some commitments you make to us relating to registering and maintaining the security of your account:

1. You will not provide any false personal information on Facebook, or create an account for anyone other than yourself without permission.

2. You will not create more than one personal account.

3. If we disable your account, you will not create another one without our permission.

4. You will not use your personal timeline primarily for your own commercial gain, and will use a Facebook Page for such purposes.

5. You will not use Facebook if you are under 13.

6. You will not use Facebook if you are a convicted sex offender.

7. You will keep your contact information accurate and up-to-date.

8. You will not share your password (or in the case of developers, your secret key), let anyone else access your account, or do anything else that might jeopardize the security of your account.

9. You will not transfer your account (including any Page or application you administer) to anyone without first getting our written permission.

10. If you select a username or similar identifier for your account or Page, we reserve the right to remove or reclaim it if we believe it is appropriate (such as when a trademark owner complains about a username that does not closely relate to a user's actual name).

5. Protecting Other People's Rights

We respect other people's rights, and expect you to do the same.

1. You will not post content or take any action on Facebook that infringes or violates someone else's rights or otherwise violates the law.

2. We can remove any content or information you post on Facebook if we believe that it violates this Statement or our policies.

3. We provide you with tools to help you protect your intellectual property rights. To learn more, visit our How to Report Claims of Intellectual Property Infringement page.

4. If we remove your content for infringing someone else's copyright, and you believe we removed it by mistake, we will provide you with an opportunity to appeal.

5. If you repeatedly infringe other people's intellectual property rights, we will disable your account when appropriate.

6. You will not use our copyrights or Trademarks or any confusingly similar marks, except as expressly permitted by our Brand Usage Guidelines or with our prior written permission.

7. If you collect information from users, you will: obtain their consent, make it clear you (and not Facebook) are the one collecting their information, and post a privacy policy explaining what information you collect and how you will use it.

8. You will not post anyone's identification documents or sensitive financial information on Facebook.

9. You will not tag users or send email invitations to non-users without their consent. Facebook offers social reporting tools to enable users to provide feedback about tagging.

6. Mobile and Other Devices

1. We currently provide our mobile services for free, but please be aware that your carrier's normal rates and fees, such as text messaging and data charges, will still apply.

2. In the event you change or deactivate your mobile telephone number, you will update your account information on Facebook within 48 hours to ensure that your messages are not sent to the person who acquires your old number.

3. You provide consent and all rights necessary to enable users to sync (including through an application) their devices with any information that is visible to them on Facebook.

7. Payments

If you make a payment on Facebook, you agree to our Payments Terms unless it is stated that other terms apply.

8. Special Provisions Applicable to Developers/Operators of Applications and Websites

If you are a developer or operator of a Platform application or website or if you use Social Plugins, you must comply with the Facebook Platform Policy.

9. About Advertisements and Other Commercial Content Served or Enhanced by Facebook

Our goal is to deliver advertising and other commercial or sponsored content that is valuable to our users and advertisers. In order to help us do that, you agree to the following:

1. You give us permission to use your name, profile picture, content, and information in connection with commercial, sponsored, or related content (such as a brand you like) served or enhanced by us. This means, for example, that you permit a business or other entity to pay us to display your name and/or profile picture with your content or information, without any compensation to you. If you have selected a specific audience for your content or information, we will respect your choice when we use it.

2. We do not give your content or information to advertisers without your consent.

3. You understand that we may not always identify paid services and communications as such.

10. Special Provisions Applicable to Advertisers

If you use our self-service advertising creation interfaces for creation, submission and/or delivery of any advertising or other commercial or sponsored activity or content (collectively, the "Self-Serve Ad Interfaces"), you agree to our Self-Serve Ad Terms. In addition, your advertising or other commercial or sponsored activity or content placed on Facebook or our publisher network will comply with our Advertising Guidelines.

11. Special Provisions Applicable to Pages

If you create or administer a Page on Facebook, or run a promotion or an offer from your Page, you agree to our Pages Terms.

12. Special Provisions Applicable to Software

1. If you download or use our software, such as a stand-alone software product, an app, or a browser plugin, you agree that from time to time, the software may download and install upgrades, updates and additional features from us in order to improve, enhance, and further develop the software.

2. You will not modify, create derivative works of, decompile, or otherwise attempt to extract source code from us, unless you are expressly permitted to do so under an open source license, or we give you express written permission.

13. Amendments

1. We'll notify you before we make changes to these terms and give you the opportunity to review and comment on the revised terms before continuing to use our Services.

2. If we make changes to policies, guidelines or other terms referenced in or incorporated by this Statement, we may provide notice on the Site Governance Page.

3. Your continued use of the Facebook Services, following notice of the changes to our terms, policies or guidelines, constitutes your acceptance of our amended terms, policies or guidelines.

14. Termination

If you violate the letter or spirit of this Statement, or otherwise create risk or possible legal exposure for us, we can stop providing all or part of Facebook to you. We will notify you by email or at the next time you attempt to access your account. You may also delete your account or disable your application at any time. In all such cases, this Statement shall terminate, but the following provisions will still apply: 2.2, 2.4, 3-5, 9.3, and 14-18.

15. Disputes

1. You will resolve any claim, cause of action or dispute (claim) you have with us arising out of or relating to this Statement or Facebook exclusively in the U.S. District Court for the Northern District of California or a state court located in San Mateo County, and you agree to submit to the personal jurisdiction of such courts for the purpose of litigating all such claims. The laws of the State of California will govern this Statement, as well as any claim that might arise between you and us, without regard to conflict of law provisions.

2. If anyone brings a claim against us related to your actions, content or information on Facebook, you will indemnify and hold us harmless from and against all damages, losses, and expenses of any kind (including reasonable legal fees and costs) related to such claim. Although we provide rules for user conduct, we do not control or direct users' actions on Facebook and are not responsible for the content or information users transmit or share on Facebook. We are not responsible for any offensive, inappropriate, obscene, unlawful or otherwise objectionable content or information you may encounter on Facebook. We are not responsible for the conduct, whether online or offline, of any user of Facebook.

3. WE TRY TO KEEP FACEBOOK UP, BUG-FREE, AND SAFE, BUT YOU USE IT AT YOUR OWN RISK. WE ARE PROVIDING FACEBOOK AS IS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. WE DO NOT GUARANTEE THAT FACEBOOK WILL ALWAYS BE SAFE, SECURE OR ERROR-FREE OR THAT FACEBOOK WILL ALWAYS FUNCTION WITHOUT DISRUPTIONS, DELAYS OR IMPERFECTIONS. FACEBOOK IS NOT RESPONSIBLE FOR THE ACTIONS, CONTENT, INFORMATION, OR DATA OF THIRD PARTIES, AND YOU RELEASE US, OUR DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS FROM ANY CLAIMS AND DAMAGES, KNOWN AND UNKNOWN, ARISING OUT OF OR IN ANY WAY CONNECTED WITH ANY CLAIM YOU HAVE AGAINST ANY SUCH THIRD PARTIES. IF YOU ARE A CALIFORNIA RESIDENT, YOU WAIVE CALIFORNIA CIVIL CODE §1542, WHICH SAYS: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR. WE WILL NOT BE LIABLE TO YOU FOR ANY LOST PROFITS OR OTHER CONSEQUENTIAL, SPECIAL, INDIRECT, OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS STATEMENT OR FACEBOOK, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OUR AGGREGATE LIABILITY ARISING OUT OF THIS STATEMENT OR FACEBOOK WILL NOT EXCEED THE GREATER OF ONE HUNDRED DOLLARS ($100) OR THE AMOUNT YOU HAVE PAID US IN THE PAST TWELVE MONTHS. APPLICABLE LAW MAY NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. IN SUCH CASES, FACEBOOK'S LIABILITY WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.

16. Special Provisions Applicable to Users Outside the United States

We strive to create a global community with consistent standards for everyone, but we also strive to respect local laws. The following provisions apply to users and non-users who interact with Facebook outside the United States:

1. You consent to having your personal data transferred to and processed in the United States.

2. If you are located in a country embargoed by the United States, or are on the U.S. Treasury Department's list of Specially Designated Nationals you will not engage in commercial activities on Facebook (such as advertising or payments) or operate a Platform application or website. You will not use Facebook if you are prohibited from receiving products, services, or software originating from the United States.

3. Certain specific terms that apply only for German users are available here.

17. Definitions

1. By "Facebook" or" Facebook Services" we mean the features and services we make available, including through (a) our website at www.facebook.com and any other Facebook branded or co-branded websites (including sub-domains, international versions, widgets, and mobile versions); (b) our Platform; (c) social plugins such as the Like button, the Share button and other similar offerings; and (d) other media, brands, products, services, software (such as a toolbar), devices, or networks now existing or later developed. Facebook reserves the right to designate, in its sole discretion, that certain of our brands, products, or services are governed by separate terms and not this SRR.

2. By "Platform" we mean a set of APIs and services (such as content) that enable others, including application developers and website operators, to retrieve data from Facebook or provide data to us.

3. By "information" we mean facts and other information about you, including actions taken by users and non-users who interact with Facebook.

4. By "content" we mean anything you or other users post, provide or share using Facebook Services.

5. By "data" or "user data" or "user's data" we mean any data, including a user's content or information that you or third parties can retrieve from Facebook or provide to Facebook through Platform.

6. By "post" we mean post on Facebook or otherwise make available by using Facebook.

7. By "use" we mean use, run, copy, publicly perform or display, distribute, modify, translate, and create derivative works of.

8. By "application" we mean any application or website that uses or accesses Platform, as well as anything else that receives or has received data from us. If you no longer access Platform but have not deleted all data from us, the term application will apply until you delete the data.

9. By "Trademarks" we mean the list of trademarks provided here.

18. Other

1. If you are a resident of or have your principal place of business in the US or Canada, this Statement is an agreement between you and Facebook, Inc. Otherwise, this Statement is an agreement between you and Facebook Ireland Limited. References to "us," "we," and "our" mean either Facebook, Inc. or Facebook Ireland Limited, as appropriate.

2. This Statement makes up the entire agreement between the parties regarding Facebook, and supersedes any prior agreements.

3. If any portion of this Statement is found to be unenforceable, the remaining portion will remain in full force and effect.

4. If we fail to enforce any of this Statement, it will not be considered a waiver.

5. Any amendment to or waiver of this Statement must be made in writing and signed by us.

6. You will not transfer any of your rights or obligations under this Statement to anyone else without our consent.

7. All of our rights and obligations under this Statement are freely assignable by us in connection with a merger, acquisition, or sale of assets, or by operation of law or otherwise.

8. Nothing in this Statement shall prevent us from complying with the law.

9. This Statement does not confer any third party beneficiary rights.

10. We reserve all rights not expressly granted to you.

11. You will comply with all applicable laws when using or accessing Facebook.

By using or accessing Facebook Services, you agree that we can collect and use such content and information in accordance with the Data Policy as amended from time to time. You may also want to review the following documents, which provide additional information about your use of Facebook:

- **Payment Terms :** These additional terms apply to all payments made on or through Facebook, unless it is stated that other terms apply.
- **Platform Page :** This page helps you better understand what happens when you add a third-party application or use Facebook Connect, including how they may access and use your data.
- **Facebook Platform Policies :** These guidelines outline the policies that apply to applications, including Connect sites.
- **Advertising Guidelines :** These guidelines outline the policies that apply to advertisements placed on Facebook.
- **Self-Serve Ad Terms :** These terms apply when you use the Self-Serve Ad Interfaces to create, submit, or deliver any advertising or other commercial or sponsored activity or content.
- **Promotions Guidelines :** These guidelines outline the policies that apply if you offer contests, sweepstakes, and other types of promotions on Facebook.
- **Facebook Brand Resources :** These guidelines outline the policies that apply to use of Facebook trademarks, logos and screenshots.
- **How to Report Claims of Intellectual Property Infringement**
- **Pages Terms :** These guidelines apply to your use of Facebook Pages.
- **Community Standards :** These guidelines outline our expectations regarding the content you post to Facebook and your activity on Facebook.

To access the Statement of Rights and Responsibilities in several different languages, change the language setting for your Facebook session by clicking on the language link in the left corner of most pages. If the Statement is not available in the language you select, we will default to the English version.

Payment Terms

Date of Last Revision: January 1, 2015

To enhance the quality, convenience, and security of the user experience on Facebook, these Facebook Developer Payments Terms (the "Terms") apply to all developers of apps using Facebook Payments. We have provided section headers for your convenience, but you should carefully read though these Terms in order to understand your rights and responsibilities, as well as ours.

This agreement was written in English (US). To the extent any translated version of this agreement conflicts with the English version, the English version controls.

Additional Languages

1. Transactions

1. Eligibilit **y** . We may approve or deny your request to integrate Facebook Payments at our sole discretion. You must be eighteen (18) years of age or older to integrate Facebook Payments in your app; in addition, you may not be listed as an administrator for a Payments-enabled app if you are under the age of sixteen (16). We may also revoke your eligibility to continue utilizing Facebook Payments at any time at our sole discretion.

2. Roles of parties. You accept responsibility for fulfilling each transaction pursuant to the terms you offer. Facebook is not involved in any underlying transaction between or among developers and users except as noted in Section 3.9 of these Terms.

3. Pricing. Price-setting in apps is governed by the following rules:

    1. You may price items for sale in your own local currency where such pricing is supported.

    2. You may not price an item differently based on a user's electronic value Balance.

    3. You may allow users to import your in-game virtual currency or items from your website or other platform that the user is connected to, but you must adhere to the following:

        1. You must offer the same price on Facebook that you offer to logged-in Facebook users on your own website or other platform app; and

        2. You may not incentivize logged-in Facebook users to make a purchase on your website or in an app on another platform by, for example, providing free or discounted goods or services that are not available to purchasers on Facebook.

4. Prohibitions. Facebook Payments does not allow the following types of transactions:

    1. You may not conduct a transaction for which the promotion or execution is prohibited on Facebook.

    2. You may not utilize Facebook Payments to sell virtual currency or other stored-value items that can be used outside of the app where the transaction was completed, and must not allow users to cash out, redeem, or otherwise receive anything of value in exchange for anything purchased using Facebook Payments. In addition, you may not accept electronic value from a user in one app and then deliver or transfer the purchased item to the user in another app without our prior authorization. For example, an app solely designed to facilitate transactions is not permitted.

    3. Except as a method of purchasing within your app in accordance with these Terms or with our prior written authorization, you may not sell, trade, or exchange electronic value, including without limitation Gift Card balances, with any third party, nor may you enable or allow others to do so.

    4. Except with our prior authorization, you may not accept payments for tangible goods, including as payment for anything that may subsequently be used to acquire tangible goods, defined as any good that is physically delivered to a user.

5. Except with our prior authorization, you may not use Facebook Payments to solicit, collect, or transfer funds for charitable causes.

6. Any items, virtual currency, or services you offer on or through Facebook are considered to be content or apps posted by you to Facebook under the Statement of Rights and Responsibilities. You may not offer any items, virtual currency, or services on or through Facebook that require consent or other rights from any third party unless you have obtained all such rights. You may not offer any item, virtual currency, or service that would require us to pay any fee or royalty to any third party. You agree to indemnify and hold us harmless from and against any claim arising out of or related to your failure to comply with this paragraph.

7. Except with our prior authorization, you may not administer a promotion on Facebook in which a user's purchase of in-game items or virtual currency contributes to or results in eligibility to win any prize of value. To request permission, please contact us and include an opinion letter from your legal counsel that explains why your game does not constitute gambling and instead is a lawful activity in all jurisdictions where the promotion is available to users.

5. Non-disclosure. You will not use or disclose any user's payment information obtained from us for any purpose other than to complete the transaction for which the information was obtained.

6. Other terms apply. You may offer supplemental terms and conditions in conjunction with your sales; however they may not conflict with Facebook terms or policies. You must comply with Facebook's Brand Asset Guidelines.

2. Balance Tracking

1. Developer Balance. Developers using Facebook Payments will have a Developer Balance with Facebook. Whenever you complete a sale on our platform, Facebook will credit the proceeds from that sale, less our service fee, to your Developer Balance. Facebook will earn a 30% service fee, plus any applicable sales tax or VAT, in connection with each Facebook Payments transaction on our platform.

2. Nature of Service. Facebook is not a bank and does not offer banking services. You will not earn interest on your Developer Balance. Developer Balances are not deposit obligations and are not insured by the Federal Deposit Insurance Corporation, the Financial Services Compensation Scheme, or any other entity or insurance scheme, whether governmental or private. All Developer Balances are held and expressed in United States Dollars; if your transaction was in a different currency, proceeds from the sale will be converted at the time of the transaction according to the day's published exchange rate before being credited to your Developer Balance.

3. Payout. We will redeem your Developer Balance according to the following rules:

    1. We can redeem your Developer Balance only if we have your current banking information and any other information we need to make the payment on record, including, if required, identification and tax and business formation documentation. A list of our current payout methods is posted on our site.

    2. We will make Developer Balance redemption payments only to the account entered by the developer in the Payout Information field of the Developer's [Company Settings](/settings?tab=payments)

    3. Facebook will redeem your Developer Balance approximately 21 days following the end of the bimonthly period (either the 1st through 15th of the month or the 16th through the end of the month) in which the transaction occurred, except as otherwise set forth herein.

    4. Developer Balances will be redeemed only in United States Dollars.

5. If a Developer Balance redemption payment for any given pay period would be less than One Hundred United States Dollars ($100.00), we will roll payment over to the next month, unless your account is being deactivated or deleted, or if it has been one year since either your last redemption payment or your first use of Facebook Payments or Credits.

6. We may delay payout related to any investigation we are conducting, but in no case longer than 180 days after the transaction.

7. We may withhold from redemption any Developer Balance or portion thereof that was earned due to any breach of any Facebook terms or policies by you, or that was transferred based on fraudulent or illegal transactions, or that was alleged by a user to have been transferred without his or her consent, or that resulted in returned, undelivered, rejected, or defective goods or services or transactions.

8. We may deduct from payout any amounts for which you are past due to Facebook on any payment in connection with any Facebook program.

9. If you owe Facebook an amount exceeding your Developer Balance, we may charge or debit a payment instrument registered with your account to cover the amount owed. Your failure to pay fully any amounts owed to Facebook on demand will be a violation of these Terms, and you will be liable not only for the amount collected but also for Facebook's costs associated with collection, including without limitation attorney fees, court costs, collection agency fees, and any applicable interest.

10. As further described in Section 3.9 of these Terms, it is your responsibility to remit all duties, taxes (including without limitation sales tax and VAT) and other fees that apply to your transactions, including the redemption of any Developer Balance. Facebook complies with tax and legal informational reporting requirements in various jurisdictions.

4. Discrepancies. If Facebook makes a redemption payment to you in error, you are liable for the full amount of that payout. You agree to reverse the payment associated with that redemption or to permit Facebook to reverse the payment. You must provide written notification of any disputed payout within 30 days of receipt of the associated payment. Failure to do so constitutes a waiver by you of any claim relating to the payout.

5. Abandoned Property. If we are unable to pay you because you have not provided valid payment information or, where required, valid identification information, we may terminate your ability to maintain your Developer Balance to the extent permissible by law, and process any remaining Developer Balance in accordance with applicable law.

3. Your Responsibilities and Risks

1. Voidability. You acknowledge that transactions with minors may be voidable by law and agree that you may be required to refund amounts paid.

2. Dispute resolution. You are solely responsible for the resolution of disputes between yourself and users, including without limitation disputes that we refer to you or notify you of via tools or systems we may provide. We have the right, but not the obligation, to assist in the resolution of such disputes.

3. Cooperation. You agree to provide us with any records that we request related to a dispute between you and a user. You agree to notify us in a timely manner if you receive an inquiry from any government agency about Facebook Payments.

4. Fraud. You agree to cooperate with us to prevent fraudulent or illegal transactions. As part of our efforts to deter fraud and suspicious transactions, we may limit the number of transactions or volume of payments you are able to accept during a given period of time. We may also may suspend, remove, or disable access to any product or service you offer at any time without notice, and we will have no liability for removing or disabling access to any such product or service.

5. No Liability. We will not be liable to you for compensation, reimbursement, or damages on account of the loss of prospective profits, anticipated sales, or goodwill, or on account of expenditures, investments, or commitments in connection with your use of Facebook Payments, or for any termination or suspension of Facebook Payments services.

6. Subscriptions. If you offer subscriptions to your app or to a feature within your app, you must continue to make the app or feature available to subscribed users through the end of any active subscription period, or refund any remaining subscriptions on a pro-rated basis.

7. Chargebacks. You will be liable for all Chargebacks relating to transactions discovered within 90 days of the transaction. By "Chargebacks" we mean any reversals of payment initiated by a third-party payment provider. We will assume responsibility for Chargebacks discovered after the 90th day unless: (a) we determine you conducted the transaction in connection with a breach of Facebook rules or policies, or (b) your Chargeback rate for any one of the prior three months exceeds five percent of your total transaction volume for that month.

8. Offset. If we provide refunds or other compensation to a user as a result of either the user's transaction with you using Facebook Payments or any claims made by third parties arising from your products or services, then you agree that we may recover from you any monetary loss related to such provision.

9. Taxes. The following rules regarding taxes apply:

    1. If you are a U.S.-based developer, you acknowledge that Facebook in tax year 2011 began reporting to the Internal Revenue Service on IRS Form 1099K the gross amount of the payments you receive each calendar year if, in that calendar year, you (i) receive more than $20,000 and (ii) receive more than 200 payments. If duties, taxes, or fees apply to the redemption of a Developer Balance, we may adjust the service fee so that the net amount we receive remains at 30%. You agree to indemnify and hold us harmless from and against any claim arising out of or related to your failure to comply with this paragraph.

    2. On your sales to users based in the European Union (EU) member countries, effective from January 1st, 2015, we will withhold from your payout and remit applicable EU VAT based on user locations to relevant competent tax authorities in accordance with EU Council Implementing Regulation (EU) No 282/2011. You also acknowledge and accept Facebook's self-billing arrangement where it is accepted under local VAT regulation. You further acknowledge that Facebook's compliance with this change in EU VAT law does not change the relationship, rights and obligations between you and user, or between you and Facebook. You agree to indemnify and hold us harmless from and against any claim arising out of or related to your failure to comply with this paragraph.

4. Additional Terms

1. Conflict of terms. In the event of any conflict between the Statement of Rights and Responsibilities and these Terms, these Terms control.

2. Conflict of laws. Some countries may restrict or prohibit your ability to make payments through Facebook. Nothing in these Terms should be read to override or circumvent any such foreign laws.

3. Courtesy translations. These Terms were written in English (US). To the extent any translated version of these terms conflicts with the English version, the English version controls.

4. Assignment. Facebook may assign or delegate any of its obligations and/or rights arising under these Terms without restriction.

5. Amendments. We may revise these Terms at any time without prior notice as we deem necessary to the full extent permitted by law. The Terms in place at the time you confirm a transaction will govern that transaction.

6. Notice to you. We may provide notices to you by posting them on the Facebook Developer Blog, or by sending them to an email address or street address that you previously provided to us. Website and email notices will be considered received by you within 24 hours of the time posted or sent; notices by postal mail will be considered received within three business days of the time sent. We will give you 30 days' notice of changes to our service fee.

7. Notice to us. Except as otherwise stated, you must send notices to us relating to Facebook Payments and these Terms by postal mail to: Facebook, Attn: Legal Department, 1601 Willow Avenue, Menlo Park, California, 94025.

8. "Us". The following are the entities to which "us," "we," "our," or "Facebook" refer:

    1. If you are a resident of or have your principal place of business in the U.S. or Canada, these Terms are between you and Facebook Payments Inc., a Florida corporation.

    2. If you are a resident of or have your principal place of business in a country other than the U.S. or Canada, these Terms are between you and Facebook Payments International Ltd., a private limited company in the Republic of Ireland. However, all transactions funded with a user's electronic value Balance are processed by Facebook Payments Inc., a Florida corporation.

Date of last revision: December 15, 2014

Facebook Advertising Guidelines

Advertising Philosophy

At Facebook, we believe that ads should contribute to and be consistent with the overall user experience. The best ads are those that are tailored to individuals based on how they and their friends interact and affiliate with the brands, artists, and businesses they care about. These guidelines are not intended to serve as legal advice and adherence to these guidelines does not necessarily constitute legal compliance. Advertisers are responsible for ensuring that their ads comply with all applicable laws, statutes, and regulations.

Additional examples and explanations to our policies can be found in the Help Center.

I. General

A. Our Advertising Guidelines consist of advertising content criteria, community standards, and other applicable requirements.

B. The Ad Guidelines, as well as our Data Policy and Statement of Rights and Responsibilities, apply to all ads and commercial content ("ads") served by or appearing on Facebook (including ads purchased under AAAA/IAB Standard Terms and Conditions).

C. Advertising appearing within applications on Facebook Platform must comply with all additional Facebook Platform Policies.

D. Ads that are generated through Page posts, and ads that promote a sweepstakes, contest, competition or offer must also comply with the Pages Terms.

E. Ads must not contain false, misleading, fraudulent, or deceptive claims or content.

F. You may not manage more than one advertiser or client through a single ad account, and may not change the advertiser or client associated with an established ad account.

G. If you use custom audiences you must comply with the Custom Audience Terms.

II. Data and Privacy

A. No data collected, derived or obtained from or in connection with a Facebook ad, including Facebook's delivery of an ad, and Facebook users' interaction with a Facebook-served ad (such as information derived from targeting criteria) ("Facebook advertising data") may be received or used by an entity not acting on behalf of a Facebook advertiser.

B. You may not use Facebook advertising data for any purpose (including retargeting, commingling data across multiple advertisers' campaigns, or allowing piggybacking or redirecting with tags), except on an aggregate and anonymous basis to assess the performance and effectiveness of your Facebook advertising campaigns. In no event may you use Facebook advertising data, including the targeting criteria for a Facebook ad, to build or augment user profiles, including profiles associated with any mobile device identifier or other unique identifier that identifies any particular user, browser, computer or device.

C. You may use information provided directly to you from users if you provide clear notice to and obtain consent from those users and comply with all applicable laws and industry guidelines.

D. You may not directly or indirectly transfer or sell any data to, or use such data in connection with any ad network, ad exchange, data broker, or other party not acting on behalf of an advertiser and the advertiser's Facebook advertising campaigns. By indirectly we mean you cannot, for example, transfer data to a third party who then transfers the data to an ad network.

III. Ad Creative and Positioning

All components of an ad, including any text, images, or other media, must be relevant and appropriate to the product or service being offered and the audience viewing the ad. Ads may not contain audio or flash animation that plays automatically without a user's interaction or expands within Facebook after a user clicks on the ad. Ads may not position products or services in a sexually suggestive manner. Ads may not contain content that exploits political agendas or "hot button" issues for commercial use. Additionally, ad text must include proper grammar and the use of all symbols, numbers, or letters must adhere to the true meaning of the symbol.

A. Accuracy

Ads must clearly represent the company, product, service, or brand that is being advertised. Products and services promoted in the ad copy must be clearly represented on the landing page, and the destination site may not offer or link to any prohibited product or service. Additionally, ads may not suggest false relevancy to generic offers.

B. Attribution

Ads may not assert or imply, directly or indirectly, within the ad content or by targeting, a user's personal characteristics within the following categories:

i. race or ethnic origin;

ii. religion or philosophical belief;

iii. age;

iv. sexual orientation or sexual life;

v. gender identity;

vi. disability or medical condition (including physical or mental health);

vii. financial status or information;

viii. membership in a trade union;

ix. criminal record; and

x. name.

C. Destination Sites

Ads must lead to a functioning landing page that does not interfere with a user's ability to navigate away from the page.

D. Images

Ads and sponsored stories in News Feed may not include images comprised of more than 20% text.

E. Targeting

Ads must always apply appropriate targeting and never use targeting criteria to provoke users. Ads for regulated goods and services (e.g. alcohol and gambling), must abide by all applicable laws, regulations, and industry codes. Specific requirements for dating services, alcohol, gambling, contraceptives and subscription services must adhere to the requirements listed in the Help Center under the applicable content sections.

I V. Ad Content

Advertisers must ensure that their ads comply with all applicable laws, regulations and guidelines. All claims in ads must be adequately substantiated. Ads must not offend users. Ads and any offers promoted within ads must not be false, deceptive or misleading or contain spam. Ads must not contain or promote illegal products or services. Ads must not violate the rights of any third parties. Video ads for health products and services may not be allowed to play automatically. The following specific content guidelines apply:

A. Adult Products

Ads may not promote the sale or use of adult products or services, including but not limited to toys, videos, publications, live shows, or sexual enhancement products. Ads for family planning and contraception are allowed provided they follow the appropriate targeting requirements.

B. Alcohol

i. Ads that promote or reference alcohol are prohibited in the following countries: Afghanistan, Brunei, Bangladesh, Egypt, Gambia, Kuwait, Libya, Norway, Pakistan, Russia, Saudi Arabia, United Arab Emirates, Yemen and any other jurisdiction where such ads are prohibited by law.

ii. Where permissible, ads that promote or reference alcohol must: (i) Comply with all applicable local laws, required or recommended industry codes, guidelines, licenses and approvals and (ii) apply age and country targeting criteria consistent with Facebook's targeting guidelines and applicable local laws. Where a user's age or country cannot be determined, the ad must not be displayed to the user.

iii. Please refer to the Help Center for additional alcohol-specific guidance.

C. Dating

Ads for adult friend finders or dating sites with a sexual emphasis are not permitted. Ads for other online dating services are only allowed with prior authorization from Facebook. These must adhere to the dating targeting requirements and the name of the product or service must be included in the ad text or image.

D. Drugs and Tobacco

Ads may not promote or facilitate the sale or consumption of illegal or recreational drugs, tobacco products, or drug or tobacco paraphernalia.

E. Gambling and Lotteries

i. Ads that promote or facilitate online gambling, games of skill or lotteries, including online casino, sports books, bingo, or poker, are only allowed in specific countries with prior authorization from Facebook.

ii. Lotteries run by government entities may advertise on Facebook, provided that ads must be targeted in accordance with applicable law in the jurisdiction in which the ads will be served and may only target users in the jurisdiction in which the lottery is available.

iii. Ads that promote offline gambling establishments, such as offline casinos, in accordance with applicable laws and regulations, are generally permitted, provided that ads must be appropriately targeted.

iv. Please refer to the Help Center for additional gambling-specific guidance.

F. Pharmaceuticals and Supplements

i. Ads must not promote the sale of prescription pharmaceuticals. Ads for online pharmacies are prohibited except that ads for certified pharmacies may be permitted with prior approval from Facebook.

ii. Ads that promote dietary and herbal supplements are generally permitted, provided they do not promote products containing anabolic steroids, chitosan, comfrey, dehydroepiandrosterone, ephedra, human growth hormones, melatonin, and any additional products deemed unsafe or questionable by Facebook in its sole discretion.

G. Software

Ads may not contain or link directly or indirectly to a site that contains spyware/malware downloads or any software that results in an unexpected, deceptive or unfair user experience, including but not limited to software which:

i. "sneaks" onto a user's system;

ii. performs activities hidden to the user;

iii. may alter, harm, disable or replace any hardware or software installed on a user's computer without express permission from the user;

iv. is bundled as a hidden component of other software whether free or for an additional fee;

v. automatically downloads without Facebook's express prior approval;

vi. presents download dialog boxes without a user's action; or

vii. may violate or infringe upon the intellectual property rights of any third party, including copyright, trademark, patent or any other proprietary right.

H. Subscription Services

Ads for subscription services, or that promote products or services that include negative options, automatic renewal, free-to-pay conversion billing products, or mobile marketing are subject to the following requirements:

i. Ad text must clearly and conspicuously disclose the recurring billing component (e.g. "subscription required").

ii. The landing page must:

a. display the price and billing interval wherever the user is prompted to enter personally identifiable information;

b. include an unchecked opt-in checkbox; and

c. include language informing users how to cancel their subscription or membership.

iii. Each of the foregoing must be located in a prominent place on your landing page, as determined by Facebook in its sole discretion, and should be easy to find, read, and understand.

I. Unacceptable Business Model

Ads may not promote a business model or practice that is deemed by Facebook in its sole discretion to be unacceptable or contrary to Facebook's overall advertising philosophy or to any applicable law, including but not limited to multi-level marketing schemes, or advertisements for scams.

J . Weapons and Explosives

Ads may not promote the sale or use of weapons, ammunition, or explosives.

V. Ad Community Standards

Ads, or categories of ads, that receive a significant amount of negative user feedback, or are otherwise deemed to violate our community standards, are prohibited and may be removed. In all cases, Facebook reserves the right in its sole discretion to determine whether particular content is in violation of our community standards.

A. Illegal Activity

Ads may not constitute, facilitate or promote illegal activity.

B. Harassment

Ads may not insult, attack, harass, bully, threaten, demean or impersonate others.

C. Hate Speech

Ads may not contain “hate speech,” whether directed at an individual or a group, based on membership within certain categories. These categories include, but are not limited to, race, sex, creed, national origin, religious affiliation, marital status, sexual orientation, gender identity, or language.

D. Minors

Ads targeted to minors must not promote products, services, or content that is inappropriate, illegal, or unsafe, or that exploits, misleads, or exerts undue pressure on the age groups targeted.

E. Sex/Nudity

Ads may not contain adult content, including nudity, depictions of people in explicit or suggestive positions, or activities that are overly suggestive or sexually provocative.

F. Shock Value

Ads may not be shocking, sensational or disrespectful, or portray excessive violence.

VI. Facebook References

Ads may not imply a Facebook endorsement or partnership of any kind. Ads linking to Facebook branded content (including Pages, groups, events, or Connect sites) may make limited reference to "Facebook" in ad text for the purpose of clarifying the destination of the ad. All other ads and landing pages may not use our copyrights or trademarks (including Facebook, the Facebook and F Logos, FB, Face, Poke, Book, and Wall) or any confusingly similar marks, except as expressly permitted by our Brand Usage Guidelines or with our prior written permission.

VII. Rights of Others

Ads may not include content that infringes upon or violates the rights of any third party, including copyright, trademark, privacy, publicity, or other personal or proprietary rights.

We reserve the right to reject, approve or remove any ad for any reason, in our sole discretion, including ads that negatively affect our relationship with our users or that promote content, services, or activities, contrary to our competitive position, interests, or advertising philosophy. These guidelines are subject to change at any time.

Brand Guidelines for Facebook Developers

Below are some guidelines that will help you accurately indicate that your application is compatible with Facebook, while helping you develop your own brand identity and avoid causing user confusion or damaging Facebook's brand assets. For complete information on Facebook's brand guidelines, please see our Brand Permissions Center.

Application Name and Description

You may accurately indicate that your application is integrated with the Facebook Platform. However, you may not use our brands in your name.

Do:

Accurately describe how your application works with Facebook, such as:

- "Log in with Facebook"
- "Challenge your Facebook friends on Friend Smash"

Don't:

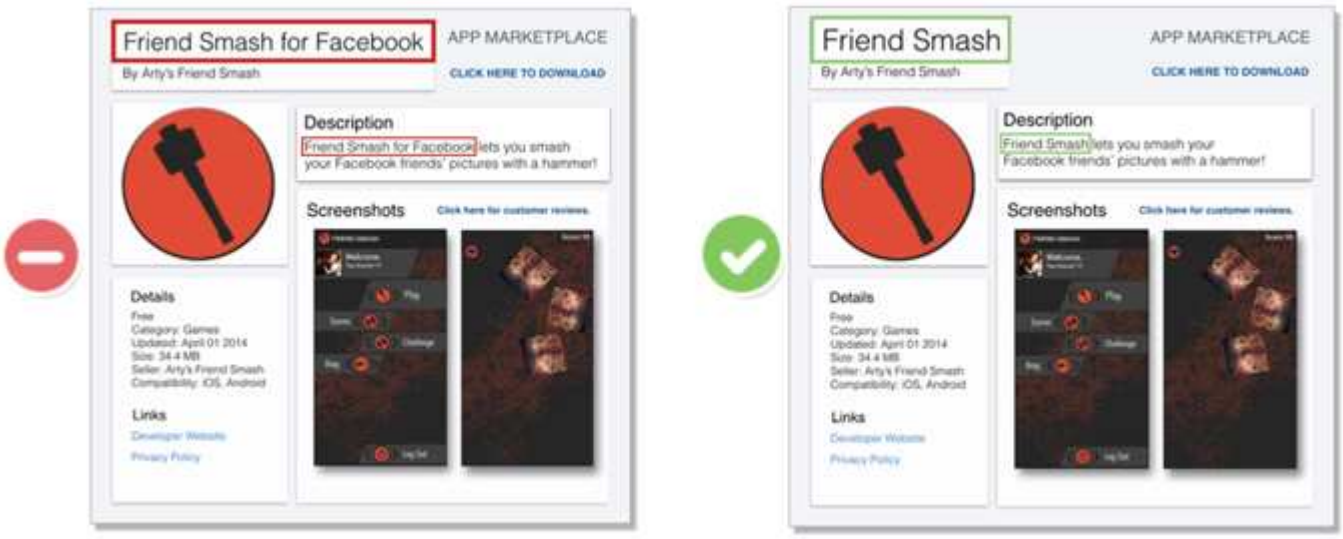
- Use our brands in a way that implies partnership, sponsorship, or endorsement by us
- Combine any part of our brands with your name, marks, or generic terms
- Use names or logos that imitate or could be confused with our brands
- Present our brand assets in a way that make them the most distinctive or prominent feature of what you're creating

For example, you may not use names that include Facebook or FB:

- "Facebook Friend Smash" or "FB Friend Smash"
- "Friend Smash for Facebook" or "Friend Smash for FB"
- "Friend Smash - play with friends on Facebook"
- "Friend Smash - the best FB game"

You may also not use F, Book, or Face in your name if it could be perceived as a reference to Facebook:

- "Fvideo is not OK because in this case "F" is clearly meant to refer to Facebook
- "Videobook" or "Facemessaging" are not OK because "Book" and "Face" are distinctive parts of the Facebook trademark.



Icons and Logos

Do:

- Design your own logo that represents your brand.

Don't:

- Use or incorporate Facebook's F logo, or any modification or derivative of the F logo, in your icons or logos
- Include the terms Facebook or FB in icons or logos
- Use the FACEBOOK logo
- Use Facebook's other graphics or icons, such as our well-known silhouette logo

Examples of non-compliant icons and logos:



Open Graph Built-in Like Actions

You can use the Built-in Like action to create custom buttons in your app, but the button must not emulate or otherwise copy the design of Facebook's Like buttons. For example, you may not use

a “thumbs up” image with the word “like” in your Open Graph actions without prior written permission from Facebook, and any custom like button you create must not confuse users into thinking that your Open Graph action will result in a connection to a Facebook Page.

Examples:

Don’t: The following examples make use of Facebook’s logos and icons.



Do: The following examples use generic graphics that do not use Facebook’s logos and icons.



KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

(GLOBAL)

You (being the Participant named below) (" **you** ") have been granted a Restricted Stock Unit Award (the " **Award** ") by King Digital Entertainment Public Limited Company (the " **Company** ") under its 2014 Equity Incentive Plan (the " **Plan** ") in respect of the number of Restricted Stock Units (" **RSUs** ") set out below. The Award is granted subject to the terms and conditions of the Plan, this Notice of Restricted Stock Unit Award (the " **Notice** ") and the attached Restricted Stock Unit Award Terms (the " **Terms** "), including any applicable country-specific provisions in the appendix attached thereto (if any) (the " **Appendix** "), (the Notice together with Terms (including the Appendix) being the " **Agreement** "),

Unless otherwise defined in this Agreement, any capitalized terms used in this Agreement will have the meaning given to them in the Plan.

Participant Name:	**«Employee_Name»**
Total Number of RSUs:	**«Number_of_RSUs_1»**
Date of Grant:	**[◆]**
Vesting Commencement Date:	**[◆]**
Vesting Schedule:	Vesting of your RSUs will occur over the four-year period beginning on the Vesting Commencement Date specified above; twenty-five percent (25%) of the Total Number of RSUs will vest on the first anniversary of the Vesting Commencement Date and the remaining seventy-five percent (75%) will vest in a series of twelve (12) equal quarterly instalments thereafter, each of 6.25% of the Total Number of RSUs.
Settlement:	For each RSU which vests, one Share will be delivered to you in accordance with Section 3 of the Terms.

You acknowledge that vesting of the RSUs pursuant to the Award is earned only by continuing in Service. You acknowledge and agree that the vesting schedule described above may change prospectively in the event that your Service status changes, in accordance with Company policies relating to leave from work, work schedules and vesting of awards under the Plan, and the provisions of the Plan.

You further acknowledge that the grant of the Award is at the Company's sole discretion, and does not entitle you to further grant(s) of Awards in respect of RSUs or any other award(s) under the Plan or any other plan or program maintained by the Company or any Associated Company or affiliate of the Company.

You are required to pay the Company a nominal amount in consideration for the grant of your Award. That amount will be determined by the currency in which your salary is paid and will be the appropriate one of the following: one pound sterling (£1); one U.S. dollar ($1); one Euro (€ 1) or ten Swedish Kroner (SEK10) or a single unit of the relevant local currency. Unless otherwise determined by the Company, and notified to you, the appropriate amount will be deducted from payroll on the next practicable payroll date after the date on which you confirm acceptance of the Award and you hereby authorise that deduction.

You will not be required to make any payment to the Company with respect to the vesting of the RSUs or the delivery of Shares in settlement of the RSUs; *provided, however* , that to the extent that any Shares delivered upon settlement of your Award are newly issued Shares, you must pay the Company the amount equal to the nominal value of such Shares ($0.00008 per Share) (the " ***Purchase Price*** "). You hereby irrevocably undertake to pay the Company the Purchase Price and you hereby authorise the

Company or any Associated Company at their election to: (i) deduct the Purchase Price from your salary or other payment due to you from the Company or any Associated Company, on a date determined by the Company or any Associated Company, prior to or after the vesting date of the relevant RSUs, or (ii) deduct the Purchase Price from the proceeds of a same-day sale described in Section 15.2 of the Terms.

The Award shall not take effect unless you have confirmed your acceptance of it on the on-line or electronic system operated by Computershare by the date indicated below. By doing so you will be accepting the Award on the terms and conditions set out in this Notice, the attached Terms (including any Appendix) and the Plan, and in consideration of the grant of the Award by the Company, you will undertake the obligations given to you under this Notice, the Terms and the Plan. Also you will be consenting to the delivery to you of Plan documents, including any notices provided for in the Terms, this Notice or the Plan, by electronic delivery and to participating in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

SIGNED
on behalf of **K ING D IGITAL E NTERTAINMENT P UBLIC L IMITED C OMPANY**
by _____ _____
its authorised signatory: Authorised Signatory (Signature)

IMPORTANT: YOU MUST ACCEPT THIS AWARD BY ◆

K ING D IGITAL E NTERTAINMENT P UBLIC L IMITED C OMPANY 2014 E QUITY I NCENTIVE P LAN

R ESTRICTED S TOCK U NIT A WARD TERMS

(G LOBAL)

Pursuant to your attached Notice of Restricted Stock Unit Award (the " **Notice** ") and these Restricted Stock Unit Award Terms, including any country-specific Appendix, (together with the Notice, being the " **Agreement** "), King Digital Entertainment Public Limited Company (the " **Company** ") has granted you a Restricted Stock Unit Award (the " **Award** ") under its 2014 Equity Incentive Plan (the " **Plan** "). The Award is granted to you effective as of the date of grant set forth in the Notice (the " **Date of Grant** ") although shall not take effect unless you accept the Award on the on-line or electronic system operated by Computershare by the date indicated in the Notice.

Except as otherwise explicitly provided in this Agreement, in the event of any conflict between the terms in this Agreement and the Plan, the Plan shall take precedence.

Capitalized terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan. This Agreement constitutes an Award Agreement for the purposes of the Plan.

The terms and conditions of your Award, in addition to those set forth in the Notice and the Plan, are as follows.

1. **Grant of the Award .** The Award represents your right to receive on specified future dates, in accordance with the vesting schedule set out in the Notice (the " **Vesting Schedule** "), the number of Shares that is equal to the number of RSUs that vest on each such date, upon payment to the Company of the Purchase Price (nominal value $0.00008 per Share) if the Shares to be delivered to you, as determined by the Company, are to be newly issued Shares, or for no consideration payable by you if the Shares to be delivered to you are already issued Shares.

2. **Vesting** . The RSUs subject to your Award will vest, if at all, in accordance with the Vesting Schedule, provided that vesting of the RSUs will cease upon the termination of your Service.

3. **Settlement** .

3.1 Settlement of vested RSUs shall be made on or as soon as practicable after the applicable date of vesting under the Vesting Schedule but in any event within thirty (30) days after such date. Except as otherwise provided under the Plan, settlement of RSUs shall be in Shares. Settlement means the delivery to you of the number of Shares subject to a vested RSU. Where fractional rights arise, they shall be credited to you and accumulated and carried forward to the last date on which RSUs vest.

3.2 Notwithstanding the foregoing, in the event that (i) you are subject to the Insider Trading Policy (the " **Policy** ") or (ii) you are otherwise prohibited from selling Shares in the open market, and any Shares covered by your Award are scheduled to be delivered on a day (the " **Original Settlement Date** ") that does not occur during an open "window period" applicable to you or a day on which you are permitted to sell Shares pursuant to a written plan that meets the requirements of Rule 10b5-1 under the Exchange Act, as determined by the Company in accordance with the Policy, or does not occur on a date when you are otherwise permitted to sell Shares in the open market, then the Company may determine that such Shares shall not be delivered on the Original Settlement Date and shall instead be delivered on the first U.S. business day of the next occurring open "window period" applicable to you pursuant to the Policy (regardless of whether you are still in Service at such time) or the next U.S. business day when you are not prohibited from selling Shares in the open market.

4. **Shares/Electronic Delivery of Shares**. Shares delivered to you on settlement of your RSUs shall be previously authorised but unissued Shares or issued Shares that have been reacquired by the Company or by an Employee Benefit Trust. Upon issuance, Shares shall be fully paid and nonassessable. Delivery of Shares to you shall be effected by crediting the depositary nominated by the Company, Depositary Trust Company (or its nominee), with the number of Shares due to you, to be held by it in electronic form on your behalf as beneficial owner.

5. **No Shareholder Rights**. Unless and until such time as Shares are delivered to you in settlement of vested RSUs, you, or any person claiming under or through you, shall have no ownership of the Shares subject to the RSUs and shall have no right to dividends in respect of or to vote such Shares.

6. **Dividend Equivalents**. Dividend Equivalents shall not be credited to you in respect of the RSUs subject to the Award.

7. **Number of RSUs and Shares**.

7.1 The number of RSUs subject to your Award may be adjusted from time to time for variations in the Company's share capital, as provided in the Plan.

7.2 Any additional RSUs that become subject to the Award pursuant to this Section 7 shall be subject, in a manner determined by the Company, to the same terms and conditions and time and manner of vesting and settlement as applicable to the RSUs in respect of which such additional RSUs are issued.

8. **Unsecured Obligation**. The Award is unfunded, and as a holder of vested RSUs you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to deliver Shares pursuant to this Agreement. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

9. **No Transfer**. The Award and the RSUs are not transferable and may not be sold, pledged, assigned, hypothecated, transferred or otherwise disposed of by you in any manner other than by will or by the laws of descent or distribution or unless otherwise permitted by the Company on a case-by-case basis in accordance with the Plan. The Award and the RSUs shall lapse to the extent you purport to so sell, pledge, assign, hypothecate, transfer or otherwise dispose of them. After the Shares have been delivered to you, you are free to sell, pledge, assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares, provided that any such action is in compliance with the provisions herein (including the country-specific Appendix hereto) and Applicable Law.

10. **Termination of Service**. If your Service terminates for any reason, the Award, to the extent not vested, shall lapse and all unvested RSUs shall be forfeited to the Company forthwith, and all rights you have to such RSUs shall immediately terminate, without payment of any consideration to you. Your Service will be considered terminated as of the date you cease to be an Employee, Consultant, Director or Non-Employee Director of the Company or an Associated Company (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any) and, subject to Applicable Law, your Service will not be extended by any notice period or garden leave period mandated by Applicable Law or any period during which you have ceased to provide services to the Company or an Associated Company but during which the Company or an Associated Company is legally required to continue to employ you. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

11. **No Rights as Employee, Director or Consultant** .

11.1 Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company or an Associated Company to terminate your Service, for any reason, with or without cause.

11.2 Nothing in this Agreement (including, but not limited to, the vesting of RSUs pursuant to the Vesting Schedule or the delivery of Shares in respect of the Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Associated Company; (ii) constitute any promise or commitment by the Company or an Associated Company regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or the Plan; or (iv) deprive the Company or its Associated Companies, as applicable, of the right to terminate your Service without regard to any future vesting opportunity that you may have under this Award.

11.3 By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the Vesting Schedule is earned only by continuing in Service (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Associated Companies at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Service, or the termination of Associated Company status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in RSUs under the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the Vesting Schedule or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued employment or engagement as an employee or director of or consultant to the Company or any Associated Company for the duration of the Vesting Schedule, for any period, or at all, and shall not interfere in any way with your right or the right of the Company or any Associated Company, as applicable, to terminate your Service at any time.

12. **Discretionary Nature of Award** . In accepting the Award, you acknowledge, understand and agree that:

12.1 the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

12.2 the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards in respect of RSUs or other Awards under the Plan, or benefits in lieu of Awards, even if Awards have been granted in the past;

12.3 all decisions with respect to future Awards of RSUs or other Awards, if any, will be at the sole discretion of the Company;

12.4 you are voluntarily participating in the Plan;

12.5 the Award and any Shares acquired by you under the Plan are not intended to replace any pension rights or compensation;

12.6 the Award and any Shares acquired under the Plan and the income and value of same are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments or for any other purpose;

12.7 the future value of the Shares underlying the Award is unknown, indeterminable, and cannot be predicted with certainty;

12.8 no claim or entitlement to compensation or damages shall arise from lapse of the Award or forfeiture of the RSUs resulting from you ceasing to be employed by or provide other services to the Company or any Associated Company (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or any of its Associated Companies, waive your ability, if any, to bring any such claim, and release the Company and its Associated Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

12.9 unless otherwise provided in the Plan or by the Company in its discretion, the Award, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the Award or the RSUs or any such benefits transferred to, or assumed by, another company or exchanged, cashed out, replaced or substituted for or otherwise continued or preserved or dealt with in any particular manner in connection with a Corporate Transaction; and

12.10 you acknowledge and agree that neither the Company nor any Associated Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Award and the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

13. **Award Subject to Company Clawback or Recoupment** . The Award shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Company or required by law during the term of your service that is applicable to you, and in addition to any other remedies available under Applicable Law, such policy may require the cancellation of your Award in full or in part (whether vested or unvested), a reduction in the number of RSUs that will vest, and/or the recoupment of any economic benefit already realized by you with respect to the Award or Shares delivered under it, if you engage or have engaged in activity that is inimical, contrary or harmful to the interests of the Company, as more fully described in such policy.

14. **Tax Consequences** . You acknowledge that there may be tax consequences upon the grant of the Award, vesting and/or settlement of the RSUs or disposition of the Shares, if any, received in connection therewith, and you should consult a tax adviser regarding your tax obligations prior to such grant, vesting or settlement or disposition, in the jurisdiction(s) where you are subject to tax.

15. **Payment of Taxes.**

15.1 Regardless of any action the Company or your actual employer (the " **Employer** ") takes with respect to any or all income tax, national or social insurance contributions, payroll tax, payment on account or other tax-related withholding or required deductions (" **Tax-Related Items** "), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the

Company and/or the Employer and/or the Employee Benefit Trust (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

15.2 Upon settlement of your RSUs, payment of all Tax-Related Items shall be discharged by the deduction of the amount required to satisfy such Tax-Related Items from the proceeds of the immediate sale of such portion of the Shares delivered to you on settlement of your RSUs as is sufficient to discharge the Tax-Related Items, as determined by the Company, and any fees or charges payable by you in connection with such sale, through a mandatory sale arranged by the Company on your behalf by a Company-designated broker (a " **Mandatory Same-Day Sale** "). You shall pay to the Company or the Employer or the Employee Benefit Trust any amount of Tax-Related Items that the Company or the Employer or the Employee Benefit Trust may be required to withhold as a result of your participation in the Plan or your receipt of Shares that is not satisfied by a Mandatory Same-Day Sale, in such manner as may be permitted under the Plan and approved by the Company. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

15.3 You hereby agree to indemnify and hold the Company, the Employer, the Employee Benefit Trust and each Associated Company of the Company harmless in respect of all Tax-Related Items.

16. **No Advice Regarding Award.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of Shares under the Award. You are advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan or the Award.

17. **Consent to Electronic Delivery of All Plan Documents and Communications** . Any notices provided for under this Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, fourteen (14) days after posting from the United Kingdom by prepaid post, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or request your consent to participate in the Plan by electronic means. By accepting this Award you are consenting to receive such documents by electronic delivery and agreeing to participate in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

18. **Compliance with Laws and Regulations.**

18.1 Shares will not be delivered to you in respect of the Award unless either (i) the Shares are registered under the Securities Act; or (ii) the Company has determined that such issuance or delivery would be exempt from the registration requirements of the Securities Act. The delivery of Shares to you under the Award will also be subject to and conditioned upon compliance by the Company and you with all other Applicable Law. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance or transfer or sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or transfer or sell such

Shares as to which such requisite authority shall not have been obtained. The Company shall not be obliged to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any securities laws, exchange control laws, stock exchange or automated quotation system and the Company shall have no liability to you for any inability or failure to do so.

18.2 As a condition to the delivery of any Shares pursuant to this Award, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law and to make any representation or warranty with respect thereto as may be requested by the Company. Shares delivered pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

19. **Appendix .** Notwithstanding any provision in this Agreement, the Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

20. **Necessary Amendments.** Notwithstanding anything in the Plan to the contrary, the Company reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. **Data Protection.**

21.1 You hereby explicitly and unambiguously consent to the collection, retention, use, processing and transfer, in electronic or other form, of your Personal Data by the Company, any Associated Company, the trustees of any Employee Benefit Trust, any administrator of the Plan, the Company's registrars, transfer agent, brokers and other agents, whether among themselves or to any third party, for the exclusive purpose of implementing, administering and managing your participation in the Plan.

21.2 You understand that the Company and its Associated Companies may hold certain personal information about you that constitutes Personal Data, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, passport and/or visa information, email address, employment history, directorships or offices you hold in the Company or any Associated Company, any Shares held by you, details of all Awards or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in your favour, details of any change in your Service status or absences on leave, for the exclusive purpose of implementing, administering and managing the Plan.

21.3 You understand that your Personal Data may be transferred to the Company's-designated Plan broker and to Computershare, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that recipients of your Personal Data may be located both in and outside the European Union or the European Economic Area, and that a recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of your Personal Data by contacting your local human resources representative. You authorize the Company, its designated Plan broker and Plan administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer your Personal Data, in electronic

or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

21.4 You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain your Award and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

22. **Entire Agreement; Enforcement of Rights** .

22.1 This Agreement and the Plan constitute the entire agreement and understanding between you and the Company and its Associated Companies relating to the subject matter herein and they supersede all prior discussions between you and the Company or any Associated Company regarding the subject matter. Any prior agreements, commitments or negotiations concerning the Award are superseded.

22.2 The provisions of this Agreement (and, in particular, Section 15) may also be enforced by the Employer, the Employee Benefit Trust (and its trustee) and each Associated Company of the Company.

23. **Amendments** . Subject to Section 20, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing (including electronically) and signed (or consented to by electronic means approved by the Company) by both you and the Company and, in the case of the Company, executed as a deed where so required. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

24. **Further Assurance** . You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Award.

25. **Plan Prospectus and Insider Trading Policy.** You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's Insider Trading Policy permitting officers, directors and employees of the Company and its Associated Companies to trade Shares only during certain "window" periods, in effect from time to time.

26. **Successors and Assigns.** Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto, including, without limitation, any business entity that succeeds to the business of the Company.

27. **Severability** . If one or more provisions of this Agreement are held to be unenforceable under Applicable Law, you and the Company agree to renegotiate such provision in good faith. In the event that a mutually agreeable and enforceable replacement for such provision cannot be agreed, then, to the maximum extent permitted by Applicable Law, (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded, and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

28. **Governing Law .** This Agreement and the Plan, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in relation to all matters arising under this Agreement and the Plan.

29. **Translations .** If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different to the English version, the English version will control.

30. **Headings.** The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

31. **Counterparts.** The Notice may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

Acknowledgement . The Company and you agree that the Award is granted under and governed by this Agreement and the Plan. You acknowledge that a copy of the Plan has been made available to you on Kingfluence and you represent that you have carefully read and are familiar with its provisions.

By accepting the Award, you shall be deemed to have agreed to the terms and conditions of the Restricted Stock Unit Award Terms (including any Appendix thereto), the Notice and the Plan.

Appendix

to the

Restricted Stock Unit Award Terms

(Global)

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that govern the Award granted under the Plan to you if you reside and/or work in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Notice and/or the Terms.

In the event of any conflict between the provisions of this Appendix and the Notice and/or the Terms, this Appendix shall prevail.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment after the Award is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

GENERAL

This Appendix contains information of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of 1 March 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your RSUs vest or you sell Shares acquired pursuant thereto.

The information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

GERMANY

1. Notification to Bundesbank under art. 67 Export Control Ordinance (Außenwirtschaftsverordnung, AWV): You will have an obligation to notify the Bundesbank of payments made to you under the Plan from a foreign entity if they exceed € 12,500 and are not made through a German bank. Any such notification is entirely your responsibility.

2. The following additional provision shall form part of Section 15 of the Terms:
   "15.4 The Company shall upon settlement of your RSUs disclose such settlement, the number of Shares delivered, the Purchase Price per Share and the market value of the Shares at the time of the settlement to your Employer. The Employer shall have a claim of its own against the Company in respect of such information."

3. The human resources representative to be contacted with regard to your Personal Data, in accordance with Section 21.4 of the Terms, shall be the responsible human resources representative of the Company.

KOREA

Your Award is subject to the Plan, the Sub-Plan Governing Awards to Participants in the Republic of Korea and to the following specific conditions.

1. To the extent that the Agreement provides for any amount payable by you in respect of or in connection with the Award to be deducted from your salary, such deduction shall only be permitted to the extent permitted by Applicable Law and, in particular, the Labor Standards Act of Korea, and you hereby agree that in the event that such deduction is not so permitted, you shall pay any such amount due directly to the Company or by another means approved by the Company and permitted under Applicable Law.

2. If, under Applicable Law, you must file a report with or receive the approval of the Governor of the Bank of Korea or other supervisory agencies (" **Approvals** ") in order to receive the Award, or acquire the Shares upon vesting of your RSUs, then your obtainment of such Approvals shall be a condition precedent to your right to receive the Award and to acquire the Shares upon vesting of the RSUs. If, for any reason, you fail to obtain such Approval, then the Company shall bear no obligation whatsoever to you regarding the Award, the RSUs or the Shares subject thereto.

3. An Associated Company incorporated in Korea shall, in collecting, retaining, using, processing, transferring and disclosing to others your Personal Data, comply with the provisions of the Personal Information Protection Act. Section 21 shall apply to such collection, retention, use, processing, transfer and disclosure to the maximum extent permitted by the Personal Information Act.

MALTA

To the extent that the Agreement provides for any amount payable by you in respect of or in connection with the Award to be deducted from your salary, you hereby agree that in lieu of such deductions, the Company may instead reduce your salary by the amount equal to such deductions.

ROMANIA

Your Award is subject to the Plan, the Sub-Plan Governing Awards to Participants in Romania and the following specific conditions:

1. Section 21.4 of the Terms shall be amended and replaced by the following:

   "You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data, not be subject to an individual decision based on automatic processing, address to the supervisory authority or to a court of law, refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain your Award and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative."

SPAIN

The following provisions shall replace Section 21 of the Terms:

"21.1 You hereby explicitly and unambiguously consent to the collection, retention, use, processing and transfer, in electronic or other form, of your Personal Data by the Company, any Associated Company, the trustees of any Employee Benefit Trust, any administrator of the Plan, the Company's registrars, transfer agent, brokers and other agents, whether among themselves or to any third party, for the exclusive purpose of implementing, administering and managing your participation in the Plan.

21.2 You understand that the Company and its Associated Companies may hold certain personal information about you that constitutes Personal Data, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, passport and/or visa information, email address, employment history, directorships or offices you hold in the Company or any Associated Company, any Shares held by you, details of all Awards or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in your favour, details of any change in your Service status or absences on leave, for the exclusive purpose of implementing, administering and managing the Plan.

21.3 You understand that your Personal Data may be transferred to the Company's-designated Plan broker and to Computershare, or such other stock plan service provider as may be selected by the Company in the future, for assisting the Company with the implementation, administration and management of the Plan. You understand that recipients of your Personal Data may be located both in and outside the European Union or the European Economic Area, and that some recipients' countries (for example the United States) may apply data protection standards which are not equivalent to the ones applied within the European Union. You understand that you may request a list with the names and addresses of any potential recipients of your Personal Data by contacting your local human resources representative. You authorize the Company, its designated Plan broker and Plan administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

21.4 You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, execute your access, rectification, cancellation and objection rights on data, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain your Award and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative."

UNITED KINGDOM

To the extent permitted by Applicable Law, the Company may at any time prior to the vesting of RSUs under your Award determine that liability for all or some of the employer's National Insurance Contributions arising therefrom (or from the acquisition of Shares pursuant thereto) shall be transferred to or borne by you (" **Determination** "). In the event that the Company makes the Determination, you will be notified. You hereby agree that following such notification you will at any time upon request join in with the Company or any Associated Company or any other person in making any election or notice reasonably required by the Company or such Associated Company or other person (as applicable) for the purpose of ensuring that the liability for all employer's National Insurance Contributions (or any similar social security contributions) arising as a consequence of the vesting of your RSUs (or the acquisition of Shares pursuant thereto) is assumed and borne solely by you and treated as a liability falling on you instead of on the Company or such Associated Company or other person (as applicable) and in entering into any arrangements required by HM Revenue & Customs (" **HMRC** ") for securing that any liability so assumed is duly paid by you. You shall not be required to enter into any election or notice pursuant to this paragraph in the event that you enter into such other arrangements with the Company, any Associated Company or any other person (as applicable) that are satisfactory to the Company, such Associated Company or any other person (as applicable) to discharge any liability referred to in this paragraph. If the Company makes the Determination, you shall indemnify and keep indemnified the Company, your Employer and any Associated Company against all employer's National Insurance Contributions arising from the vesting of RSUs under your Award (or the acquisition of Shares pursuant thereto) and to the extent permitted by Applicable Law and (save where you are liable to account for the same directly to HMRC) such employer's National Insurance Contributions shall be treated as a Tax-Related item for the purpose of Section 15.

KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN

NOTICE OF SHARE OPTION GRANT

(GLOBAL)

You (being the Participant named below) (" **you** ") have been granted an option (the " **Option** ") by King Digital Entertainment Public Limited Company (the " **Company** ") under its 2014 Equity Incentive Plan (the " **Plan** ") to subscribe for the number of Shares set out below (the " **Option Shares** "). The Option is granted subject to the terms and conditions of the Plan, this Notice of Share Option Grant (the " **Notice** ") and the attached Share Option Terms (the " **Terms** "), including any applicable country-specific provisions in the appendix attached thereto (if any) (the " **Appendix** "), (the Notice together with Terms (including the Appendix) being the " **Agreement** *")* .

Unless otherwise defined in this Agreement, any capitalized terms used in this Agreement will have the meaning given to them in the Plan.

Participant Name: _____

Option Shares (Number): _____

Date of Grant: _____

Exercise Price per Option Share: _____

[Type of Option: Non-Qualified Stock Option [**Delete for Non-U.S. Options**]

Expiration Date: _____, 20 ___(the " **Expiration Date** "). The Option will expire before the Expiration Date if your Service terminates, as described in the Terms, and may expire earlier in other circumstances in accordance with the Terms and the Plan.

Vesting Commencement Date: _____

Vesting Schedule: The Option will become exercisable in instalments over the period of 48 months measured from the Vesting Commencement Date; the Option will become exercisable with respect to twenty-five percent (25%) of the total number of Option Shares on the date 12 months after the Vesting Commencement Date and with respect to the remaining seventy-five percent (75%) in a series of 12 equal quarterly instalments over the 36-month period thereafter.

You acknowledge that vesting of the Option is earned only by continuing in Service. You acknowledge and agree that the vesting schedule described above may change prospectively in the event that your Service status changes, in accordance with Company policies relating to leave from work, work schedules and vesting of Options under the Plan, and the provisions of the Plan.

You further acknowledge that the grant of the Option is at the Company's sole discretion, and does not entitle you to further grant(s) of Options or other Award(s) under the Plan or awards under any other plan or program maintained by the Company or any Associated Company or affiliate of the Company.

You are required to pay the Company a nominal amount in consideration for the grant of your Option. That amount will be determined by the currency in which your salary is paid and will be the appropriate one of the following: one pound sterling (£1); one U.S. dollar ($1); one Euro (€ 1) or ten Swedish Kroner (SEK10) or a single unit of the relevant local currency. Unless otherwise determined by the Company, and notified to you, the appropriate amount will be deducted from payroll on the next practicable payroll date after the date on which you confirm your acceptance of the Option, and you hereby authorise that deduction.

The Option shall not take effect unless you have confirmed your acceptance of it on the on-line or electronic system operated by Computershare by the date indicated below. By doing so you will be

accepting the Option on the terms and conditions set out in this Notice, the attached Terms (including any Appendix) and the Plan, and in consideration of the grant of the Option by the Company, you will undertake the obligations given to you under this Notice, the Terms and the Plan.

Also, you will be consenting to the delivery to you of Plan documents, including any notices provided for in the Terms, this Notice or the Plan, by electronic delivery and to participating in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

SIGNED
on behalf of **KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY**
by _____
its authorised signatory:

_____
Authorised Signatory (Signature)

IMPORTANT: YOU MUST ACCEPT THIS OPTION BY ◆

KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN
SHARE OPTION TERMS

(GLOBAL)

Pursuant to the attached Notice of Share Option Grant (the " **Notice** ") and these Share Option Terms (the " **Terms** "), (including any applicable country-specific provisions in the Appendix attached hereto (if any)), King Digital Entertainment Public Limited Company (the " **Company** ") has granted you an option under its 2014 Equity Incentive Plan (the " **Plan** ") to subscribe for up to the number of Shares specified in the Notice (the " **Option** "). The Option is granted to you effective as of the date of grant specified in the Notice (the " **Date of Grant** ") although shall not take effect unless you accept the Award on the on-line or electronic system operated by Computershare by the date indicated in the Notice.

Except as otherwise explicitly provided in this Agreement, in the event of any conflict between the terms in this Agreement and the Plan, the Plan shall take precedence.

Capitalized terms not explicitly defined in the Notice or this Agreement but defined in the Plan shall have the same definitions as in the Plan. This Agreement constitutes an Award Agreement for the purposes of the Plan.

The terms and conditions of your Option, in addition to those set forth in the Notice and the Plan, are as follows.

1. **Grant of Option** . The Option comprises your right to subscribe for the Option Shares at the exercise price per Option Share set forth in the Notice (the " **Exercise Price** ").

2. **Exercisability/Vesting of Option.** The Option shall become exercisable for the Option Shares in accordance with the Vesting Schedule.

3. **Exercise of Option** .

3.1 Right to Exercise . The Option, to the extent exercisable in accordance with the Vesting Schedule and the applicable provisions of the Plan and this Agreement, may be exercised in full or in part at any time. The Option may not be exercised for a fraction of an Option Share.

3.2 Taxes . You will not be allowed to exercise the Option unless you make arrangements acceptable to the Company to pay any taxes, social insurance contributions and other required deductions that may be due as a result of the Option exercise.

3.3 Method of Exercise .

3.3.1 The Option may be exercised by delivery of a notice of exercise in a form specified by the Company (the " **Notice of Exercise** "), which shall state your election to exercise the Option, the number of Option Shares in respect of which the Option is being exercised (the " **Exercised Shares** "), and contain such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Notice of Exercise shall be delivered in such form as shall be notified to you from time to time by or on behalf of the Company, which may include delivery in person, by mail, via electronic mail or facsimile or by other authorised method to the Secretary of the Company or other person designated by the Company. The Notice of Exercise shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares. The Option shall be deemed to be exercised upon receipt by the Company of a fully executed Notice of Exercise accompanied by the aggregate Exercise Price payable and payment in full for any Tax-Related Items due upon exercise of the Option (as described in Section 18 below).

3.3.2 The Option may also be exercised pursuant to a written plan that meets the requirements of Rule 10b5-1 under the Exchange Act.

3.4 Exercise by Another . If another person elects to exercise the Option after it has been transferred to him or her in compliance with this Agreement and the Plan, that person must prove to the Company's satisfaction that he or she is entitled to exercise the Option. That person must also complete a Notice of Exercise and pay the Exercise Price and any Tax-Related Items due upon exercise of the Option (as described in Section 18 below).

4. **Method of Payment of Exercise Price** . Payment of the aggregate Exercise Price for the Exercised Shares shall be by one of the following, or a combination thereof:

4.1 cashless exercise through irrevocable directions to a securities broker approved by the Company to sell all or part of the Exercised Shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the aggregate Exercise Price of the Exercised Shares, and any Tax-Related Items due upon exercise of the Option (as described in Section 18 below) (a " **Same-Day Sale** "). The balance of the sale proceeds, if any, will be delivered to you. The directions must be given by electronic or other means permitted by the Company; or

4.2 other method authorised by the Company.

5. **Insider Trading Policy.** The exercise of the Option and all transactions in the Shares issuable upon exercise of the Option shall be subject to the Company's then current Insider Trading Policy.

6. **No Exercise during Disciplinary Procedure** . If you are subject to an investigation or disciplinary process which in the Committee's opinion could result in a termination of your Service for Cause the Committee may, in its sole discretion, determine that no exercise of the Option will be permitted while such investigation or process is in progress.

7. **Shares/Electronic Delivery of Shares.** The Shares issued to you on exercise of your Option shall be newly issued Shares. Upon issuance, the Shares shall be fully paid and non-assessable. Delivery of Shares to you shall be effected by crediting the depositary nominated by the Company, Depositary Trust Company (or its nominee), with the number of Shares due to you, to be held by it in electronic form on your behalf as beneficial owner.

8. **No Shareholder Rights** . Unless and until such time as Shares are issued to you upon exercise of the Option, you, or any person claiming under or through you, shall have no ownership of the Shares subject to the Option and shall have no right to dividends in respect of or to vote the Option Shares.

9. **Dividend Equivalents** . Dividend Equivalents shall not be credited to you in respect of the Option Shares.

10. **Variation of Option Shares** . The Option Shares and the Exercise Price may be adjusted from time to time for variations in the Company's share capital, as provided in the Plan.

11. **No Transfer.** The Option is not transferable and may not be sold, pledged, assigned, hypothecated, transferred or otherwise disposed of by you in any manner other than by will or by the laws of descent or distribution or unless otherwise permitted by the Company on a case-by-case basis in accordance with the Plan. The Option shall lapse to the extent you purport to so sell, pledge, assign, hypothecate, transfer or otherwise dispose of it. After the Shares have been issued to you, upon exercise of the Option, you are free to sell, pledge, assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares, provided that any such action is in compliance with the provisions of this Agreement, (including the country-specific Appendix hereto), the Plan and Applicable Law.

12. **Termination of Service**

12.1 Unvested Option Shares . If your Service terminates for any reason, the Option will lapse on the date of termination of your Service with respect to the number of Option Shares for which it is not yet exercisable as of that date in accordance with the Vesting Schedule.

12.2 Vested Option Shares - General Rule . If your Service terminates for any reason except death, retirement in accordance with your contract of Service or Disability, then, to the extent the Option is exercisable in accordance with the Vesting Schedule as of the date of termination of your Service, it may be exercised within the period of three (3) months after such date. To the extent not so exercised, the Option shall lapse at the close of business at Company headquarters on the date three (3) months after the date your Service terminates.

12.3 Vested Option Shares – Death . If your Service terminates by reason of your death, or if you die within three (3) months after your Service terminates (other than for Cause or due to Disability or retirement), then, to the extent the Option is exercisable in accordance with the Vesting Schedule as of the date of termination of your Service, it may be exercised within the period of 12 months after such date by your estate or the person who acquired the right to exercise the Option by bequest or inheritance. To the extent not so exercised, the Option shall lapse at the close of business at Company headquarters on the date 12 months after the date your Service terminates.

12.4 Vested Option Shares – Disability or Retirement . If your Service terminates because of your Disability or retirement in accordance with your contract of Service, then to the extent the Option is exercisable in accordance with the Vesting Schedule as of the date of termination of your Service, it may be exercised within the period of 12 months after such date. To the extent not so exercised, the Option shall lapse at the close of business at Company headquarters on the date 12 months after the date your Service terminates.

12.5 Termination for Cause . If your Service is terminated for Cause, the Option shall lapse in its entirety on the date of termination of your Service or, if earlier, the service of notice of such termination.

12.6 No Notice of Post-Service Exercise Period . You are responsible for ascertaining the applicable period during which the Option may be exercised following the termination of your Service for any reason. The Company will not provide you with any notice of such period or its expiration.

12.7 Date of Termination of Service . Your Service will be considered terminated as of the date you cease to be an Employee, Consultant, Director or Non-Employee Director of the Company or an Associated Company, (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any) and, subject to Applicable Law, your Service will not be extended by any notice period or garden leave period mandated by local law or any period during which you have ceased to provide services to the Company or an Associated Company but during which the Company or an Associated Company is legally required to continue to employ you. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

12.8 No Exercise after Expiration Date . In no event may the Option be exercised later than the Expiration Date set forth in the Notice.

13. **Term of Option** . The Option shall in any event expire on the Expiration Date.

14. **No Rights as Employee, Director or Consultant.**

14.1 Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company or an Associated Company to terminate your Service, for any reason, with or without cause.

14.2 Nothing in this Agreement (including, but not limited to, vesting of the Option pursuant to the Vesting Schedule), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Associated Company; (ii) constitute any promise or commitment by the Company or an Associated Company regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or the Plan; or (iv) deprive the Company or its Associated Companies, as applicable, of the right to terminate your Service without regard to any future vesting or exercise opportunity that you may have under the Option.

14.3 By accepting the Option, you acknowledge and agree that the right to continue vesting of the Option pursuant to the Vesting Schedule is earned only by continuing in Service (not through the act of being hired, being granted the Option or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Associated Companies at any time or from time to time, as it deems appropriate (a “reorganization”). You further acknowledge and agree that such a reorganization could result in the termination of your Service, or the termination of Associated Company status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting of the Option. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the Vesting Schedule or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued employment or engagement as an employee or director of or consultant to the Company or any Associated Company for the duration of the Vesting Schedule, for any period, or at all, and shall not interfere in any way with your right or the right of the Company or any Associated Company, as applicable, to terminate your Service at any time.

15. **Discretionary Nature of Option** . In accepting the Option, you acknowledge, understand and agree that:

15.1 the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

15.2 the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options or other Awards under the Plan, or benefits in lieu of Awards, even if other Awards have been granted in the past;

15.3 all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

15.4 you are voluntarily participating in the Plan;

15.5 the Option and any Shares acquired by you under the Plan are not intended to replace any pension rights or compensation;

15.6 the Option and any Shares acquired under the Plan and the income and value of same are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments or for any other purpose;

15.7 the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

15.8 no claim or entitlement to compensation or damages shall arise from lapse of the Option resulting from you ceasing to be employed by or provide other services to the Company or any Associated Company (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the Option to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or any of its Associated Companies, waive your ability, if any, to bring any such claim, and release the Company and its Associated Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

15.9 unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company or exchanged, cashed out, replaced or substituted for or otherwise continued or preserved or dealt with in any particular manner in connection with a Corporate Transaction; and

15.10 you acknowledge and agree that neither the Company nor any Associated Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Option and the Shares subject to it or the subsequent sale of any such Shares.

16. **Option and Shares Subject to Company Clawback or Recoupment.** The Option, and any Shares acquired upon exercise of the Option, shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Company or required by law during the term of your Service that is applicable to you, and in addition to any other remedies available under Applicable Law, such policy may require the cancellation of the Option in full or in part (whether vested or unvested), a reduction in the number of Option Shares that will become exercisable/vest, and/or the recoupment of any economic benefit already realized by you with respect to the Option or Shares acquired under it, if you engage or have engaged in activity that is inimical, contrary or harmful to the interests of the Company, as more fully described in such policy.

17. **Tax Consequences** . You acknowledge that there may be tax consequences upon the grant, vesting and/or exercise of the Option or disposition of the Shares acquired thereunder and you should consult a tax adviser regarding your tax obligations prior to such grant, vesting, exercise or disposition, in the jurisdiction(s) where you are subject to tax.

18. **Payment of Taxes**

18.1 Regardless of any action the Company or your actual employer (the " **Employer** ") takes with respect to any or all income tax, national or social insurance contributions, payroll tax, payment on account or other tax-related withholding (" **Tax-Related**

Items "), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items.

18.2 Prior to exercise of the Option, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, with the Company's consent, these arrangements may include (a) payment by you of an amount equal to the Tax-Related Items directly by cash, cheque, wire transfer, bank draft or money order payable to the Company, (b) if permissible under Applicable Law, withholding an amount equal to Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer, (c) having the Company withhold payments for Tax-Related Items and any fees or charges payable by you in connection with such sale, from the proceeds of a Same-Day Sale, or (d) any other arrangement approved by the Company. You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or the vesting or exercise of the Option that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to issue Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

18.3 You hereby agree to indemnify and hold the Company, the Employer and each Associated Company of the Company harmless in respect of all Tax-Related Items.

19. **No Advice Regarding Option.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, the exercise of the Option or the sale of Shares acquired under the Option. You are advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan or the Option.

20. **Consent to Electronic Delivery of All Plan Documents and Communications** . Any notices provided for under this Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, fourteen (14) days after posting from the United Kingdom by prepaid post, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Option by electronic means or request your consent to participate in the Plan by electronic means. By accepting the Option you are consenting to receive such documents by electronic delivery and agreeing to participate in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

21. **Compliance with Laws and Regulations** .

21.1 Shares will not be issued to you upon exercise of the Option unless either (i) the Shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of Shares to you under the Option will also be subject to and conditioned upon compliance by the Company and you with all other Applicable Law. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance of any Shares shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. The Company shall not be obliged to register

the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any securities laws, exchange control laws, stock exchange or automated quotation system and the Company shall have no liability to you for any inability or failure to do so.

21.2 As a condition to the issuance of any Shares pursuant to the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law and to make any representation or warranty with respect thereto as may be requested by the Company. Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

22. **Appendix.** Notwithstanding any provision in this Agreement, the Option shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

23. **Necessary Amendments.** Notwithstanding anything in the Plan to the contrary, the Company reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. **Data Protection.**

24.1 You hereby explicitly and unambiguously consent to the collection, retention, use, processing and transfer, in electronic or other form, of your Personal Data by the Company, any Associated Company, any administrator of the Plan, the Company's registrars, transfer agent, brokers and other agents, whether among themselves or to any third party, for the exclusive purpose of implementing, administering and managing your participation in the Plan.

24.2 You understand that the Company and its Associated Companies may hold certain personal information about you that constitutes Personal Data, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, passport and/or visa information, email address, employment history, directorships or offices you hold in the Company or any Associated Company, any Shares held by you, details of the Option and all other Awards or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in your favour, details of any change in your Service status or absences on leave, for the exclusive purpose of implementing, administering and managing the Plan.

24.3 You understand that your Personal Data may be transferred to the Company's-designated Plan broker and to Computershare, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that recipients of your Personal Data may be located both in and outside the European Union or the European Economic Area, and that a recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of your Personal Data by contacting your local human resources representative. You authorise the Company, its designated Plan broker and Plan administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

24.4 You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain the Option and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

25. **Entire Agreement; Enforcement of Rights.**

25.1 This Agreement, the Plan and the Notice constitute the entire agreement and understanding between you and the Company and its Associated Companies relating to the subject matter herein and they supersede all prior discussions between you and the Company or any Associated Company regarding the subject matter. Any prior agreements, commitments or negotiations concerning the Option are superseded.

25.2 The provisions of this Agreement (and, in particular, Section 18) may also be enforced by the Employer and each Associated Company of the Company.

26. **Amendments**. Subject to Section 23, no modification of or amendment to this Agreement nor any waiver of any rights under this Agreement, shall be effective unless in writing (including electronically) and signed (or consented to by electronic means approved by the Company) by both you and the Company and, in the case of the Company, executed as a deed where so required. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

27. **Further Assurance**. You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Option.

28. **Plan Prospectus and Insider Trading Policy.** You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's Insider Trading Policy permitting officers, directors and employees of the Company and its Associated Companies to trade Shares only during certain "window" periods in effect from time to time.

29. **Successors and Assigns**. Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto, including, without limitation, any business entity that succeeds to the business of the Company.

30. **Severability.** If one or more provisions of this Agreement are held to be unenforceable under Applicable Law, you and the Company agree to renegotiate such provision in good faith. In the event that a mutually agreeable and enforceable replacement for such provision cannot be agreed, then, to the maximum extent permitted by Applicable Law, (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such

provision were so excluded, and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

31. **Governing Law** . This Agreement, the Plan, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in relation to all matters arising under this Agreement and the Plan.

32. **Translations** . If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different to the English version, the English version will control.

33. **Headings.** The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

34. **Counterparts.** The Notice may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

35. **Acknowledgement.** The Company and you agree that the Option is granted under and governed by this Agreement and the Plan. You acknowledge that a copy of the Plan has been made available to you on Kingfluence and you represent that you have carefully read and are familiar with its provisions.

By accepting the Option, you shall be deemed to have agreed to the terms and conditions of the Share Option Terms (including any Appendix thereto), the Notice and the Plan.

A PPENDIX TO THE

S HARE O PTION T ERMS

(G LOBAL)

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that govern the Option granted under the Plan to you if you reside and/or work in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Terms.

In the event of any conflict between the provisions of this Appendix and the Notice and/or the Terms, this Appendix shall prevail.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment after the Option is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

GENERAL

This Appendix contains information of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of 1 May 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your Option is exercised or you sell Shares acquired pursuant thereto.

The information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

UNITED KINGDOM

To the extent permitted by Applicable Law, the Company may at any time prior to the exercise of your Option determine that liability for all or some of the employer's National Insurance Contributions arising from the vesting or exercise of your Options (or from the acquisition of Shares pursuant thereto) shall be transferred to or borne by you (" **Determination** "). In the event that the Company makes the Determination, you will be notified. You hereby agree that following such notification you will at any time upon request join in with the Company or any Associated Company or any other person in making any election or notice reasonably required by the Company or such Associated Company or other person (as applicable) for the purpose of ensuring that the liability for all employer's National Insurance Contributions (or any similar social security contributions) arising as a consequence of the vesting or exercise of your Options (or the acquisition of Shares pursuant thereto) is assumed and borne solely by you and treated as a liability falling on you instead of on the Company or such Associated Company or other person (as applicable) and in entering into any arrangements required by HM Revenue & Customs (" **HMRC** ") for securing that any liability so assumed is duly paid by you. You shall not be required to enter into any election or notice pursuant to this paragraph in the event that you enter into such other arrangements with the Company, any Associated Company or any other person (as applicable) that are satisfactory to the Company, such Associated Company or any other person (as applicable) to discharge any liability referred to in this paragraph. If the Company makes the Determination, you shall indemnify and keep indemnified the Company, your Employer and any Associated Company against all employer's National Insurance Contributions arising from the vesting or exercise of your Option (or the acquisition of Shares pursuant thereto) and to the extent permitted by Applicable Law and (save where you are liable to account for the same directly to HMRC) such employer's National Insurance Contributions shall be treated as a Tax-Related item for the purpose of Section 18 of the Terms.

KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

(SENIOR VICE PRESIDENT)

You (being the Participant named below) (" **you** ") have been granted a Restricted Stock Unit Award (the " **Award** ") by King Digital Entertainment Public Limited Company (the " **Company** ") under its 2014 Equity Incentive Plan (the " **Plan** ") in respect of the number of Restricted Stock Units (" **RSUs** ") set out below. The Award is granted subject to the terms and conditions of the Plan, this Notice of Restricted Stock Unit Award (the " **Notice** ") and the attached Restricted Stock Unit Award Terms (the " **Terms** "), including any applicable country-specific provisions in the appendix attached thereto (if any) (the " **Appendix** "), (the Notice together with Terms (including the Appendix) being the " **Agreement** ").

Unless otherwise defined in this Agreement, any capitalized terms used in this Agreement will have the meaning given to them in the Plan.

Participant Name:	**[◆]**
Total Number of RSUs:	**«Number_of_RSUs_1»**
Date of Grant:	**[◆]**
Vesting Commencement Date:	**[◆]**
Vesting Schedule:	Vesting of your RSUs will occur over the four-year period beginning on the Vesting Commencement Date specified above; twenty-five percent (25%) of the Total Number of RSUs will vest on the first anniversary of the Vesting Commencement Date and the remaining seventy-five percent (75%) will vest in a series of twelve (12) equal quarterly instalments thereafter, each of 6.25% of the Total Number of RSUs.
Settlement:	For each RSU which vests, one Share will be delivered to you in accordance with Section 3 of the Terms.

You acknowledge that vesting of the RSUs pursuant to the Award is earned only by continuing in Service. You acknowledge and agree that the vesting schedule described above may change prospectively in the event that your Service status changes, in accordance with Company policies relating to leave from work, work schedules and vesting of awards under the Plan, and the provisions of the Plan.

You further acknowledge that the grant of the Award is at the Company's sole discretion, and does not entitle you to further grant(s) of Awards in respect of RSUs or any other award(s) under the Plan or any other plan or program maintained by the Company or any Associated Company or affiliate of the Company.

You are required to pay the Company a nominal amount in consideration for the grant of your Award. That amount will be determined by the currency in which your salary is paid and will be the appropriate one of the following: one pound sterling (£1); one U.S. dollar ($1); one Euro (€ 1) or ten Swedish Kroner (SEK10) or a single unit of the relevant local currency. Unless otherwise determined by the Company, and notified to you, the appropriate amount will be deducted from payroll on the next practicable payroll date after the date on which you confirm acceptance of the Award, and you hereby authorise that deduction.

You will not be required to make any payment to the Company with respect to the vesting of the RSUs or the delivery of Shares in settlement of the RSUs; *provided, however* , that to the extent that any Shares delivered upon settlement of your Award are newly issued Shares, you must pay the Company the amount equal to the nominal value of such Shares ($0.00008 per Share) (the " ***Purchase Price*** "). You hereby irrevocably undertake to pay the Company the Purchase Price and you hereby authorise the

Company or any Associated Company at their election to: (i) deduct the Purchase Price from your salary or other payment due to you from the Company or any Associated Company, on a date determined by the Company or any Associated Company, prior to or after the vesting date of the relevant RSUs, or (ii) deduct the Purchase Price from the proceeds of a same-day sale described in Section 16.2 of the Terms.

The Award shall not take effect unless you have confirmed your acceptance of it on the on-line or electronic system operated by Computershare by the date indicated below. By doing so you will be accepting the Award on the terms and conditions set out in this Notice, the attached Terms (including any Appendix) and the Plan, and in consideration of the grant of the Award by the Company, you will undertake the obligations given to you under this Notice, the Terms and the Plan. Also you will be consenting to the delivery to you of Plan documents, including any notices provided for in the Terms, this Notice or the Plan, by electronic delivery and to participating in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

SIGNED
on behalf of **K ING D IGITAL E NTERTAINMENT P UBLIC L IMITED C OMPANY**
by _____ _____
its authorised signatory: Authorised Signatory (Signature)

IMPORTANT: YOU MUST ACCEPT THIS AWARD BY ◆

KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD TERMS

(GLOBAL)

Pursuant to your attached Notice of Restricted Stock Unit Award (the " **Notice** ") and these Restricted Stock Unit Award Terms, including any country-specific Appendix, (together with the Notice, being the " **Agreement** "), King Digital Entertainment Public Limited Company (the " **Company** ") has granted you a Restricted Stock Unit Award (the " **Award** ") under its 2014 Equity Incentive Plan (the " **Plan** "). The Award is granted to you effective as of the date of grant set forth in the Notice (the " **Date of Grant** ") although shall not take effect unless you accept the Award on the on-line or electronic system operated by Computershare by the date indicated in the Notice.

Except as otherwise explicitly provided in this Agreement, in the event of any conflict between the terms in this Agreement and the Plan, the Plan shall take precedence.

Capitalized terms not explicitly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan. This Agreement constitutes an Award Agreement for the purposes of the Plan.

The terms and conditions of your Award, in addition to those set forth in the Notice and the Plan, are as follows.

1. **Grant of the Award .** The Award represents your right to receive on specified future dates, in accordance with the vesting schedule set out in the Notice (the " **Vesting Schedule** "), the number of Shares that is equal to the number of RSUs that vest on each such date, upon payment to the Company of the Purchase Price (nominal value $0.00008 per Share) if the Shares to be delivered to you, as determined by the Company, are to be newly issued Shares, or for no consideration payable by you if the Shares to be delivered to you are already issued Shares.

2. **Vesting.** The RSUs subject to your Award will vest, if at all, in accordance with the Vesting Schedule, provided that, subject to Section 11, vesting of the RSUs will cease upon the termination of your Service.

3. **Settlement** .

3.1 Settlement of vested RSUs shall be made on or as soon as practicable after the applicable date of vesting under the Vesting Schedule but in any event within thirty (30) days after such date. Except as otherwise provided under the Plan, settlement of RSUs shall be in Shares. Settlement means the delivery to you of the number of Shares subject to a vested RSU. Where fractional rights arise, they shall be credited to you and accumulated and carried forward to the last date on which RSUs vest.

3.2 Notwithstanding the foregoing, in the event that (i) you are subject to the Insider Trading Policy (the " **Policy** ") or (ii) you are otherwise prohibited from selling Shares in the open market, and any Shares covered by your Award are scheduled to be delivered on a day (the " **Original Settlement Date** ") that does not occur during an open "window period" applicable to you or a day on which you are permitted to sell Shares pursuant to a written plan that meets the requirements of Rule 10b5-1 under the Exchange Act, as determined by the Company in accordance with the Policy, or does not occur on a date when you are otherwise permitted to sell Shares in the open market, then the Company may determine that such Shares shall not be delivered on the Original Settlement Date and shall instead be delivered on the first U.S. business day of the next occurring open "window period" applicable to you pursuant to the

Policy (regardless of whether you are still in Service at such time) or the next U.S. business day when you are not prohibited from selling Shares in the open market.

4. **Shares/Electronic Delivery of Shares**. Shares delivered to you on settlement of your RSUs shall be previously authorised but unissued Shares or issued Shares that have been reacquired by the Company or by an Employee Benefit Trust. Upon issuance, Shares shall be fully paid and nonassessable. Delivery of Shares to you shall be effected by crediting the depositary nominated by the Company, Depositary Trust Company (or its nominee), with the number of Shares due to you, to be held by it in electronic form on your behalf as beneficial owner.

5. **No Shareholder Rights**. Unless and until such time as Shares are delivered to you in settlement of vested RSUs, you, or any person claiming under or through you, shall have no ownership of the Shares subject to the RSUs and shall have no right to dividends in respect of or to vote such Shares.

6. **Dividend Equivalents**. Dividend Equivalents shall not be credited to you in respect of the RSUs subject to the Award.

7. **Number of RSUs and Shares**.

7.1 The number of RSUs subject to your Award may be adjusted from time to time for variations in the Company's share capital, as provided in the Plan.

7.2 Any additional RSUs that become subject to the Award pursuant to this Section 7 shall be subject, in a manner determined by the Company, to the same terms and conditions and time and manner of vesting and settlement as applicable to the RSUs in respect of which such additional RSUs are issued.

8. **Unsecured Obligation.** The Award is unfunded, and as a holder of vested RSUs you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to deliver Shares pursuant to this Agreement. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

9. **No Transfer**. The Award and the RSUs are not transferable and may not be sold, pledged, assigned, hypothecated, transferred or otherwise disposed of by you in any manner other than by will or by the laws of descent or distribution or unless otherwise permitted by the Company on a case-by-case basis in accordance with the Plan. The Award and the RSUs shall lapse to the extent you purport to so sell, pledge, assign, hypothecate, transfer or otherwise dispose of them. After the Shares have been delivered to you, you are free to sell, pledge, assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares, provided that any such action is in compliance with the provisions herein (including the country-specific Appendix hereto) and Applicable Law.

10. **Termination of Service**. Subject to Section 11, if your Service terminates for any reason, the Award, to the extent not vested, shall lapse and all unvested RSUs shall be forfeited to the Company forthwith, and all rights you have to such RSUs shall immediately terminate, without payment of any consideration to you. Your Service will be considered terminated as of the date you cease to be an Employee, Consultant, Director or Non-Employee Director of the Company or an Associated Company (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your Service Agreement, if any) and, subject to Applicable Law, your Service will not be extended by any notice period or garden leave period mandated by Applicable Law or any period during which you have ceased to provide services to the Company or an Associated Company but during which the Company or an Associated Company is legally required to continue to employ you. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

11. **Change of Control Termination.**

11.1 In the event of a Change of Control Termination, the Award (as assumed, exchanged, substituted, replaced or converted, if applicable) shall automatically accelerate with respect to fifty percent (50%) of the RSUs (if any), or the shares or other securities for or by which the RSUs have been exchanged, substituted or replaced or converted to, that are unvested as of that date in accordance with the Vesting Schedule.

11.2 For purposes of this Section 11;

11.2.1 **"Change of Control Period"** , means a period that commences on the date that falls three months prior to the date of exchange of contracts in relation to an applicable Corporate Transaction and terminates on the date that falls 12 months immediately after the completion of an applicable Corporate Transaction;

11.2.2 **"Change of Control Termination"** , means the termination of your employment with the Company or an Associated Company or any successor thereto (the " **Employer** ") during a Change of Control Period where:

(a) the Employer serves notice to terminate your employment, save where it is entitled summarily to terminate your employment without notice or payment in lieu of notice under the Service Agreement; or

(b) you terminate your employment with the Employer with or without notice for Good Reason (other than in circumstances where the Employer has reasonable grounds for summary dismissal without notice or payment in lieu of notice under the Service Agreement) provided that you must, before you terminate your employment for Good Reason, and if (on a reasonable view) the circumstances that constitute Good Reason are remediable, have first given the Employer a written notice stating clearly the event or circumstance that constitutes Good Reason in your belief, acting in good faith, and given the Employer a period of not less than 15 working days to cure the event or circumstance allegedly constituting Good Reason and no Good Reason shall exist if on a reasonable view the event or circumstance is cured by the Employer;

11.2.3 **"Good Reason"** , means grounds that entitle you to treat yourself as being constructively dismissed (within the meaning of section 95(1)(c) of the Employment Rights Act 1996) as may be determined by a court of competent jurisdiction. Examples of such grounds may include, but are not limited to, circumstances where you are required to permanently relocate outside of Greater London, where your pay is unilaterally reduced, where the Employer is in breach of the Service Agreement, or where on a Corporate Transaction the acquiring entity did not give you options, compensation or equity of at least the same value as the value of any shares under option or award (net of exercise or purchase price) held by you which are no longer capable of vesting or being exercised after such Corporate Transaction; and

11.2.4 **"Service Agreement"** means any unexpired service agreement between you and the Company or any Associated Company in effect from time to time.

12. **No Rights as Employee, Director or Consultant** .

12.1 Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company or an Associated Company to terminate your Service, for any reason, with or without cause.

12.2 Nothing in this Agreement (including, but not limited to, the vesting of RSUs pursuant to the Vesting Schedule or the delivery of Shares in respect of the Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Associated Company; (ii) constitute any promise or commitment by the Company or an Associated Company regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or the Plan; or (iv) deprive the Company or its Associated Companies, as applicable, of the right to terminate your Service without regard to any future vesting opportunity that you may have under this Award.

12.3 By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the Vesting Schedule is earned only by continuing in Service (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Associated Companies at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Service, or the termination of Associated Company status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in RSUs under the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the Vesting Schedule or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued employment or engagement as an employee or director of or consultant to the Company or any Associated Company for the duration of the Vesting Schedule, for any period, or at all, and shall not interfere in any way with your right or the right of the Company or any Associated Company, as applicable, to terminate your Service at any time.

13. **Discretionary Nature of Award** . In accepting the Award, you acknowledge, understand and agree that:

13.1 the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

13.2 the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards in respect of RSUs or other Awards under the Plan, or benefits in lieu of Awards, even if Awards have been granted in the past;

13.3 all decisions with respect to future Awards of RSUs or other Awards, if any, will be at the sole discretion of the Company;

13.4 you are voluntarily participating in the Plan;

13.5 the Award and any Shares acquired by you under the Plan are not intended to replace any pension rights or compensation;

13.6 the Award and any Shares acquired under the Plan and the income and value of same are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments or for any other purpose;

13.7 the future value of the Shares underlying the Award is unknown, indeterminable, and cannot be predicted with certainty;

13.8 no claim or entitlement to compensation or damages shall arise from lapse of the Award or forfeiture of the RSUs resulting from you ceasing to be employed by or provide other services to the Company or any Associated Company (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your Service Agreement, if any), and in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or any of its Associated Companies, waive your ability, if any, to bring any such claim, and release the Company and its Associated Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

13.9 unless otherwise provided in the Plan or by the Company in its discretion, the Award, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the Award or the RSUs or any such benefits transferred to, or assumed by, another company or exchanged, cashed out, replaced or substituted for or otherwise continued or preserved or dealt with in any particular manner in connection with a Corporate Transaction; and

13.10 you acknowledge and agree that neither the Company nor any Associated Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Award and the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

14. **Award Subject to Company Clawback or Recoupment** . The Award shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Company or required by law during the term of your service that is applicable to you, and in addition to any other remedies available under Applicable Law, such policy may require the cancellation of your Award in full or in part (whether vested or unvested), a reduction in the number of RSUs that will vest, and/or the recoupment of any economic benefit already realized by you with respect to the Award or Shares delivered under it, if you engage or have engaged in activity that is inimical, contrary or harmful to the interests of the Company, as more fully described in such policy.

15. **Tax Consequences** . You acknowledge that there may be tax consequences upon the grant of the Award, vesting and/or settlement of the RSUs or disposition of the Shares, if any, received in connection therewith, and you should consult a tax adviser regarding your tax obligations prior to such grant, vesting or settlement or disposition, in the jurisdiction(s) where you are subject to tax.

16. **Payment of Taxes .**

16.1 Regardless of any action the Company or the Employer takes with respect to any or all income tax, national or social insurance contributions, payroll tax, payment on account or other tax-related withholding or required deductions (" **Tax-Related Items** "), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer and/or the Employee Benefit Trust (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-

Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

16.2 Upon settlement of your RSUs, payment of all Tax-Related Items shall be discharged by the deduction of the amount required to satisfy such Tax-Related Items from the proceeds of the immediate sale of such portion of the Shares delivered to you on settlement of your RSUs as is sufficient to discharge the Tax-Related Items, as determined by the Company, and any fees or charges payable by you in connection with such sale, through a mandatory sale arranged by the Company on your behalf by a Company-designated broker (a " **Mandatory Same-Day Sale** "). You shall pay to the Company or the Employer or the Employee Benefit Trust any amount of Tax-Related Items that the Company or the Employer or the Employee Benefit Trust may be required to withhold as a result of your participation in the Plan or your receipt of Shares that is not satisfied by a Mandatory Same-Day Sale, in such manner as may be permitted under the Plan and approved by the Company. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

16.3 You hereby agree to indemnify and hold the Company, the Employer, the Employee Benefit Trust and each Associated Company of the Company harmless in respect of all Tax-Related Items.

17. **No Advice Regarding Award.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of Shares under the Award. You are advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan or the Award.

18. **Consent to Electronic Delivery of All Plan Documents and Communications** . Any notices provided for under this Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, fourteen (14) days after posting from the United Kingdom by prepaid post, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or request your consent to participate in the Plan by electronic means. By accepting this Award you are consenting to receive such documents by electronic delivery and agreeing to participate in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

19. **Compliance with Laws and Regulations.**

19.1 Shares will not be delivered to you in respect of the Award unless either (i) the Shares are registered under the Securities Act; or (ii) the Company has determined that such issuance or delivery would be exempt from the registration requirements of the Securities Act. The delivery of Shares to you under the Award will also be subject to and conditioned upon compliance by the Company and you with all other Applicable Law. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance or transfer or sale of any Shares shall relieve the Company of any liability in respect of the failure to issue or transfer or sell such Shares as to which such requisite authority shall not have been obtained. The Company shall not be obliged to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any securities laws, exchange control laws, stock exchange or automated quotation system and the Company shall have no liability to you for any inability or failure to do so.

19.2 As a condition to the delivery of any Shares pursuant to this Award, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law and to make any representation or warranty with respect thereto as may be requested by the Company. Shares delivered pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

20. **Appendix .** Notwithstanding any provision in this Agreement, the Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

21. **Necessary Amendments.** Notwithstanding anything in the Plan to the contrary, the Company reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. **Data Protection.**

22.1 You hereby explicitly and unambiguously consent to the collection, retention, use, processing and transfer, in electronic or other form, of your Personal Data by the Company, any Associated Company, the trustees of any Employee Benefit Trust, any administrator of the Plan, the Company's registrars, transfer agent, brokers and other agents, whether among themselves or to any third party, for the exclusive purpose of implementing, administering and managing your participation in the Plan.

22.2 You understand that the Company and its Associated Companies may hold certain personal information about you that constitutes Personal Data, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, passport and/or visa information, email address, employment history, directorships or offices you hold in the Company or any Associated Company, any Shares held by you, details of all Awards or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in your favour, details of any change in your Service status or absences on leave, for the exclusive purpose of implementing, administering and managing the Plan.

22.3 You understand that your Personal Data may be transferred to the Company's-designated Plan broker and to Computershare, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that recipients of your Personal Data may be located both in and outside the European Union or the European Economic Area, and that a recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of your Personal Data by contacting your local human resources representative. You authorize the Company, its designated Plan broker and Plan administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

22.4 You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information

about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain your Award and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

23. **Entire Agreement; Enforcement of Rights** .

23.1 This Agreement and the Plan constitute the entire agreement and understanding between you and the Company and its Associated Companies relating to the subject matter herein and they supersede all prior discussions between you and the Company or any Associated Company regarding the subject matter. Any prior agreements, commitments or negotiations concerning the Award are superseded.

23.2 The provisions of this Agreement (and, in particular, Section 16) may also be enforced by the Employer, the Employee Benefit Trust (and its trustee) and each Associated Company of the Company.

24. **Amendments** . Subject to Section 21, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing (including electronically) and signed (or consented to by electronic means approved by the Company) by both you and the Company and, in the case of the Company, executed as a deed where so required. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

25. **Further Assurance** . You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Award.

26. **Plan Prospectus and Insider Trading Policy.** You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's Insider Trading Policy permitting officers, directors and employees of the Company and its Associated Companies to trade Shares only during certain "window" periods, in effect from time to time.

27. **Successors and Assigns.** Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto, including, without limitation, any business entity that succeeds to the business of the Company.

28. **Severability** . If one or more provisions of this Agreement are held to be unenforceable under Applicable Law, you and the Company agree to renegotiate such provision in good faith. In the event that a mutually agreeable and enforceable replacement for such provision cannot be agreed, then, to the maximum extent permitted by Applicable Law, (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such

provision were so excluded, and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

29. **Governing Law .** This Agreement and the Plan, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in relation to all matters arising under this Agreement and the Plan.

30. **Translations .** If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different to the English version, the English version will control.

31. **Headings.** The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

32. **Counterparts.** The Notice may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

Acknowledgement . The Company and you agree that the Award is granted under and governed by this Agreement and the Plan. You acknowledge that a copy of the Plan has been made available to you on Kingfluence and you represent that you have carefully read and are familiar with its provisions.

By accepting the Award, you shall be deemed to have agreed to the terms and conditions of the Restricted Stock Unit Award Terms (including any Appendix thereto), the Notice and the Plan.

Appendix

to the

Restricted Stock Unit Award Terms

(Senior Vice President)

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that govern the Award granted under the Plan to you if you reside and/or work in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Notice and/or the Terms.

In the event of any conflict between the provisions of this Appendix and the Notice and/or the Terms, this Appendix shall prevail.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment after the Award is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

GENERAL

This Appendix contains information of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of 1 March 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your RSUs vest or you sell Shares acquired pursuant thereto.

The information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

GERMANY

1. Notification to Bundesbank under art. 67 Export Control Ordinance (Außenwirtschaftsverordnung, AWV): You will have an obligation to notify the Bundesbank of payments made to you under the Plan from a foreign entity if they exceed € 12,500 and are not made through a German bank. Any such notification is entirely your responsibility.

2. The following additional provision shall form part of Section 16 of the Terms:
   "16.4 The Company shall upon settlement of your RSUs disclose such settlement, the number of Shares delivered, the Purchase Price per Share and the market value of the Shares at the time of the settlement to your Employer. The Employer shall have a claim of its own against the Company in respect of such information."

3. The human resources representative to be contacted with regard to your Personal Data, in accordance with Section 22.4 of the Terms, shall be the responsible human resources representative of the Company.

KOREA

Your Award is subject to the Plan, the Sub-Plan Governing Awards to Participants in the Republic of Korea and to the following specific conditions.

1. To the extent that the Agreement provides for any amount payable by you in respect of or in connection with the Award to be deducted from your salary, such deduction shall only be permitted to the extent permitted by Applicable Law and, in particular, the Labor Standards Act of Korea, and you hereby agree that in the event that such deduction is not so permitted, you shall pay any such amount due directly to the Company or by another means approved by the Company and permitted under Applicable Law.

2. If, under Applicable Law, you must file a report with or receive the approval of the Governor of the Bank of Korea or other supervisory agencies (" **Approvals** ") in order to receive the Award, or acquire the Shares upon vesting of your RSUs, then your obtainment of such Approvals shall be a condition precedent to your right to receive the Award and to acquire the Shares upon vesting of the RSUs. If, for any reason, you fail to obtain such Approval, then the Company shall bear no obligation whatsoever to you regarding the Award, the RSUs or the Shares subject thereto.

3. An Associated Company incorporated in Korea shall, in collecting, retaining, using, processing, transferring and disclosing to others your Personal Data, comply with the provisions of the Personal Information Protection Act. Section 22 shall apply to such collection, retention, use, processing, transfer and disclosure to the maximum extent permitted by the Personal Information Act.

MALTA

To the extent that the Agreement provides for any amount payable by you in respect of or in connection with the Award to be deducted from your salary, you hereby agree that in lieu of such deductions, the Company may instead reduce your salary by the amount equal to such deductions.

ROMANIA

Your Award is subject to the Plan, the Sub-Plan Governing Awards to Participants in Romania and the following specific conditions:

1. Section 22.4 of the Terms shall be amended and replaced by the following:

   "You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data, not be subject to an individual decision based on automatic processing, address to the supervisory authority or to a court of law, refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain your Award and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative."

SPAIN

The following provisions shall replace Section 22 of the Terms:

"22.1 You hereby explicitly and unambiguously consent to the collection, retention, use, processing and transfer, in electronic or other form, of your Personal Data by the Company, any Associated Company, the trustees of any Employee Benefit Trust, any administrator of the Plan, the Company's registrars, transfer agent, brokers and other agents, whether among themselves or to any third party, for the exclusive purpose of implementing, administering and managing your participation in the Plan.

22.2 You understand that the Company and its Associated Companies may hold certain personal information about you that constitutes Personal Data, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, passport and/or visa information, email address, employment history, directorships or offices you hold in the Company or any Associated Company, any Shares held by you, details of all Awards or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in your favour, details of any change in your Service status or absences on leave, for the exclusive purpose of implementing, administering and managing the Plan.

22.3 You understand that your Personal Data may be transferred to the Company's-designated Plan broker and to Computershare, or such other stock plan service provider as may be selected by the Company in the future, for assisting the Company with the implementation, administration and management of the Plan. You understand that recipients of your Personal Data may be located both in and outside the European Union or the European Economic Area, and that some recipients' countries (for example the United States) may apply data protection standards which are not equivalent to the ones applied within the European Union. You understand that you may request a list with the names and addresses of any potential recipients of your Personal Data by contacting your local human resources representative. You authorize the Company, its designated Plan broker and Plan administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

22.4 You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, execute your access, rectification, cancellation and objection rights on data, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain your Award and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative."

UNITED KINGDOM

To the extent permitted by Applicable Law, the Company may at any time prior to the vesting of RSUs under your Award determine that liability for all or some of the employer's National Insurance Contributions arising therefrom (or from the acquisition of Shares pursuant thereto) shall be transferred to or borne by you (" **Determination** "). In the event that the Company makes the Determination, you will be notified. You hereby agree that following such notification you will at any time upon request join in with the Company or any Associated Company or any other person in making any election or notice reasonably required by the Company or such Associated Company or other person (as applicable) for the purpose of ensuring that the liability for all employer's National Insurance Contributions (or any similar social security contributions) arising as a consequence of the vesting of your RSUs (or the acquisition of Shares pursuant thereto) is assumed and borne solely by you and treated as a liability falling on you instead of on the Company or such Associated Company or other person (as applicable) and in entering into any arrangements required by HM Revenue & Customs (" **HMRC** ") for securing that any liability so assumed is duly paid by you. You shall not be required to enter into any election or notice pursuant to this paragraph in the event that you enter into such other arrangements with the Company, any Associated Company or any other person (as applicable) that are satisfactory to the Company, such Associated Company or any other person (as applicable) to discharge any liability referred to in this paragraph. If the Company makes the Determination, you shall indemnify and keep indemnified the Company, your Employer and any Associated Company against all employer's National Insurance Contributions arising from the vesting of RSUs under your Award (or the acquisition of Shares pursuant thereto) and to the extent permitted by Applicable Law and (save where you are liable to account for the same directly to HMRC) such employer's National Insurance Contributions shall be treated as a Tax-Related item for the purpose of Section 16.

KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN

NOTICE OF SHARE OPTION GRANT

(SENIOR VICE PRESIDENT)

You (being the Participant named below) (" **you** ") have been granted an option (the " **Option** ") by King Digital Entertainment Public Limited Company (the " **Company** ") under its 2014 Equity Incentive Plan (the " **Plan** ") to subscribe for the number of Shares set out below (the " **Option Shares** "). The Option is granted subject to the terms and conditions of the Plan, this Notice of Share Option Grant (the " **Notice** ") and the attached Share Option Terms (the " **Terms** "), including any applicable country-specific provisions in the appendix attached thereto (if any) (the " **Appendix** "), (the Notice together with Terms (including the Appendix) being the " **Agreement** *")* .

Unless otherwise defined in this Agreement, any capitalized terms used in this Agreement will have the meaning given to them in the Plan.

Participant Name: _____

Option Shares (Number): _____

Date of Grant: _____

Exercise Price per Option Share: _____

Expiration Date: _____, 20 ___(the " **Expiration Date** "). The Option will expire before the Expiration Date if your Service terminates, as described in the Terms, and may expire earlier in other circumstances in accordance with the Terms and the Plan.

Vesting Commencement Date: _____

Vesting Schedule: The Option will become exercisable in instalments over the period of 48 months measured from the Vesting Commencement Date; the Option will become exercisable with respect to twenty-five percent (25%) of the total number of Option Shares on the date 12 months after the Vesting Commencement Date and with respect to the remaining seventy-five percent (75%) in a series of 12 equal quarterly instalments over the 36-month period thereafter.

You acknowledge that vesting of the Option is earned only by continuing in Service. You acknowledge and agree that the vesting schedule described above may change prospectively in the event that your Service status changes, in accordance with Company policies relating to leave from work, work schedules and vesting of Options under the Plan, and the provisions of the Plan.

You further acknowledge that the grant of the Option is at the Company's sole discretion, and does not entitle you to further grant(s) of Options or other Award(s) under the Plan or awards under any other plan or program maintained by the Company or any Associated Company or affiliate of the Company.

You are required to pay the Company a nominal amount in consideration for the grant of your Option. That amount will be determined by the currency in which your salary is paid and will be the appropriate one of the following: one pound sterling (£1); one U.S. dollar ($1); one Euro (€ 1) or ten Swedish Kroner (SEK10) or a single unit of the relevant local currency. Unless otherwise determined by the Company, and notified to you, the appropriate amount will be deducted from payroll on the next practicable payroll date after the date on which you confirm your acceptance of the Option, and you hereby authorise that deduction.

The Option shall not take effect unless you have confirmed your acceptance of it on the on-line or electronic system operated by Computershare by the date indicated below. By doing so you will be accepting the Option on the terms and conditions set out in this Notice, the attached Terms (including any

Appendix) and the Plan, and in consideration of the grant of the Option by the Company, you will undertake the obligations given to you under this Notice, the Terms and the Plan.

Also, you will be consenting to the delivery to you of Plan documents, including any notices provided for in the Terms, this Notice or the Plan, by electronic delivery and to participating in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

SIGNED
on behalf of **K ING D IGITAL E NTERTAINMENT P UBLIC L IMITED C OMPANY**
by _____
its authorised signatory:

_____
Authorised Signatory (Signature)

IMPORTANT: YOU MUST ACCEPT THIS OPTION BY ◆

KING DIGITAL ENTERTAINMENT PUBLIC LIMITED COMPANY 2014 EQUITY INCENTIVE PLAN
SHARE OPTION TERMS

(SENIOR VICE PRESIDENT)

Pursuant to the attached Notice of Share Option Grant (the " **Notice** ") and these Share Option Terms (the " **Terms** "), (including any applicable country-specific provisions in the Appendix attached hereto (if any)), King Digital Entertainment Public Limited Company (the " **Company** ") has granted you an option under its 2014 Equity Incentive Plan (the " **Plan** ") to subscribe for up to the number of Shares specified in the Notice (the " **Option** "). The Option is granted to you effective as of the date of grant specified in the Notice (the " **Date of Grant** ") although shall not take effect unless you accept the Award on the on-line or electronic system operated by Computershare by the date indicated in the Notice.

Except as otherwise explicitly provided in this Agreement, in the event of any conflict between the terms in this Agreement and the Plan, the Plan shall take precedence.

Capitalized terms not explicitly defined in the Notice or this Agreement but defined in the Plan shall have the same definitions as in the Plan. This Agreement constitutes an Award Agreement for the purposes of the Plan.

The terms and conditions of your Option, in addition to those set forth in the Notice and the Plan, are as follows.

1. **Grant of Option** . The Option comprises your right to subscribe for the Option Shares at the exercise price per Option Share set forth in the Notice (the " **Exercise Price** ").

2. **Exercisability/Vesting of Option.** Subject to Section 12.6, the Option shall become exercisable for the Option Shares in accordance with the Vesting Schedule.

3. **Exercise of Option** .

3.1 Right to Exercise . The Option, to the extent exercisable in accordance with the Vesting Schedule and the applicable provisions of the Plan and this Agreement, may be exercised in full or in part at any time. The Option may not be exercised for a fraction of an Option Share.

3.2 Taxes . You will not be allowed to exercise the Option unless you make arrangements acceptable to the Company to pay any taxes, social insurance contributions and other required deductions that may be due as a result of the Option exercise.

3.3 Method of Exercise .

3.3.1 The Option may be exercised by delivery of a notice of exercise in a form specified by the Company (the " **Notice of Exercise** "), which shall state your election to exercise the Option, the number of Option Shares in respect of which the Option is being exercised (the " **Exercised Shares** "), and contain such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Notice of Exercise shall be delivered in such form as shall be notified to you from time to time by or on behalf of the Company, which may include delivery in person, by mail, via electronic mail or facsimile or by other authorised method to the Secretary of the Company or other person designated by the Company. The Notice of Exercise shall be accompanied by payment of the aggregate Exercise Price for the Exercised Shares. The Option shall be deemed to be exercised upon receipt by the Company of a fully executed Notice of Exercise accompanied by the aggregate Exercise Price payable and payment in full for any Tax-Related Items due upon exercise of the Option (as described in Section 18 below).

3.3.2 The Option may also be exercised pursuant to a written plan that meets the requirements of Rule 10b5-1 under the Exchange Act.

3.4 Exercise by Another . If another person elects to exercise the Option after it has been transferred to him or her in compliance with this Agreement and the Plan, that person must prove to the Company's satisfaction that he or she is entitled to exercise the Option. That person must also complete a Notice of Exercise and pay the Exercise Price and any Tax-Related Items due upon exercise of the Option (as described in Section 18 below).

4. **Method of Payment of Exercise Price** . Payment of the aggregate Exercise Price for the Exercised Shares shall be by one of the following, or a combination thereof:

4.1 cashless exercise through irrevocable directions to a securities broker approved by the Company to sell all or part of the Exercised Shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the aggregate Exercise Price of the Exercised Shares, and any Tax-Related Items due upon exercise of the Option (as described in Section 18 below) (a " **Same-Day Sale** "). The balance of the sale proceeds, if any, will be delivered to you. The directions must be given by electronic or other means permitted by the Company; or

4.2 other method authorised by the Company.

5. **Insider Trading Policy.** The exercise of the Option and all transactions in the Shares issuable upon exercise of the Option shall be subject to the Company's then current Insider Trading Policy.

6. **No Exercise during Disciplinary Procedure** . If you are subject to an investigation or disciplinary process which in the Committee's opinion could result in a termination of your Service for Cause the Committee may, in its sole discretion, determine that no exercise of the Option will be permitted while such investigation or process is in progress.

7. **Shares/Electronic Delivery of Shares.** The Shares issued to you on exercise of your Option shall be newly issued Shares. Upon issuance, the Shares shall be fully paid and non-assessable. Delivery of Shares to you shall be effected by crediting the depositary nominated by the Company, Depositary Trust Company (or its nominee), with the number of Shares due to you, to be held by it in electronic form on your behalf as beneficial owner.

8. **No Shareholder Rights** . Unless and until such time as Shares are issued to you upon exercise of the Option, you, or any person claiming under or through you, shall have no ownership of the Shares subject to the Option and shall have no right to dividends in respect of or to vote the Option Shares.

9. **Dividend Equivalents** . Dividend Equivalents shall not be credited to you in respect of the Option Shares.

10. **Variation of Option Shares** . The Option Shares and the Exercise Price may be adjusted from time to time for variations in the Company's share capital, as provided in the Plan.

11. **No Transfer.** The Option is not transferable and may not be sold, pledged, assigned, hypothecated, transferred or otherwise disposed of by you in any manner other than by will or by the laws of descent or distribution or unless otherwise permitted by the Company on a case-by-case basis in accordance with the Plan. The Option shall lapse to the extent you purport to so sell, pledge, assign, hypothecate, transfer or otherwise dispose of it. After the Shares have been issued to you, upon exercise of the Option, you are free to sell, pledge, assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Shares, provided that any such action is in compliance with the provisions of this Agreement, (including the country-specific Appendix hereto), the Plan and Applicable Law.

12. **Termination of Service**

12.1 Unvested Option Shares . Subject to Section 12.6, if your Service terminates for any reason, the Option will lapse on the date of termination of your Service with respect to the number of Option Shares for which it is not yet exercisable as of that date in accordance with the Vesting Schedule.

12.2 Vested Option Shares – General Rule . If your Service terminates for any reason except death, retirement in accordance with your Service Agreement or Disability, then, to the extent the Option is exercisable in accordance with the Vesting Schedule (subject to Section 12.6) as of the date of termination of your Service, it may be exercised within the period of three (3) months after such date. To the extent not so exercised, the Option shall lapse at the close of business at Company headquarters on the date three (3) months after the date your Service terminates.

12.3 Vested Option Shares – Death . If your Service terminates by reason of your death, or if you die within three (3) months after your Service terminates (other than for Cause or due to Disability or retirement), then, to the extent the Option is exercisable in accordance with the Vesting Schedule as of the date of termination of your Service, it may be exercised within the period of 12 months after such date by your estate or the person who acquired the right to exercise the Option by bequest or inheritance. To the extent not so exercised, the Option shall lapse at the close of business at Company headquarters on the date 12 months after the date your Service terminates.

12.4 Vested Option Shares – Disability or Retirement . If your Service terminates because of your Disability or retirement in accordance with your Service Agreement, then to the extent the Option is exercisable in accordance with the Vesting Schedule as of the date of termination of your Service, it may be exercised within the period of 12 months after such date. To the extent not so exercised, the Option shall lapse at the close of business at Company headquarters on the date 12 months after the date your Service terminates.

12.5 Termination for Cause . If your Service is terminated for Cause, the Option shall lapse in its entirety on the date of termination of your Service or, if earlier, the service of notice of such termination.

12.6 Change of Control Termination.

12.6.1 In the event of a Change of Control Termination, the Option (as assumed, exchanged, substituted, replaced or converted, if applicable) shall automatically accelerate and become exercisable as of the date of termination of your Service with respect to fifty percent (50%) of the Option Shares (if any), or the shares or other securities for or by which the Option Shares have been exchanged, substituted or replaced or converted to, for which the Option is not yet exercisable as of that date in accordance with the Vesting Schedule.

12.6.2 For purposes of this Section 12.6;

(a) **"Change of Control Period"** , means a period that commences on the date that falls three months prior to the date of exchange of contracts in relation to an applicable Corporate Transaction and terminates on the date that falls 12 months immediately after the completion of an applicable Corporate Transaction;

(b) **"Change of Control Termination"** , means the termination of your employment with the Company or an Associated Company or any successor thereto (the " **Employer** ") during a Change of Control Period where:

(i) the Employer serves notice to terminate your employment, save where it is entitled summarily to terminate your employment without notice or payment in lieu of notice under the Service Agreement; or

(ii) you terminate your employment with the Employer with or without notice for Good Reason (other than in circumstances where the Employer has reasonable grounds for summary dismissal without notice or payment in lieu of notice under the Service Agreement) provided that you must, before you terminate your employment for Good Reason, and if (on a reasonable view) the circumstances that constitute Good Reason are remediable, have first given the Employer a written notice stating clearly the event or circumstance that constitutes Good Reason in your belief, acting in good faith, and given the Employer a period of not less than 15 working days to cure the event or circumstance allegedly constituting Good Reason and no Good Reason shall exist if on a reasonable view the event or circumstance is cured by the Employer;

(c) " **Good Reason** ", means grounds that entitle you to treat yourself as being constructively dismissed (within the meaning of section 95(1)(c) of the Employment Rights Act 1996) as may be determined by a court of competent jurisdiction. Examples of such grounds may include, but are not limited to, circumstances where you are required to permanently relocate outside of Greater London, where your pay is unilaterally reduced, where the Employer is in breach of the Service Agreement, or where on a Corporate Transaction the acquiring entity did not give you options, compensation or equity of at least the same value as the value of any shares under option or award (net of exercise or purchase price) held by you which are no longer capable of vesting or being exercised after such Corporate Transaction; and

(d) " **Service Agreement** " means any unexpired service agreement between you and the Company or an Associated Company in effect from time to time.

12.7 No Notice of Post-Service Exercise Period . You are responsible for ascertaining the applicable period during which the Option may be exercised following the termination of your Service for any reason. The Company will not provide you with any notice of such period or its expiration.

12.8 Date of Termination of Service . Your Service will be considered terminated as of the date you cease to be an Employee, Consultant, Director or Non-Employee Director of the Company or an Associated Company, (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your Service Agreement, if any) and, subject to Applicable Law, your Service will not be extended by any notice period or garden leave period mandated by local law or any period during which you have ceased to provide services to the Company or an Associated Company but during which the Company or an Associated Company is legally required to continue to employ you. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

12.9 No Exercise after Expiration Date . In no event may the Option be exercised later than the Expiration Date set forth in the Notice.

13. **Term of Option** . The Option shall in any event expire on the Expiration Date.

14. **No Rights as Employee, Director or Consultant** .

14.1 Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company or an Associated Company to terminate your Service, for any reason, with or without cause.

14.2 Nothing in this Agreement (including, but not limited to, vesting of the Option pursuant to the Vesting Schedule), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Associated Company; (ii) constitute any promise or commitment by the Company or an Associated Company regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or the Plan; or (iv) deprive the Company or its Associated Companies, as applicable, of the right to terminate your Service without regard to any future vesting or exercise opportunity that you may have under the Option.

14.3 By accepting the Option, you acknowledge and agree that the right to continue vesting of the Option pursuant to the Vesting Schedule is earned only by continuing in Service (not through the act of being hired, being granted the Option or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Associated Companies at any time or from time to time, as it deems appropriate (a “reorganization”). You further acknowledge and agree that such a reorganization could result in the termination of your Service, or the termination of Associated Company status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting of the Option. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the Vesting Schedule or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued employment or engagement as an employee or director of or consultant to the Company or any Associated Company for the duration of the Vesting Schedule, for any period, or at all, and shall not interfere in any way with your right or the right of the Company or any Associated Company, as applicable, to terminate your Service at any time.

15. **Discretionary Nature of Option** . In accepting the Option, you acknowledge, understand and agree that:

15.1 the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

15.2 the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options or other Awards under the Plan, or benefits in lieu of Awards, even if other Awards have been granted in the past;

15.3 all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

15.4 you are voluntarily participating in the Plan;

15.5 the Option and any Shares acquired by you under the Plan are not intended to replace any pension rights or compensation;

15.6 the Option and any Shares acquired under the Plan and the income and value of same are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments or for any other purpose;

15.7 the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

15.8 no claim or entitlement to compensation or damages shall arise from lapse of the Option resulting from you ceasing to be employed by or provide other services to the Company or any Associated Company (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your Service Agreement, if any), and in consideration of the grant of the Option to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or any of its Associated Companies, waive your ability, if any, to bring any such claim, and release the Company and its Associated Companies from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

15.9 unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company or exchanged, cashed out, replaced or substituted for or otherwise continued or preserved or dealt with in any particular manner in connection with a Corporate Transaction; and

15.10 you acknowledge and agree that neither the Company nor any Associated Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Option and the Shares subject to it or the subsequent sale of any such Shares.

16. **Option and Shares Subject to Company Clawback or Recoupment.** The Option, and any Shares acquired upon exercise of the Option, shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Company or required by law during the term of your Service that is applicable to you, and in addition to any other remedies available under Applicable Law, such policy may require the cancellation of the Option in full or in part (whether vested or unvested), a reduction in the number of Option Shares that will become exercisable/vest, and/or the recoupment of any economic benefit already realized by you with respect to the Option or Shares acquired under it, if you engage or have engaged in activity that is inimical, contrary or harmful to the interests of the Company, as more fully described in such policy.

17. **Tax Consequences** . You acknowledge that there may be tax consequences upon the grant, vesting and/or exercise of the Option or disposition of the Shares acquired thereunder and you should consult a tax adviser regarding your tax obligations prior to such grant, vesting, exercise or disposition, in the jurisdiction(s) where you are subject to tax.

18. **Payment of Taxes**

18.1 Regardless of any action the Company or the Employer takes with respect to any or all income tax, national or social insurance contributions, payroll tax, payment on account or other tax-related withholding (" **Tax-Related Items** "), you acknowledge that

the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items.

18.2 Prior to exercise of the Option, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, with the Company's consent, these arrangements may include (a) payment by you of an amount equal to the Tax-Related Items directly by cash, cheque, wire transfer, bank draft or money order payable to the Company, (b) if permissible under Applicable Law, withholding an amount equal to Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer, (c) having the Company withhold payments for Tax-Related Items and any fees or charges payable by you in connection with such sale, from the proceeds of a Same-Day Sale, or (d) any other arrangement approved by the Company. You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or the vesting or exercise of the Option that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to issue Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

18.3 You hereby agree to indemnify and hold the Company, the Employer and each Associated Company of the Company harmless in respect of all Tax-Related Items.

19. **No Advice Regarding Option.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, the exercise of the Option or the sale of Shares acquired under the Option. You are advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan or the Option.

20. **Consent to Electronic Delivery of All Plan Documents and Communications**. Any notices provided for under this Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, fourteen (14) days after posting from the United Kingdom by prepaid post, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and the Option by electronic means or request your consent to participate in the Plan by electronic means. By accepting the Option you are consenting to receive such documents by electronic delivery and agreeing to participate in the Plan through an on-line or electronic system established and maintained by the Company, Computershare or another third party designated by the Company.

21. **Compliance with Laws and Regulations**.

21.1 Shares will not be issued to you upon exercise of the Option unless either (i) the Shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. The issuance of Shares to you under the Option will also be subject to and conditioned upon compliance by the Company and you with all other Applicable Law. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance of any Shares shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. The Company shall not be obliged to register the Shares with the SEC or to effect compliance with the registration, qualification or

listing requirements of any securities laws, exchange control laws, stock exchange or automated quotation system and the Company shall have no liability to you for any inability or failure to do so.

21.2 As a condition to the issuance of any Shares pursuant to the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law and to make any representation or warranty with respect thereto as may be requested by the Company. Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

22. **Appendix.** Notwithstanding any provision in this Agreement, the Option shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

23. **Necessary Amendments.** Notwithstanding anything in the Plan to the contrary, the Company reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. **Data Protection.**

24.1 You hereby explicitly and unambiguously consent to the collection, retention, use, processing and transfer, in electronic or other form, of your Personal Data by the Company, any Associated Company, any administrator of the Plan, the Company's registrars, transfer agent, brokers and other agents, whether among themselves or to any third party, for the exclusive purpose of implementing, administering and managing your participation in the Plan.

24.2 You understand that the Company and its Associated Companies may hold certain personal information about you that constitutes Personal Data, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, passport and/or visa information, email address, employment history, directorships or offices you hold in the Company or any Associated Company, any Shares held by you, details of the Option and all other Awards or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding in your favour, details of any change in your Service status or absences on leave, for the exclusive purpose of implementing, administering and managing the Plan.

24.3 You understand that your Personal Data may be transferred to the Company's-designated Plan broker and to Computershare, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that recipients of your Personal Data may be located both in and outside the European Union or the European Economic Area, and that a recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of your Personal Data by contacting your local human resources representative. You authorise the Company, its designated Plan broker and Plan administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer your Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

24.4 You understand that your Personal Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view your Personal Data, request additional information about the storage and processing of your Personal Data, require any necessary amendments to or deletions from your Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Company or its Associated Companies will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Awards under the Plan or other options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to retain the Option and to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

25. **Entire Agreement; Enforcement of Rights.**

25.1 This Agreement, the Plan and the Notice constitute the entire agreement and understanding between you and the Company and its Associated Companies relating to the subject matter herein and they supersede all prior discussions between you and the Company or any Associated Company regarding the subject matter. Any prior agreements, commitments or negotiations concerning the Option are superseded.

25.2 The provisions of this Agreement (and, in particular, Section 18) may also be enforced by the Employer and each Associated Company of the Company.

26. **Amendments**. Subject to Section 23, no modification of or amendment to this Agreement nor any waiver of any rights under this Agreement, shall be effective unless in writing (including electronically) and signed (or consented to by electronic means approved by the Company) by both you and the Company and, in the case of the Company, executed as a deed where so required. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

27. **Further Assurance**. You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of the Option.

28. **Plan Prospectus and Insider Trading Policy.** You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's Insider Trading Policy permitting officers, directors and employees of the Company and its Associated Companies to trade Shares only during certain "window" periods in effect from time to time.

29. **Successors and Assigns**. Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto, including, without limitation, any business entity that succeeds to the business of the Company.

30. **Severability.** If one or more provisions of this Agreement are held to be unenforceable under Applicable Law, you and the Company agree to renegotiate such provision in good faith. In the event that a mutually agreeable and enforceable replacement for such provision cannot be agreed, then, to the maximum extent permitted by Applicable Law, (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such

provision were so excluded, and (iii) the balance of this Agreement shall be enforceable in accordance with its terms.

31. **Governing Law** . This Agreement, the Plan, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in relation to all matters arising under this Agreement and the Plan.

32. **Translations** . If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different to the English version, the English version will control.

33. **Headings.** The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

34. **Counterparts.** The Notice may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

35. **Acknowledgement.** The Company and you agree that the Option is granted under and governed by this Agreement and the Plan. You acknowledge that a copy of the Plan has been made available to you on Kingfluence and you represent that you have carefully read and are familiar with its provisions.

By accepting the Option, you shall be deemed to have agreed to the terms and conditions of the Share Option Terms (including any Appendix thereto), the Notice and the Plan.

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TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that govern the Option granted under the Plan to you if you reside and/or work in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Terms.

In the event of any conflict between the provisions of this Appendix and the Notice and/or the Terms, this Appendix shall prevail.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment after the Option is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

GENERAL

This Appendix contains information of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of 1 May 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your Option is exercised or you sell Shares acquired pursuant thereto.

The information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

UNITED KINGDOM

To the extent permitted by Applicable Law, the Company may at any time prior to the exercise of your Option determine that liability for all or some of the employer's National Insurance Contributions arising from the vesting or exercise of your Options (or from the acquisition of Shares pursuant thereto) shall be transferred to or borne by you (" **Determination** "). In the event that the Company makes the Determination, you will be notified. You hereby agree that following such notification you will at any time upon request join in with the Company or any Associated Company or any other person in making any election or notice reasonably required by the Company or such Associated Company or other person (as applicable) for the purpose of ensuring that the liability for all employer's National Insurance Contributions (or any similar social security contributions) arising as a consequence of the vesting or exercise of your Options (or the acquisition of Shares pursuant thereto) is assumed and borne solely by you and treated as a liability falling on you instead of on the Company or such Associated Company or other person (as applicable) and in entering into any arrangements required by HM Revenue & Customs (" **HMRC** ") for securing that any liability so assumed is duly paid by you. You shall not be required to enter into any election or notice pursuant to this paragraph in the event that you enter into such other arrangements with the Company, any Associated Company or any other person (as applicable) that are satisfactory to the Company, such Associated Company or any other person (as applicable) to discharge any liability referred to in this paragraph. If the Company makes the Determination, you shall indemnify and keep indemnified the Company, your Employer and any Associated Company against all employer's National Insurance Contributions arising from the vesting or exercise of your Option (or the acquisition of Shares pursuant thereto) and to the extent permitted by Applicable Law and (save where you are liable to account for the same directly to HMRC) such employer's National Insurance Contributions shall be treated as a Tax-Related item for the purpose of Section 18 of the Terms.

Subsidiaries of the Registrant **Exhibit 8.01**

Name of Subsidiary	Jurisdiction of Incorporation or Organization
King Digital Malta Holding Limited	Malta
Midasplayer International Holding Company Limited	Malta
Midasplayer Malta Holding Company Limited	Malta
King.com Limited	Malta
King Digital Malta Intermediate Limited	Malta
Midasplayer Technology AB	Sweden
Midasplayer.com Limited	England and Wales
Midasplayer AB	Sweden
Midasplayer Vertriebs GmbH	Germany
King.com Inc.	USA
Digital Jester Limited	England and Wales
King Games Studio S.L.	Spain
King Mobile AB	Sweden
Midasplayer (Skills) Limited	England and Wales
King Shared Services S.L.	Spain
King Games Studio (Bucharest) SRL	Romania
King Japan Co. Ltd	Japan
King.com Payments LLC	USA
Astrapia Limited	England and Wales
Nonstop Games Oy	Finland
GamesMadeMe PTE Ltd	Singapore
King Korea Ltd	Korea
King Digital Technology (Shanghai) Co. Ltd	China
Ludonauts Limited	Malta

Exhibit 12.01

Certification by the Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Riccardo Zacconi, certify that:

1. I have reviewed this annual report on Form 20-F of King Digital Entertainment plc:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: February 13, 2015

/s/ Riccardo Zacconi
Name: Riccardo Zacconi
Title: Chief Executive Officer

Exhibit 12.02

Certification by the Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Hope Cochran, certify that:

1. I have reviewed this annual report on Form 20-F of King Digital Entertainment plc:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: February 13, 2015

/s/ Hope Cochran
Name: Hope Cochran
Title: Chief Financial Officer

Exhibit 13.01

Certification by the Chief Executive Officer pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of King Digital Entertainment plc (the "Company") on Form 20-F for the fiscal year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Riccardo Zacconi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2015

/s/ Riccardo Zacconi
Name: Riccardo Zacconi
Title: Chief Executive Officer

Exhibit 13.02

Certification by the Chief Financial Officer pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of King Digital Entertainment plc (the "Company") on Form 20-F for the fiscal year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hope Cochran, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 13, 2015

/s/ Hope Cochran
Name: Hope Cochran
Title: Chief Financial Officer

Exhibit 15.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333 195 457) of King Digital Entertainment plc of our report dated 13 February, 2015 relating to the financial statements, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers LLP
London, United Kingdom
13 February, 2015